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OBI Pharma, Inc.

Annual Report 2022

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I Letter to Shareholders

Dear Shareholders,

As a cancer therapy product innovation platform, OBI Pharma, Inc., on top of accelerating its R&D pace and sparing no efforts to promote its product clinical application, focuses on the bio-tech development trends in recent years; at the very moment of overall growth of the bio-tech industry, it is pleasant to witness that the bio-tech industry is trying cross-field and cross-industry combination, and this demonstrates that we should both persist and also advance with the times and keep pursuing more diversified possibilities of expansion and development in the long journey of new drug R&D.

OBI's sustainable operation strategy is to develop new best-in-class drugs for clinically verified targets to improve its market competitiveness. Anti-body small-molecule drug conjugate (ADC) is still the most sought-after drug cancer therapy; in recent years, OBI, on top of possessing the Globo H anti-body ADC and OBI-999 which are now in phase II clinical trials, has got down to develop the authorized TROP 2 monoclonal antibody to ADC in an extremely brief period. As there have been TROP 2 drugs which have been successfully developed and launched, we have further improved and optimized TROP 2 by using its feature of high adhesion to cancer cell antigens, and expect to put it in clinical trial and develop more superior and outperforming ADC.

Besides, since its establishment, OBI has developed different new anti-cancer drugs with Globo H and SSEA-4 as targets, such as active vaccines, passive monoclonal antibody immunotherapies and ADC, to treat highly-expressed Globo H and SSEA-4 tumors. Till now, four new drugs have been in phase I, phase II and phase III clinical trials; OBI is currently the only and one bio-tech company which is promoting the Globo Series sugar molecular immunotherapy in the mid-to-late stages and possesses diversified technological platforms and rich production lines.

Below are the clinical progress of OBI product lines and its R&D achievements last year:

A. 2022 BUSINESS RESULTS

[R&D ACHIEVEMENTS IN MAJOR PRODUCTS]

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

Adagloxad simolenin is a new active immunity anti-cancer drug with the sugar antigen Globo H on the tumor surface as the action target, and generates antibodies against Globo H from in-vivo

immune cells after injection through linking Globo H and hemocyanin KLH of carriers to treat cancers.

The global phase I-III clinical trials are designed to be randomized, open-label and controlled standard care and regards patients with triple negative breast cancer (TNBC) with high post-operation recurrent risk as the test subjects, and it is evaluated that unmet medical needs remain to exist in the group. The test regards patients with TNBC with a certain Globo H expression level on the tumor surface screened using immunohistochemistry (IHC) approved by FDA of the United State as the test subjects; OBI has been actively including cases in 13 countries and regions, such as Taiwan, USA, Australia, China, etc. In 2022, OBI obtained the approval to accelerate its trial inclusion in Brazil, Poland, etc., and interim analysis is expected next year (in 2024).

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

OBI-999is an antibody drug conjugate (ADC) based on OBI-888 monoclonal antibody. Preliminary pharmacological tests and animal tests have shown that OBI-999 has good homogeneity and stable structure, and animal toxicological tests also have shown the safe dose range of this product; animal tests on several cancers have shown excellent anti-cancer effects.

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

OBI-999 obtained the qualification as an orphan drug for the treatment of pancreatic carcinoma and gastric carcinoma by FDA of the United States in 2019 and 2020 respectively, and won the Product Award in International Innovation Awards in 2020. the Company has carried out relevant patent layout for the product, and obtained patents in USA, Taiwan and South Africa.

3. OBI-3424 AKR1C3 Enzyme Prodrug

OBI-3424 is a precursor of the first small molecule new drug, which can selectively act on a variety of cancers over-expressed by AKR1C3 aldosterone reductase. Has been approved by FDA of the United States as an orphan drug for the treatment of hepatocellular carcinoma (HCC) and acute lymphoblastic leukemia (ALL) in 2018. Besides, OBI-3424 was recognized by winning the the Product Award in International Innovation Awards in Asia-pacific Region in December, 2018.

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

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

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

OBI-833 is a new active immunity anti-cancer drug with the sugar antigen Globo H as the action target, and generates antibodies against Globo H from immune cells after injection through linking Globo H with CRM197 with diphtheria toxoid (DT) as the carrier protein to treat cancers.

After completing the safety evaluation of the phase I dose-escalation clinical trial of OBI-833, we immediately launched a cohort expansion trial for the treatment of non-small cell lung cancer, which was completed in 2021. The results of the dose-escalation trial and the cohort expansion trial, including safety and immune antibody response (the results of the tumor response in the cohort expansion trial), were published at the 2020 ESMO Asia Annual Meeting. The overall trial results showed that OBI-833 presented a good safety profile. In the cohort expansion trial of 14 patients with non-small cell lung cancer, OBI-833 elicited a beneficial immune response; 11 of the 14 patients received both OBI-833 and an EGFR tyrosine kinase inhibitor in the trial, and eight of them had stable disease for more than 6 months, achieving a durable stable disease status; 1 patient's tumor shrank by 27% after 16 months of OBI-833 treatment.

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

5. OBI-866 SSEA-4 active immunity vaccine

OBI typically regards polysaccharide series (Globo series) as the targets to develop diversified and innovative cancer immunotherapy; except for the Globo H-targeted products, OBI is actively developing various innovative anti-cancer therapies of highly-expressed SSEA-4 sugar antigen on tumor stem cells. This product is exactly a new active immunity anti-cancer drug with SSEA-4 as the action target, and was approved to obtain the patent in Taiwan in 2021. At present, this product is currently undergoing phase I clinical trials in Taiwan, in this stage of trial, patients with terminal ovarian carcinoma, renal carcinoma, brain cancer, pancreatic carcinoma, mastocarcinoma, lung carcinoma and other solid tumors/metastatic cancers are accepted as subjects, and it is expected to complete the acute safety evaluation and immunogenicity analysis this year.

[Academic development achievements]

OBI Pharma, Inc. published a total of five poster papers at international academic conferences in 2022, and two papers at the annual meeting of the American Association for Cancer Research (AACR), respectively using scientific data to clarify the anti-tumor synergy combining OBI-3424 and pembrolizumab (PD-1). The other is a new finding that the survival rate of gastric cancer patients with high expression of Globo H and PD-L1 is low. In addition, at the annual meeting of the American Society of Clinical Oncology (ASCO), it released the new clinical research progress of the anti-Globo H cancer vaccine Adagloxad Simolenin, the antibody small molecule drug complex (ADC) OBI-999 and the first prodromal chemotherapy drug OBI-3424 targeting AKR1C3. The heads of the projects came in person to discuss the innovative treatment for cancer invented by OBI Pharma, Inc.with attended professionals all round the world.

[Intellectual property protection]

The safeguard of intellectual property is the value of biotechnology companies, in respond to global market competition, OBI reinforced the patent layout in 2022 and strengthened the protection of business secrets as well, achieving many substantial progresses; as at the end of 2022, 26 domestic and foreign trademark certificates had been obtained, owning 157 domestic and foreign patents in total. At the same time, we continue to bring in international high-level management personnel to join the management team and enrich our R&D capabilities in order to respond to the globalization of the market and competition.

[Corporate governance]

1. Implementation of sustainable ESG operation

As a listed company, OBI Pharma, Inc. has taken environmental protection and social responsibility as its own value.Whether it is investors or the community, the evaluation of corporate investment is no longer limited to the financial performance in the past, but ESG, which means environmental, social and corporate governance, not only is an important indicator of company sustainability, but the government has also urged companies to implement ESG through legislation or evaluation.

OBI Pharma, Inc. has been planning to publish Taiwan OBI Sustainability Business Report from 2014 according to Preparation and Filing of Sustainability Reports by Listed Companies and GRI Sustainability Reporting Standards, issued by Global Sustainability Standards Board, to self-inspect the implementation in aspects of ESG, and further formulate Filing and Examining Procedures for Taiwan OBI Sustainability Business Report, and include it into one of the interior control systems.

2. Transparency of information

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

3. Cyber Security Management

In the Internet era, information security is regarded as a national security issue, and it is also one of the risks that modern enterprises continue to face. Especially for biotechnology industry, where trade secrets, technology patents and intellectual property rights are the core values, it is necessary to guarantee the information security. The Company's Information Security Policy follows the PDCA cycle method of the international information security management system ISO/IEC 27001, and adopts multi-layer in-depth defense measures for information security. Periodic information security risk assessment, professional training and general education and training of colleagues are implemented to continuously strengthen the information security management system and technology and improve the protection ability and resilience.

In addition, the Company also built network security protection, completed key system backup mechanisms, disaster preparedness and recovery drills, introduced multi-factor authentication, hard disk encryption technology, endpoint protection and introduced CDN services to accelerate the protection of the company's website applications, mitigate DDOS and block the abuse of malicious programs. In 2022, it also added a host endpoint detection and response mechanism (EDR), a host vulnerability detection and management mechanism, and joined the government-sponsored TW-ISAC enterprise intelligence sharing platform. It integrated ISO/IEC 27001 international common standards to established a more complete ISO/IEC 27001 information security management system (ISMS) in 2022 to achieve effective prevention. Once an information security incident occurs, it can be responded to and disposed in real time, reducing its adverse impact on the company's finances and business.

4. Talent Training and Education

OBI of Taiwan always attaches great importance to human resources. In order to enhance the professional skills of employees and encourage employees to achieve career planning, the Company formulated the "Education and Training Management Measures" to hold education and training from time to time, and provide domestic and foreign training opportunities, encouraging employees to strive for professional certification, so as to improve work performance. It has been included in the annual assessment and promotion reference.

[Budget execution]

The main business item of the Company is new drug R&D. The mainly researched and developed new drugs have not yet been successfully marketed and launched for mass production. The consolidated financial budget execution status of the Company in 2022 is explained below:

Unit: NT$thousand

Item	Actual amount in 2022 (A)	Budget for 2022 (B)	Balance (A - B)
Operating revenue	4,711	11,105	(6,394)
Operating costs	(44,855)	(84,060)	39,205
Operating expenses	(2,082,618)	(2,337,963)	255,345
Non-operating income and expenses	205,670	9,000	196,670
Loss for the year	(1,899,324)	(2,401,918)	502,594

[Financial income and expenditure, and analysis]

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

The consolidated operating income of the Company in 2022 was NT$ 4,711 thousand, and the consolidated R&D expenses were NT$ 1,772,856 thousand, which were mainly used for new drug

research and development projects such as OBI-822, OBI-833, OBI-999 and OBI-3424. As it is still in the R&D investment period, the R&D expenditure is to accumulate the energy for future product listing and profit growth. The financial income and expenditure, and analysis of 2021 are as follows:

Unit: NT$thousand; %

Item		2022	2021	Increase/Decrease
Financial income and expenditure	Operating revenue	4,711	18,772	(74.90%)
	Operating costs	(44,855)	(44,362)	(1.11%)
	Operating expenses	(2,082,618)	(1,690,424)	(23.20%)
	Non-operating income and expenses	205,670	(26,239)	883.83%
	Loss for the year	(1,899,324)	(1,717,890)	(10.56%)
Financial Analysis	Owned Capital Ratio	92.50	86.27	7.22%
	Ratio of long-term funds to fixed assets	627.82	433.74	44.75%
	Liquidity ratio	2,276.44	872.23	160.99%
	Quick ratio	2,170.97	818.16	165.35%
	Rate of return on total assets	(34.10)	(34.90)	2.29%
	Return on stockholders' equity	(37.96)	(39.45)	3.78%
	Net loss per share (NT$)	(7.27)	(7.69)	5.46%

B. 2023 BUSINESS PLAN SUMMARY AND DEVELOPMENT STRATEGY

[Expected Sales]

The main business item of the Company is new drug R&D. The mainly researched and developed new drugs have not yet been successfully marketed and launched for mass production. At present, the Company had only licensed DIFICID to Merck Sharp & Dohme in 2014 and started to receive royalty calculated by % on net sales from Merck. The expected royalty income from DIFICID in 2023 is $1,860,000 ($564,000 as the actual income in the first quarter of 2023 and $1,296,000 expected from the second to fourth quarters).

[Major production and sales policies]

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

1. OBI 2.0 Plan

As a cancer drug development company with diversified technological platforms and targets, OBI has been conducting the OBI 2.0 Plan for product layout in recent years, set a special group composed of senior managers from R&D, Clinical Operation, Business Development Divisions,

etc., carries out periodical inventory of product line development progress and competitiveness as well as investable resources, and decides the development priorities; secondly, OBI stays global and masters situations of our peer competitors, and the development of their latest technologies and preparation formulations, etc.; meanwhile, OBI counts its technological platforms, such as monoclonal antibodies, ADC, bi-specific antibodies, etc., and evaluates its product advantages and disadvantages on this basis, discusses authorization opportunities and technological cooperation, and introduces second-generation technological improvement space to strengthen the product lines and expand the development possibilities.

2. Enhance CMC plan

For the expansion of partners and products, the Company will start enhancing the CMC plan; to put it briefly, OBI and its subsidiaries have made the policy decision to manufacture the majority of products themselves and minimize the ratio of commissioned production to further optimize their quality and schedule management.

3. Enhance international visibility and new layout

OBI is committed to the development of Globo series products, and the only company which is in the mid-to-late development stages in the field across the globe; whilst promoting the product R&D progress, OBI is endeavoring to go international, committed to enhancing its international visibility, and make our progress visible to the medical and academic communities and even the bio-tech industry. Therefore, on one hand, we actively participate in various international bio-tech exhibitions and exchanges, on the other hand, we are also active participant in international academic conferences and encourage our colleagues to academic journals to share OBI's R&D experience and achievements with the global community.

OBI will continue adhering to the policy of going international. During the past two years, on top of R&D work, our colleagues have been actively publishing academic papers; this year, we have published two poster papers in the American Association for Cancer Research (AACR), including: the anti-tumor synergy combining OBI-3424 and pembrolizumab (PD-1), and the CAR-T cancer cell therapy targeting Gloho H. In terms of publication, BCVax protein sub-generation COVID-19 vaccines can provide resistance against several variants in immunogenicity of animal experiments, which have passed preliminary examination.

4. Adjust organization layout and strengthen the operation team

Taking these new strategies into account, the human resource and organization layout has been considerably adjusted based on different development stages and demands, and a corporate

governance supervisor has been set as well to enrich and enhance the operation team's capacities.

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

The development of the bio-tech industry is closely connected with the national security, economic development, health well-being and environmental sustainability; Executive Yuan has listed the bio-tech industry as one of the six core strategic industry projects, and verified diversified bio-tech industry promotion programs and planned the precision health strategic industry to further boost the development of the bio-tech industry in Taiwan, supported the bio-tech industry to develop into an emerging sci-tech industry, built excellent industrial development environment, attracted global investments and make global market layout. The revised Act for the Development of Biotech and Pharmaceutical Industry provides land tax concessions to accelerate the commercialization of R&D achievements relying on incorporated companies' R&D strength; at the same time, it links international resources and speeds up the international marketing of products.

Stimulated by the government act and policies and affected by COVID-19 lasting for over three years, governments generally believe that bio-technology is an important national defense capacity and gains more attention; governments have introduced new policies to stimulate innovative drug R&D and create the development environment of the bio-tech industry, and highlighted the reform and improvement of drug administration regulations to strengthen industry linkage and international compatibility.

Therefore, though the global situation is growing increasingly tense and the Russia-Ukraine Conflict has no reconciliation indications, the recovery of bio-tech industry has been ahead of other industries in haste; especially the bio-tech industry of Taiwan is regarded as a dark horse in the post-pandemic era, and it seems that its years of accumulation have ushered in the spring: topics about drug certification, authorization, clinical development and profit taking have sprung up, as of the end of 2022, the aggregate market value of Taiwan's bio-tech industry has mounted to NT$1.47 trillion, and substantially increasing by over five times compared with that ten years ago, making Taiwan's bio-tech industry a trillion industry in the truest sense; it is estimated to climb higher halfway up.

For OBI which specializes in R&D of first-in-class anti-cancer drugs, the market and environment changes are new challenges and opportunities. On top of keeping eyes on changes in laws and regulations of countries and application of new technologies, we are active in arranging cooperation with relevant upstream and downstream manufacturers, and expect to pursue the value maximization of products after being launched, expand the global market and

benefit the people through joint development and resource and technological complementarity with partners.

Moreover, first-in-class drugs of the Company must be under clinical trials to verify their safety and effectiveness, as a result, bio-tech pharmaceuticals are under strict legal regulation from raw material use, R&D, manufacture and sales to ensure the safety for human use. It is also expected that domestic drug administration and regulatory environment can be further internationalized and constantly improved in order to strengthen the industry linkage and respond to market demands.

D. Concluding remarks

Technological innovation is the most important impetus for industry growth, OBI always focuses on the R&D of first-in-class anti-cancer drugs, and pursues constant progress and in-depth layout in the R&D of new anti-cancer drugs targeting Globo series; in recent years, OBI has expanded its R&D directions from Globo series to the emerging fields of AKR1C3 enzyme and bi-specific antibodies, etc., and been lucubrating the feasibility of conjugates for cancer treatment in the future, and successfully transformed into a development platform for innovative tumor immunotherapy with diversified technologies and targets.

Under the changing context and facing international competitions, OBI keeps inspecting and revising its resource and product competitiveness and development strategies on a rolling basis, and makes short-term, medium-term and long-term development plans. Let's take TROP2 monoclonal antibody authorized by Biosion last year, we regarded it as a new target, improved and optimized it and developed new ADC based on the shortcomings of the existing products available in the market, and will put it under clinical trial. Another example is that OBI has developed the CAR-T cell therapy based its targets of Globo series, TROP2, etc., and obtained satisfactory clinical achievements, so it is worth developing.

The company will constantly keep its maximum R&D strength, actively promote and complete clinical trials of various products, be committed to seeking international cooperation opportunities, and move forward to a transnational bio-tech company with global competitiveness.

OBI Pharma, Inc.
Chairman & CEO Yun Yen

II Company Profile

I. Establishment Date

(1) Establishment date: April 29, 2002

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

1. Company address and telephone number:

19F., No. 3, Yuanqu St., Nangang Dist., Taipei City 115603, Taiwan (R.O.C.)	Tel.:(02)2655-8799
7F., No. 369, Sec. 7, Zhongxiao E. Rd., Nangang Dist., Taipei City 115011, Taiwan (R.O.C.)	Tel.:(02)2786-6589

2. Branch company address and telephone number: NA.
3. Plant address and telephone number: NA.

II. Company history

2002	● In April, OBI Pharma, Inc. (hereinafter referred to as "OBI Pharma") was established by American merchant Optimer Pharmaceuticals, Inc. (Optimer Pharmaceuticals, Inc. locates at US San Diego, it is a NASDAQ listed company with stock code as OPTR, mainly researching and developing new drugs related to anti-infective diseases and cancers). ● OBI Pharma is the subsidiary 100% invested by American merchant Optimer Pharmaceuticals, Inc., upon the establishment, the authorized capital was NT$Forty Million, the paid-up capital was NT$Ten Million, and the founder and Chairman was Michael N. Chang.
2004	● Completed the statistical analysis of DIFICIDTM (Fidaxomicin) CDI epidemiology in Taiwan . ● To expand operations, a capital increase of 12.6 million shares and technology investment of 20.4 million shares, or a total of 33 million shares with par value per share of NTD 10. Authorized capital was NTD 1,200,000,000, and paid-up capital was NTD 340,000,000 ● OBI Pharma coordinated with the manufacturing of DIFICIDTM for a phase I/II clinical trial in Taiwan
2006	● Optimer Pharmaceuticals (NASDAQ:OPTR) initiates a DIFICIDTM Phase III human trial (No. 003 clinical trial)
2007	● Parent company Optimer Pharmaceuticals became public listing in the National Association of Securities Dealers Automated Quotation (NASDAQ) ● OBI Pharma partnered with Academia Sinica on carbohydrate molecules synthesis and carbohydrate membrane array development
2008	● Taiwan's Center for Drug Evaluation granted OBI priority review for OBI-822 (formerly known as OPT-822) ● The research of Academia Sinica pointed out that the Globo series carbohydrates highly perform in cancer cells, and the paper was published in journal Proceedings of the National Academy of Sciences (PNAS)
2009	● Dr. Youe-Kong Shue appointed CEO. ● In order to expand operation, external cash capital increase was carried out to introduce strategic cooperative partners, there were two payment installments in total: the first installment was cash payment of 19.8 million shares, with NT$Ten per share. Apart from the parent company American merchant Optimer Pharmaceuticals, Inc., shareholders of the Company also include large groups, financial holdings and venture capitals etc. in Taiwan; the authorized capital was NT$One Billion Twenty Million, and the paid-up capital was NT$Five Hundred Thirty-Eight Million. ● OBI-822 licensing fully transferred to OBI from Optimer Pharmaceuticals.
2010	● OBI gained the exclusive right to develop OBI-833, a new generation cancer immunotherapy, and OBI-868, a novel cancer diagnosis technology, from Academia Sinica. ● OBI-822 Phase II/III Clinical Trial for metastatic breast cancer began in Taiwan. ● Taiwan Ministry of Economic Affairs approved OBI Pharma Inc. as the new biotechnological drug company.

2011	● OBI-822 Clinical Trial for metastatic breast cancer began in the US and Hong Kong. ● OBI received the Gold Award at the 2011 Taiwan Biomedical and Agricultural Industries Innovation and Excellence Ceremonies ● TFDA granted New Drug Priority Review and exemption requiring a Bridging Study Evaluation (BSE) for DIFICID™. ● OBI Pharma proposed DIFICIDTM new drug application to Taiwan Food and Drug Administration (TFDA). ● OBI Pharma acquired the selling right of DIFICIDTM in Taiwan. ● Cooperated with Academia Sinica to carry out biopharmaceutical national plan of the country, researching and developing the application of carbohydrate membrane array in cancer detection. ● In order to expand operation, second installment was cash payment of 46.2 million shares, with NT$Ten per share. The authorized capital was NT$One Billion Five Hundred Million, and the paid-up capital was NT$One Billion.
2012	● In January, appointed Amy Huang to take the post of Chief Operating Officer of OBI Pharma. ● In January, appointed Dr. Yu Cheng-te to take the post of Chief R&D Officer of OBI Pharma. ● In March, in order to expand operation, issued totally 36 million new shares for cash capital increase, with NT$Ten per share, and every share was issued at premium of NT$Fifteen. The authorized capital was NT$One Billion Five Hundred Million, and the paid-up capital was NT$1,363,842,910. ● In April, since juridical person director of the Company, namely American merchant Optimer Pharmaceuticals, Inc. reassigned the director representative, all attending directors elected Director Tamon Tseng to take the post of Chairman of OBI Pharma. ● In May, approved by the Securities and Futures Bureau, Financial Supervisory Commission, the Executive Yuan to become the public company. ● In June, Drug Controller General of India approved OBI-822 clinical trial license. ● In August, Korea Food and Drug Administration (KFDA) approved OBI-822 clinical trial license. ● In August, Taiwan Food and Drug Administration (TFDA) approved OBI-822, the active immunity anti-cancer drug treating metastatic advanced breast cancer to enter into phase III clinical trial. ● In September, Department of Health issued medicament license for the new antibiotic drug DIFICID® (Fidaxomicin), and approved it to come into Taiwan market. ● In October, the active immunity anti-cancer drug treating metastatic advanced breast cancer OBI-822 was appraised and elected by TFDA as one of the first five partnership projects in pharmaceutical research across the strait. ● In October, juridical person director American merchant Optimer Pharmaceuticals, Inc transferred share holding exceeding one second of the election shares, thus relieved its director identity. ● In November, Hong Kong subsidiary OBI Pharma Limited was established.
2013	● In February, Interim Meeting elected the fourth session directors and supervisors, and the Board of Directors elected Michael N. Chang to take the post of Chairman. ● In March, OBI Pharma (Shanghai) Limited was established. ● In April, appointed Ms Amy Huang to take the post of General Manager of the Company. ● In April, established US subsidiary OBI PHARMA USA, INC. ● In June, elected Dr. Hsu Yo-gung to take the post of Vice Chairman of OBI Pharma. ● In order to expand operation, issued totally 9,493,671 new shares for cash capital increase in October, every share was issued at premium of NT$158. After capital increase, the paid-up capital was NT$1,489,959,170. ● In November, cooperated with Taipei Mackay Memorial Hospital to carry out clinical trial plan for ovarian cancer active immunity anti-cancer drug.
2014	● In April, OBI Pharma and Academia Sinica signed the exclusive license agreement on carbohydrate molecules synthetic technology. ● In July, completed the trial target of 342 patients in OBI-822 random double blind phase II/III breast cancer clinical trial. ● In August, DIFICIDTM and Department of National Health Insurance completed health insurance payment agreement, starting from September, it was listed as the payment item in health insurance.

	● In December, US FDA approved to carry out clinical trial for the new generation active immunity anti-cancer drug (OBI-833).
2015	● In March, officially listed in ROC Taipei Exchange. ● In March, issued totally 20,000,000 new shares for cash capital increase, every share was issued at premium of NT$310. After capital increase, the paid-up capital was NT$1,702,672,100. ● In July, received the notice groom Food and Drug Administration, Ministry of Health and Welfare, the new generation active immunity anti-cancer drug OBI-833 passed the human clinical trial examination (IND). ● In July, awarded the gold award of R&D Technology Award in "Taipei Biotechnology Award" held by Taipei City Government. ● In October, announced to exclusively license the product development and selling right of DIFICIDTM in Taiwan to American merchant Merck Sharp & Dohme.
2016	● In February, OBI-822 clinical trial blind deconvolution was conducted, the preliminary data showed that, despite the trial had not reached to the primary efficacy endpoint, but it certified that OBI-822 had the capacity in generating antibody, and had very significant clinical meaning to the group capable of generating effective antibody. ● In March, received the notice from American Society of Clinical Oncology (ASCO), the result of the Company's new drug for breast cancer OBI-822 phase II/III clinical trial will publish oral paper presentation in the annual meeting of such Society in June. ● In April, Expert Meeting held for OBI-822-001 Study in London ● In June, OBI-822-001 trial data presented at ASCO in Chicago. In the same month, announcement on abstract Study was given at the Investor Conference in Taipei. Annual Shareholders' Meeting was held in Taipei. OBI Pharma announces the re-appointment of Dr. Michael Chang as the Chairman of the Company. ● In August, Dr. Nathan Chen resigned as Chief Medical Officer due to personal reasons, and joins the company's Medical Advisory Board. OBI embarks on non-deal roadshow in the US for the first time. ● In September, OBI was invited to the 17th Annual Asian Technology Conference organized by Credit Suisse. ● In October, OBI sponsored an Adagloxad Simolenin Satellite Symposium at the 2016 ESMO Annual Meeting. ● In November, OBI-833 patent was approved for Taiwan and Australia. In the same month, OBI Pharma was awarded grade A for TIPS Management. ● In December, OBI Pharma announced the signing of a Non-Binding Letter of Intent for OBI Pharma, Inc., to issue new shares to AbProtix, Inc., in exchange for an up to 70% stake in AP Biosciences.
2017	● In January, convened Adagloxad Simolenin (OBI-822) EOP2 meeting with US Food and Drug Administration (FDA). ● In January, Chief Operating Officer Meng Zhiyun retired, and Max Chan was appointed as the new Chief Operating Officer ● In January, Adagloxad Simolenin (OBI-822) was approved by China Food and Drug Administration (CFDA) on phase III clinical trial. ● In April, OBI-833 fulfilled the primary safety requirements of Phase I clinical trial for US and Taiwan. ● In June, signed contract with Threshold Pharmaceuticals from California, purchased the micromolecule first-in-class TH-3424, and renamed it into OBI03424, it will be developed into the potential therapy treating cancers of high AKR1C3 enzyme performance, becoming the new force in the product lines of OBI. ● In September, appointed PharmaCore to build special product line for botulinum toxin new drug OBI-858, exclusively provided for medication in phase I and II clinical trial of OBI-858, in the future, medication in phase III clinical trial and production after launched into market will be planned. ● In October, OBI-888 product patent "antibody, hybridoma generating such antibody, pharmaceutical composition containing such antibody and their use" received the notice on patent approval issued by United States Patent Office. ● In October, in order to improve product competitiveness and new drug development capacity, it was planned to exchange shares with AbProtix, Inc., shareholder of AP Biosciences; after consultation between both parties, the Company issued 1,675,000 ordinary shares by capital increase for the transfer of 6,700,000 ordinary shares (accounting for 67% of outstanding shares) of AP Biosciences held by AbProtix, Inc.

	● In December, announced the resolution to acquire AP Biosciences Inc. by capital increase through issuing new shares, and the base date for stock swap was January 10, 2018.
2018	● In January, passive immunity monoclonal antibody OBI-888 of OBI passed the human clinical trial examination (IND) by US Food and Drug Administration (FDA)(IND) ● In March, in response to practical need of the Company, the title of Chief Operating Officer Max Chan was adjusted into Chief Financial Officer. ● In April, the new chemotherapy prodrug OBI-3424 was approved by US Food and Drug Administration (FDA) to carry out phase I/II human clinical trial. ● In July, OBI-3424 obtained the qualification as the orphan drug for hepatocellular carcinoma (HCC) treatment from US Food and Drug Administration (FDA). ● In July, the medical equipment clinical research application (IDE) of OBI-822 passed the examination and approval of US Food and Drug Administration (FDA) to be used for OBI-822 phase III human clinical trial. ● In August, product patent of OBI-3424 "DNA alkylating agent" was approved by IP Australia. ● In September, OBI-3424 obtained the qualification as the orphan drug for Acute Lymphoblastic Leukemia (ALL) treatment from US Food and Drug Administration (FDA). ● In September, OBI-822 (Adagloxad Simolenin) was approved by Taiwan Food and Drug Administration (TFDA) to carry out phase III human clinical trial. ● In October, product patent of OBI-822 "Compound and Component of Carbohydrate Vaccine and Its Use" was approved by Taiwan Patent Office. ● In October, OBI's subsidiaries OBI Australia announced that OBI-822 (Adagloxad Simolenin) passed the examination of phase III human clinical trail in Australia. ● In November, OBI-822 (Adagloxad Simolenin) was approved to carry out phase III human clinical trial in US. ● In November, the medical equipment clinical research application (IDE) of OBI-888 passed the examination by US Food and Drug Administration (FDA), and was approved to be used in Cohort Expansion Phase of OBI-888 phase I human clinical trial. ● In November, OBI-822 (Adagloxad Simolenin) was approved by Hong Kong Department of Health (DOH) to carry out phase III human clinical trial. ● In November, OBI-888 obtained the qualification as the "orphan drug" for pancreatic cancer treatment from US Food and Drug Administration (FDA).
2019	● In January ,The 37th J.P. Morgan HealthCare Conference Report was first invited to San Francisco. ● In February, OBI-822 (Adagloxad Simolenin) was approved by Ministry of Health of Ukraine to carry out phase III human clinical trial. ● In February, Published in the journal of the national academy of sciences (PNAS) in cooperation with academia sinica, the paper proves that the Globo series is closely related to the survival of cancer cells, which provides an important theoretical basis for haoding Globo series to target new anti-cancer drugs. ● In March, Poster at the annual meeting of the American association for cancer research (AACR): Obi-888 and obi-999 (a new single antibody drug and a new antibody small molecule drug complex called ADC) are the first to be developed. Their mechanism of action, antineoplastic efficacy, drug metabolism and pharmacokinetic characteristics are also discussed. ● In April, OBI-822 (Adagloxad Simolenin) was approved by Ministry of Health of the Russian Federation to carry out phase III human clinical trial. ● In June, passive immunity monoclonal antibody new drug OBI-888 had completed the assessment of major safety indicators for phase I human clinical trial, the safety and tolerance of OBI-888 were good, and there were no major safety concerns. ● In June, convened annual general meeting, carried out reelection of directors comprehensively, and then Board of Directors Meeting was convened, in which directors elected and reappointed Michael N. Chang, legal representative of Yi Tai Investment Co., Ltd., as the Chairman. ● In August, the Globo H antibody-drug conjugate OBI-999 was approved by US Food and Drug Administration (FDA) to carry out phase I/II human clinical trial. ● In September, the results of Adagloxad Simolenin (OBI-822) ovarian cancer phase II clinical trial cooperated with Taipei Mackay Memorial Hospital were announced, generally speaking, the safety and tolerance of this vaccine were acceptable.

	● In December, Globo H antibody-drug conjugate OBI-999 obtained the qualification as the "orphan drug" for pancreatic cancer treatment from US Food and Drug Administration (FDA).
2020	● In January, Globo H antibody-drug conjugate OBI-999 obtained the qualification as the "orphan drug" for gastric cancer treatment from US Food and Drug Administration (FDA). ● In April, OBI-822 (Adagloxad Simolenin) was approved by the Ministry of Food and Drug Safety of South Korea to carry out phase III human clinical trial. ● In July, OBI-888, a new passive immune monoclonal antibody, was approved by the Taiwan Food and Drug Administration of the Ministry of Health and Welfare for the first/second phase human clinical trials. ● In August, the new botulinum toxin preparation OBI-858 was approved by the Taiwan Food and Drug Administration of the Ministry of Health and Welfare for the first phase of human clinical trial. ● In August, OBI-866, an active immune anticancer drug, was approved by the Taiwan Food and Drug Administration of the Ministry of Health and Welfare for the first phase of human clinical trial. ● In September, it increased capital and issued 10,693,000 shares in exchange for 53,466,000 common shares of Amaran Biotechnology Inc. to shareholders of Amaran Biotechnology Inc., and acquired 67% equity of Amaran Biotechnology December 31st, 2020 is the benchmark date of share exchange. ● In November, we received a reply from the US Food and Drug Administration (FDA) on the application for medical equipment clinical research (IDE) in the first/second stage of population expansion of human clinical trials of a new precursor chemotherapy drug OBI-3424, which can be used in the first/second stage of population expansion of human clinical trials without approval. ● In December, the active immune anticancer drug OBI-822(Adagloxad Simolenin) was approved by National Medical Products Administration, China for the third phase of human clinical trial.
2021	● In February, it signed a global cosmetic medicine licensing agreement with Obigen Pharma, Inc. "OBI-858 new botulinum toxin preparation" to license the rights for R&D of cosmetic medicine indications and obtained 47,250 thousand shares. Obigen has become OBI's subsidiary which the Company has 62.17% right of control. ● In April, OBI-3424, a new precursor chemotherapy drug, has completed the safety evaluation of the first phase of clinical dose increment trial, and plans to launch the second phase of clinical population expansion trial. ● In May, the phase I clinical cohort expansion trial of a new active immune anti-cancer drug OBI-833 was completed, and the implementation of phase II clinical trial was planned. ● In May, the active immune anti-cancer drug OBI-822 (Adagloxad Simolenin) was approved by South African Health Products Regulatory Authority for the phase III human clinical trial. ● In May, the evaluation of main safety indicators of the phase I clinical dose-escalation trial of the Globo H antibody small molecule drug complex OBI-999 was completed, and the implementation of phase II clinical cohort expansion trial was planned. ● In July, a Taiwan invention patent of OBI-858 "Botulinum toxin type A compound, its formulation and usage" was obtained. ● In October, the new drug OBI-999, as a Globo H antibody small molecule drug complex, was approved by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare for phase II human clinical trial. ● In October, the investigational device exemption (IDE) of immunohistochemistry (IHC) of the phase II human clinical trial of OBI-999 was reviewed and approved by the U.S. FDA. ● In October, a Taiwan invention patent of OBI-866 "Immune/therapeutic glycan composition and its usage" was obtained. ● In November, subsidiary Obigen Pharma Inc. made an announcement on the completion of evaluation of main safety indicator of the phase I clinical dose-escalation trial of OBI-858, anew botulinum toxin preparation and the planning of implementation of phase II clinical trial. ● In December, the active immune anticancer drug OBI-822 (Adagloxad Simolenin) was approved by the Mexican health products regulatory agency for phase III human clinical trial. ● In December, the Company signed "Trop2 Monoclonal Antibody" License Agreement with Biosion, Inc. and obtained the global exclusive rights of this product beyond Chinese mainland, Hong Kong and Macao.

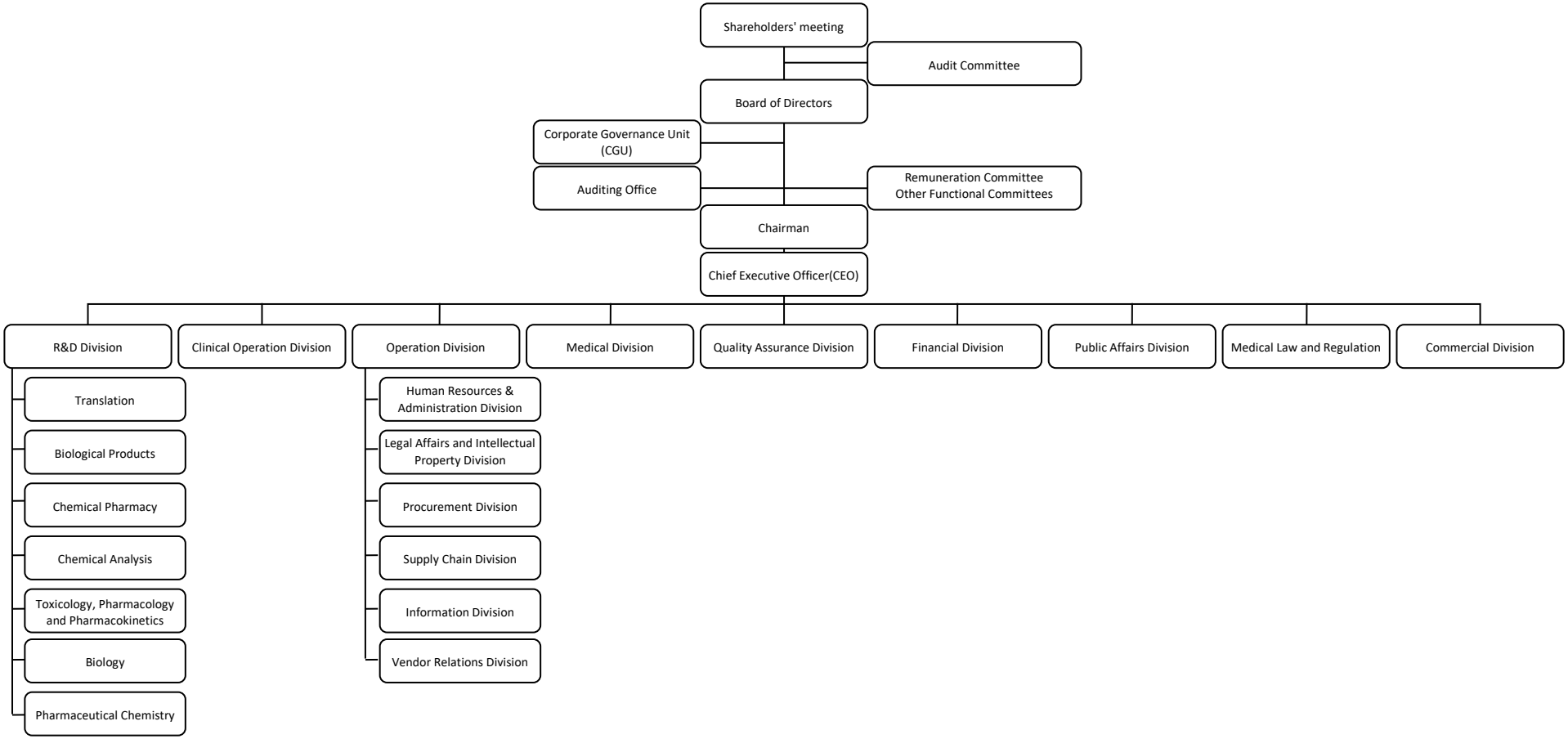
	● In December, the active immune anticancer drug OBI-822 (Adagloxad Simolenin) was approved by the drug regulatory authority of Peruvian Ministry of Health for phase III human clinical trial.
2022	● In January, the active immune anticancer drug OBI-822 (Adagloxad Simolenin) was approved by the Polish Drug Registration Office for phase III human clinical trial. ● In February, the animal test results of the self-made COVID-19 BCVAX showed that it could produce high-titer antibody, and have a neutralizing effect o various COVID-19 variants. ● In February, the active immune anticancer drug OBI-822 (Adagloxad Simolenin) was approved by the Brazil National Health Surveillance Agency for phase III human clinical trial. ● In February, the Company signed license agreements of OBI-833 and OBI-999 in China (including Hong Kong and Macao) with Odeon and obtained 6,000 thousand special shares from Odeon Therapeutics (Cayman) Limited. Odeon has become OBI's subsidiary which the Company has 77.42% right of control. ● In February, the new active immune anti-cancer drug OBI-833 was reviewed by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare and then approved for phase II human clinical trial. ● In March, the Company increased its capital in cash to issue 30,000,000 new shares which were issued at a premium of NT$ 105 per share. The paid-in capital after capital increase reached NT$ 2,292,793,740. ● In May, invention patent of OBI-999 Conjugated Biomolecules and Pharmaceutical Components and Methods was approved by Taiwan. ● In July, the Company decided to terminate the OBI-8887 phase II clinical trial inclusion in advance as the drug manufacturing yield was under expectation, and will carry out new development strategies after further developing the second-generation antibodies and optimizing the purification process. ● In September, the new bi-specific antibody anti-cancer drug AP203 of the Subsidiary AP Biosciences, Inc. was approved by US Food and Drug Administration (FDA) to carry out phase I human clinical trial . ● In October, the medical product patent of active immune anti-cancer drug OBI-822 "Cancer Immunotherapy of Immune Activation or Immunoregulation via Globo Series Antigen" was approved by United States Patent and Trademark Office (USPTO). ● In November, the new bi-specific antibody anti-cancer drug AP203 of the Subsidiary AP Biosciences, Inc. was approved by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare for phase I human clinical trial. ● In December, the invention patent of OBI-866 "Immune/Theraputic Glycan Composition and Its Usage" was approved by United States Patent and Trademark Office (USPTO). ● In December, Dr. Michael N. Chang, the former Chairman, passed away, and the Board of Directors elected Dr. Yun Yen, the representative of corporate director Sheng Cheng Investment Co., Ltd., as the Chairman and spokesperson and interim CEO.
2023	● In January, the new bi-specific antibody anti-cancer drug AP505 of the Subsidiary AP Biosciences, Inc. was approved by US Food and Drug Administration (FDA) for phase I human clinical trial. ● In February, the new precursor chemotherapy drug OBI-3424 was approved by Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare for phase II human clinical trial. ● In March, the Board of Directors elected Colin Kao, the Accounting Supervisor, to concurrently serve as the Corporate Governance Supervisor. ● In March, the company proposed the the COVID-19 vaccine BCVax application for phase I human clinical trial to Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare.

III. Corporate Governance Report

I Organization system

(i) Organizational chart

OBI Pharma, Inc.



(ii) Operating business of each major department:

Department		Major responsibility
Auditing Office		1. Supervise and urge each unit to formulate internal control system and execute it. 2. Prepare and execute annual audit plan. 3. Prepare audit report and regularly trace deficiency, review self-inspection operations and other matters shall be executed as required by law of each unit.
R&D Division	Translation	1. Plan and execute translational cancer mechanism study, and support clinical trial and medicament license application. 2. Execute translational medicine, translational pharmacology and toxicity test, and support clinical trial. 3. Plan R&D direction and new drug development plan. 4. Execute new drug R&D project management. 5. Patent layout of research achievements.
	Biological Products	1. Plan and execute trials related to pre-clinical immunology and immunological pharmacology. 2. Plan and manage relevant studies on clinical trial specimens. 3. Execute product release immune activity test. 4. Support clinical license application and medicament license application. 5. Patent layout of research achievements.
	Chemical Pharmacy	1. Development and design of synthetic method and dosage form. 2. Process parameter and process optimization study. 3 Planning of manufacturing, process control and outsourcing cooperation project. 4. Product CMC data preparation and writing, so as to support clinical license application and medicament license application. 5. Patent layout of research achievements.
	Chemical Analysis	1. New drug characteristics analysis and analysis method development. 2. Creation of analysis method operation document and execution of effect experiment. 3. Product specification setting. 4. Investigational product quality control and stability tracing. 5. Patent layout of research achievements.
	Toxicology, Pharmacology and Pharmacokinetics	1. Plan and execute pre-clinical toxicology, pharmacology and pharmacokinetics tests. 2. Write pre-clinical test report, and support clinical trial license application and medicament license application. 3. Development of analytical methods for pharmacological animal model and drug metabolism. 4. Assist in management of new drug development project. 5. Patent layout of research achievements.
	Biology	1. Carry out relevant research on pharmacological mechanism of products. 2. Assist and execute preclinical immunology related tests. 3. Establish the test method of product immunological activity. 4. Support clinical license application and drug certificate application test. 5. Patent layout of research results.
	Pharmaceutical Chemistry	1. Screening of new chemical drugs and molecular design of new drugs. 2. Study the relationship between chemical structure and activity of new drugs. 3. Develop synthetic routes of new drugs and modify and optimize lead compounds. 4. Assist in the early development of new drugs. 5. Patent layout of research results and publication of papers.
Clinical Operation Division		1. Clinical trial planning and execution. 2. Study on the laws and regulations on new drug development and drug examination and approval. 3. Product plan project management.
Medical Division		1. Lead and write new drug clinical trial plan, and confirm its feasibility. 2. Provide relevant information on medical science and drug side effects, and responsible for pre-clinical preparation and execution; during such period, interpret if the trial subject has the symptom of adverse reaction. 3. Support the promotion of new drug business.

Department		Major responsibility
Financial Division		1. Financial management. 2. Accounting management. 3. Listing and stock affairs management. 4. Rental tax planning. 5. Budget management.
Public Affairs Division		1. Preparation and publication of external speech strategy. 2. Media relations management, media interview, publication, advertising arrangement and execution. 3. Maintenance and contact window for relations with government, profession, those of the same industry, patients group and investors. 4. Design and comprehensive arrangement of external statement, media related contents, official documents and correspondence, planning and event creativity. 5. Planning and execution of corporate social responsibility activity.
Quality Assurance Division		Ensure R&D and drug distribution are conforming to the Food and Drug Administration (FDA) of Current Good Manufacturing Practice (CGMP)
Medical Law and Regulation Division		1. Application for registration of domestic medicament license. 2. Provide company pharmaceutical affairs laws and regulations information. 3. Application and change registration of druggist license. 4. Clinical license application and medicament license application.
Commercial Division		1. Responsible for short, medium and long term operating strategy planning, business marketing, and new drug market development. 2. Product commercialization management. 3. Product market trend assessment. 4. Technology transfer and product licensing. 5. Win over international partner.
Operation Division	Human Resources & Administration Division	1. Comprehensive arrangement of company organization and human resources planning, employee development. 2. Remuneration rewarding system. 3. Organization optimization and improve employee's quality and core technology. 4. Organizational culture cultivation. 5. Human resources system optimization. 6. Strengthen employee relationship. 7. General affairs administration, and space utilization.
	Legal Affairs and Intellectual Property Division	1. Review, revise and draft contracts and legal documents. 2. Legal system establishment, maintenance and process management. 3. Legal dispute case handling and consultation. 4. Intellectual property right management and maintenance. 5. Establishment and promotion of legal compliance system. 6. Control of legal risks related to company operation.
	Procurement Division	Materials and labor service procurement.
	Supply Chain Division	1. Responsible for production planning, technology transfer and product supply to clinical use or marketing sales. 2. Ensure the Company's stable supply of clinical and future products both at home and abroad.
	Information Division	1. Follow the operation and development strategy to plan and develop the information blueprint and structure. 2. Formulate information budget plan, and control and monitor budget outlays. 3. Establish information policies, standards and procedures. 4. Develop information performance indicator, ensure the benefits of effective assessment information program in business improvement. 5. Plan and implement the Information Security Management System. 6. Design and implement information security solution, and protect the confidentiality, integrity and availability of information assets.
	Vendor Relations Division	1. Work out and optimize various internal standard operation procedures of the company regarding vendor relations. 2. Execution and management of vendor relations maintenance. 3. Guide internal interdepartmental communication of the company regarding vendor relations. 4. Assist in management of grading vendor relations.

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

(i) Board of directors and supervisors

1. Board of directors and supervisor:

April 30, 2023 Unit: thousand shares; %

Title	Nam	Gender Age	Nationality or place of registration	Date of first appointment	Date of appointment	Term of office	Shareholding upon appointment		Current shareholding		Current shareholding of spouse, minor children		Shareholding in the name of other person		Major experience (education background)	Concurrent title in the Company or other companies currently	Other head, director or supervisor of relationship of spouse or within second-degree relatives or supervisor			If the General Manager or equivalent (top managerial officer) and the Chairman are the same person, or are spouse or first degree relatives.
							Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio			Title	Name	Relationship	
Chairman	Sheng Cheng Investment Co., Ltd.	Not applicable	R.O.C.	2016.06.27	2022.06.27	3 years	3,254	1.42	3,254	1.42	0	0	0	0	Not applicable	NA	NA	NA	NA	Not applicable
	Sheng Cheng Investment Co., Ltd. Representative: Yun Yen (Note1)	Male 61~70	R.O.C.	2016.06.27	2022.06.27	3 years	0	0	0	0	0	0	0	0	PhD from Pathology and Cell Biology, Thomas Jefferson University Adjunct Professor of Graduate Institute of Oncology, National Taiwan University College of Medicine Adjunct Professor, California Institute of Technology Medical Oncology of Attending Physician, Professor of Graduate Institute of Oncology、Creative organizer of Cancer treatment research、Director and Associate Dean of department of molecular pharmacology of Medical Center, City of Hope National specialist training in Tumor and Blood and Marrow Transplantation, Yale University	Chairman and CEO of Tanvex BioPharma, Inc. Chairman of Tanvex Biologics Corp. Chairman of Tanvex BioPharma USA , Inc. Chairman of Calgent Biotechnology Co., Ltd. Chairman of Theragent, Inc. Director of Obigen Pharma Inc. Director of Nano Targeting & Therapy Biopharma Inc. Director of Lixte Biotechnology Holdings, Inc. Director of National Health Research Institutes Volunteer Chairman of Sino American Cancer Foundation (non-commercial enterprise) Adjunct Research Fellow, Institute of Biological Chemistry, Academia Sinica Chair Professor of Program for Cancer Biology and Drug Discovery, Taipei Medical University Adjunct Professor, California Institute of Technology Distinguished Professor, Tzu Chi University	NA	NA	NA	(Note1)
Director	Sheng Cheng Investment Co., Ltd. Representative: Frank Chen	Male 61~70	R.O.C.	2016.06.27	2022.06.27	3 years	0	0	800	0.35	20	0.01	0	0	Master from College of Management, National Taiwan University Deputy General Manager and Special Assistant to Chairman of Investment Management Division, Ruentex Group	Chief Financial Officer of OBI Pharma, Inc. Deputy General Manager and Special Assistant to Chairman of Investment Management Division, Ruentex Group Chairman & CEO of Obigen Pharma, Inc. Chairman of AP Biosciences Inc. Director of Amaran Biotechnology, Inc. Director of Tanvex BioPharma, Inc. Director of Tanvex Biologics, Inc. Director of Taimed Biologics Inc. Director of Mithra Biotechnology Inc. Director of Mass Solutions Technology Co., Ltd. Director of Do-Intelligent Consulting Inc. Director of Mithra Chemical Analysis Laboratory Inc. Director of Cotton Field Organic Co., Ltd. Director of RenBio Holdings Ltd. Director of RenBio Inc. Director and GP copartner of Delos Capital Holdings Limited Director of Theragent, Inc. Director of Brogent Technologies Inc. Director of Mega Growth Venture Capital Co., Ltd. Director of Miho International Cosmetic Co., Ltd. Director of Nan Shan Life Insurance Company, Ltd. Director of Mirror Vision Inc.	NA	NA	NA	NA
Director	Yi Tai Investment Co., Ltd.	Not applicable	R.O.C.	2016.06.27	2022.06.27	3 years	25,765	13.70	25,765	11.23	0	0	0	0	Not applicable	NA	NA	NA	NA	Not applicable

Title	Nam	Gender Age	Nationality or place of registration	Date of first appointment	Date of appointment	Term of office	Shareholding upon appointment		Current shareholding		Current shareholding of spouse, minor children		Shareholding in the name of other person		Major experience (education background)	Concurrent title in the Company or other companies currently	Other head, director or supervisor of relationship of spouse or within second-degree relatives or supervisor			If the General Manager or equivalent (top managerial officer) and the Chairman are the same person, or are spouse or first degree relatives.
							Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio			Title	Name	Relationship	
Director	Yi Tai Investment Co., Ltd. Representative: Tamon Tseng	Male 61~70	R.O.C.	2016.06.27	2022.06.27	3 years	0	0	0	0	0	0	0	0	Master of Arts (M.A.), University of London Supervisor of SinoPac Financial Holdings Company Limited	Special Assistant of Legal Affairs Office, Ruentex Industries Co., Ltd. Chairman of Taiwan Transport Insurance Services Co., Ltd Director of Taimed Biologics Inc. Director of Amaran Biotechnology, Inc. Director of Mithra Biotechnology Inc. Director of Ruenhuei Biopharmaceuticals Inc. Director of Ruencheng nvestment Holdings Co., Ltd. Director of Sunny Friend Environmental Technology Co., Ltd. Supervisor of Yi Tai Investment Co., Ltd. Director of Sheng Cheng Investment Co., Ltd. Director of Ruentex Construction Co., Ltd. Director of China Marine Surveyors & Sworn Measurers' Corp. Director of Juridical Person Mr. Yi Xunnuo Memorial Education Foundation Director of Haoke Investment Holding Limited Director of Nan Shan Life Insurance Company, Ltd. Director of Tanvex BioPharma, Inc.	NA	NA	NA	NA
Independent Director	Howard S. Lee	Male 61~70	R.O.C.	2021.07.16	2022.06.27	3 years	0	0	0	0	0	0	0	0	Ph.D. in Chemistry, University of Southern California Partner of CID Group	Chairman of Taho Pharmaceuticals Ltd. Chairman of Transwell Biotech Co., Ltd. Independent Director, Remuneration Committee and Audit Committee of Sunko Ink Co., Ltd. Independent Director, Remuneration Committee and Audit Committee of Genovate Biotechnology Co., LTD. Independent Director, Remuneration Committee and Audit Committee of Taimed Biologics Inc. Director of Easywell Biomedicals, Inc. Director of Industrial Technology Investment Corp. (ITRI) Director of Amphastar Pharmaceuticals,Inc. Director of Capso Vision Inc. Director of Taiwan Bio Industry Organization (Taiwan BIO) Director of Taiwan Society for the Chest Care	NA	NA	NA	NA
Independent Director	Ming-Chin Chen	Male 51~60	R.O.C.	2022.06.27	2022.06.27	3 years	0	0	0	0	0	0	0	0	Doctor of Accounting, Arizona State University Independent Director of Bank of Taiwan Independent Director of Taimed Biologics Inc.	Professor of Department of Accounting, National Chengchi University Independent Director, Remuneration Committee and Audit Committee of Ruentex Material Co., Ltd. Independent Director, Remuneration Committee and Audit Committee of Nan Shan Life Insurance Company, Ltd.	NA	NA	NA	NA
Independent Director	Chin-Ting Chiu	Male 61~70	R.O.C.	2022.06.27	2022.06.27	3 years	0	0	0	0	0	0	0	0	Master, Business Administration, National Taiwan University Qualification of Republic of China (Taiwan) Certified Public Accountant Chairman of Securities and Futures Investors Protection Center Chairman of TAIWAN-CA Inc.	Independent Director, Remuneration Committee and Audit Committee of Ruentex Interior Design Inc. Independent Director, Remuneration Committee and Audit Committee of Taimed Biologics Inc.	NA	NA	NA	NA

Note 1: Dr. Michael N. Chang, the former Chairman, passed away on December 29, 2022, and the Board of Directors elected Dr. Yun Yen, the representative of corporate director Sheng Cheng Investment Co., Ltd., as the Chairman and interim CEO on December 30, 2022. It is estimated to by-select the vacancy for a director at the General Shareholders' Meeting of 2023.

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

(1) Major shareholders of juridical person shareholder

Base date: April 30, 2023

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

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

Base date: April 30, 2023

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

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

April 30, 2023

Condition / Name	Professional qualifications and experience	Independence conformance	Number of other public companies in which concurrently act as independent director
Sheng Cheng Investment Co., Ltd. Representative: Yun Yen	**Education background:** Doctor of Pathology and Cell Biology, Thomas Jefferson Medical University, USA. **Experience:** Professor Emeritus of City of Hope National Medical Center, former president of Taipei Medical University. **Current position:** Chairman and CEO of Tanvex BioPharma, Inc. and Chair Professor of Program for Cancer Biology and Drug Discovery, Taipei Medical University ect. He has rich medical background and over 30 years working experience in Biotechnology and Medicine Industry. He has the necessary experience and expertise in commercial and corporate business. No section 30 of the Company Law. (Note 1)	Not applicable	-
Sheng Cheng Investment Co., Ltd. Representative: Frank Chen	**Education background:** Master from College of Management, National Taiwan University **Experience:** Deputy general manager of Ruentex Group Investment Management Office and special assistant to the president. **Current position:** Deputy general manager of Ruentex Group Investment Management Office and special assistant to the president. He has over 30 years of experience in investment management and industry management. He has the necessary experience and expertise in business, finance and corporate business. No section 30 of the Company Law. (Note 1)		-
Yi Tai Investment Co., Ltd. Representative: Tamon Tseng	**Education background:** Bachelor of laws of Cambridge University, Legum magister of University of London, Graduated from the Barristers' School of Law and became a barrister in England. **Experience:** Supervisor of SinoPac Financial Holdings Company Limited. **Current position:** Special Assistant of Legal Affairs Office, Ruentex Industries Co., Ltd. He has rich knowledge of international law and Taiwan law and more than 30 years of working experience and legal professional background He has the necessary experience and expertise in commercial and corporate business. No section 30 of the Company Law. (Note 1)		-

Condition / Name	Professional qualifications and experience	Independence conformance	Number of other public companies in which concurrently act as independent director
(Vacancy)	(Note 3)		-
Howard S. Lee	**Education background:** Ph. D. in chemistry, University of Southern California **Experience:** Partner of CID Group. **Current position:** Chairman of TAHO Pharmaceuticals Ltd., Chairman of Transwell Biotech Co., Ltd., etc He has more than 30 years of experience in biotech investment and management and familiar with the biotech industry. He has the necessary experience and expertise in business, finance and corporate business. No section 30 of the Company Law. (Note 1)	All independent directors conform to the following conditions: 1. Comply with the relevant provisions of Article 14 bis of the Securities and Exchange Law issued by the Financial Supervisory Commission and "Measures for Setting up independent Directors of Publicly issued Companies and Matters to be Followed" (Note 2). 2. I (or in the name of another person), my spouse and minor children do not hold shares of the Company. 3. The amount of remuneration not obtained from providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the recent two years.	3
Ming-Chin Chen	**Education background:** Doctor of Accounting, Arizona State University **Experience:** Independent director of Bank of Taiwan and Independent director of Taimed Biologics Inc. **Current position:** Professor, Department of Accounting, National Chengchi University (NCCU), Independent director of Ruentex Materials Co., Ltd. and Independent director of Nan Shan Life Insurance Company, Ltd. He has the extensive knowledge and experience in Accounting and Financial Analysis. He has the necessary experience and expertise in finance, accounting and corporate business. No section 30 of the Company Law. (Note 1)		2
Chin-Ting Chiu	**Education background:** Master, **Business Administration,** National Taiwan University **Experience:** Chairman of Securities and Futures Investors Protection Center and Chairman of TAIWAN-CA Inc. **Current position:** Independent director of Ruentex Interior Design Inc. and Independent director of Taimed Biologics Inc. He has the extensive knowledge and experience in Accounting and Regulations. He has the necessary experience and expertise in accounting, legal and corporate business. No section 30 of the Company Law. (Note 1)		2

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

1. Has committed an offence under the Organized Crime Prevention Ordinance and has not been executed or completed, or has not been executed or suspended or pardoned for more than five years.
2. Those who have committed crimes of fraud, breach of trust or embezzlement and have been sentenced to fixed-term imprisonment of more than one year have not been executed or have not completed the execution, or have not completed the execution, probation or pardon for more than two years.
3. An offence committed under the Corruption Code has not been executed, has not been completed, or has not been executed, or has not been suspended or pardoned for more than two years.

4. Has not been reinstated by a declaration of bankruptcy or by order of the court to commence liquidation proceedings.
5. The use of the instrument has not expired after being rejected.
6. Incapacity or limited capacity.
7. The assisted declaration has not been revoked.

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

Note 3: Dr. Michael N. Chang, the former Chairman, passed away on December 29, 2022, and the Board of Directors elected Dr. Yun Yen, the representative of corporate director Sheng Cheng Investment Co., Ltd., as the Chairman on December 30, 2022. It is estimated to by-select the vacancy for a director at the General Shareholders' Meeting of 2023.

4. Board diversity and Independence:

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

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

At present, six members of the board of directors of the company have diverse backgrounds (Note), including business, accounting, law, intellectual finance, medicine, biological medicine and other professional backgrounds, with international background; Among the six directors, three are independent directors, accounting for 50% of the total

number of directors. Moreover, there are no spouses or second-degree relatives among the directors, so the board of directors of the company is of independence.

The implementation of the board diversification policy is as follows:

Title	Chairman	Director			Independent Director		
Name	Yun Yen	Frank Chen	Tamon Tseng	(vacancy) (Note)	Howard S. Lee	Ming-Chin Chen	Chin-Ting Chiu
Gender	Male	Male	Male		Male	Male	Male
Nationality	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C	R.O.C
Age	61~70	61~70	61~70		61~70	51~60	61~70
also an employee of the company	V	V					
Professional knowledge and ability							
Business	V	V			V		
Finance/Accounting		V				V	V
Law			V				V
Industry	V	V			V	V	V
Management	V	V	V		V	V	V
International	V	V	V		V	V	V
Ability and experience							
Operational judgment	V	V	V		V	V	V
Accounting and financial analysis skills		V				V	V
Management ability	V	V	V		V	V	V
Crisis management capability	V	V	V		V	V	V
Industry knowledge	V	V	V		V	V	V
International market view	V	V	V		V	V	V
Ability to lead	V	V	V		V	V	V
Decision-making ability	V	V	V		V	V	V
Environmental sustainability	V	V	V		V	V	V
Social participation	V	V	V		V	V	V

Note: Dr. Michael N. Chang, the former Chairman, passed away on December 29, 2022, and the Board of Directors elected Dr. Yun Yen, the representative of corporate director Sheng Cheng Investment Co., Ltd., as the Chairman and spokesperson on December 30, 2022. It is estimated to by-select the vacancy for a director at the General Shareholders' Meeting of 2023.

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

April 30, 2023 Unit: thousand shares; %

Title	Name	Gender	Nationality	Date of appointment (duty assumption)	Current shareholding		Current shareholding of spouse, minor children		Shareholding in the name of other person		Major experience (education background)	Concurrent title in other companies currently	Other head, director or supervisor of relationship of spouse or within second-degree relatives or supervisor			Note
					Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio			Title	Name	Relationship	
CEO	Yun Yen	Male	R.O.C	2022.12.30	0	0	0	0	0	0	PhD from Pathology and Cell Biology, Thomas Jefferson University Adjunct Professor of Graduate Institute of Oncology, National Taiwan University College of Medicine Adjunct Professor, California Institute of Technology Medical Oncology of Attending Physician, Professor of Graduate Institute of Oncology、Creative organizer of Cancer treatment research、Director and Associate Dean of department of molecular pharmacology of Medical Center, City of Hope National specialist training in Tumor and Blood and Marrow Transplantation, Yale University	Chairman and CEO of Tanvex BioPharma, Inc. Chairman of Tanvex Biologics Corp. Chairman of Tanvex BioPharma USA , Inc. Chairman of Calgent Biotechnology Co., Ltd. Chairman of Theragent, Inc. Director of Obigen Pharma Inc. Director of Nano Targeting & Therapy Biopharma Inc. Director of Lixte Biotechnology Holdings, Inc. Director of National Health Research Institutes Volunteer Chairman of Sino American Cancer Foundation (non-commercial enterprise) Adjunct Research Fellow, Institute of Biological Chemistry, Academia Sinica Chair Professor of Program for Cancer Biology and Drug Discovery, Taipei Medical University Adjunct Professor, California Institute of Technology Distinguished Professor, Tzu Chi University	NA	NA	NA	Dr. Michael N. Chang, the former Chairman, passed away on December 29, 2022, and the Board of Directors elected Dr. Yun Yen, the representative of corporate director Sheng Cheng Investment Co., Ltd., as as the chairman of the company, and Acting as Chief Executive Officer on December 30, 2022. Maintain the effectiveness of the board and to strengthen the sound development of the Company in all aspects, including R&D, clinical and financial, in the case that a majority of the directors are not employees or managers of the Company.
Chief Financial Officer	Frank Chen	Male	R.O.C	2019.08	800	0.35	20	0.01	0	0	Master from College of Management, National Taiwan University Deputy General Manager and Special Assistant to Chairman of Investment Management Division, Ruentex Group	Chief Financial Officer of OBI Pharma, Inc. Deputy General Manager and Special Assistant to Chairman of Investment Management Division, Ruentex Group Chairman & CEO of Obigen Pharma, Inc. Chairman of AP Biosciences Inc. Director of Amaran Biotechnology, Inc. Director of Tanvex BioPharma, Inc. Director of Tanvex Biologics, Inc. Director of Taimed Biologics Inc. Director of Mithra Biotechnology Inc. Director of Mass Solutions Technology Co., Ltd. Director of Do-Intelligent Consulting Inc. Director of Mithra Chemical Analysis Laboratory Inc. Director of Cotton Field Organic Co., Ltd. Director of RenBio Holdings Ltd. Director of RenBio Inc. Director and GP copartner of Delos Capital Holdings Limited Director of Theragent, Inc. Director of Brogent Technologies Inc. Director of Mega Growth Venture Capital Co., Ltd. Director of Miho International Cosmetic Co., Ltd. Director of Nan Shan Life Insurance Company, Ltd. Director of Mirror Vision Inc.	NA	NA	NA	Director double as Chief Financial Officer
Chief Scientific Officer	Lai, Ming-Tien	Male	R.O.C	2019.04	10	0	0	0	0	0	Postdoctoral Research Fellow, Massachusetts Institute of Technology (MIT) Doctorate of Organic Chemistry, University of Minnesota Senior Chief of Scientist, Merck & Co., Inc.	Director of Ap Biosciences Inc. Director of Amaran Biotechnology Inc. Director of OBI Pharma Australia Pty Ltd.	NA	NA	NA	NA
Vice president of Medical Division	Tsai, Cheng-En	Male	R.O.C	2018.07	0	0	0	0	0	0	PhD in Molecular Genetics and Biology, University of Cambridge Deputy General Manager for Clinical Research and Development, TWi Biotechnology Deputy General Manager for Clinical Research and Development, TaiGen Biotechnology Senior Researcher of Center for Drug Evaluation, Taiwan Medical Advisor of Bristol-Myers Squibb Company Head of Pediatrics Department and Genetic Counseling Center, Hualien Tzu Chi Medical Center Physician-in-charge of Pediatrics Department, National Taiwan University Hospital	Director of OBI Pharma Limited Director of OBI Pharma (Shanghai) Limited	NA	NA	NA	NA

Title	Name	Gender	Nationality	Date of appointment (duty assumption)	Current shareholding		Current shareholding of spouse, minor children		Shareholding in the name of other person		Major experience (education background)	Concurrent title in other companies currently	Other head, director or supervisor of relationship of spouse or within second-degree relatives or supervisor			Note
					Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio	Number of shares (thousand shares)	Shareholding ratio			Title	Name	Relationship	
Vice President of Biological Agents, R&D Division	Jiann-Shiun Lai	Male	R.O.C	2014.03	94	0.04	0	0	0	0	Doctor of Inheritance Institute, State University of New York at Stony Brook Biotechnology Pharmaceuticals and Livelihood Materials Consultant, Technology Division, Ministry of Economic Affairs Group Leader of Protein engineering Group, Biopharmaceutical Institute, Development Center for Biotechnology Researcher of Biomedical Institute, Academia Sinica Director of Corporation Taiwan Antibody Association	NA	NA	NA	NA	NA
Vice President of Chemical Pharmacy, R&D Office	Chou, Chun-Hung	Male	R.O.C	2022.04	0	0	0	0	0	0	Ph.D., Chemistry, Michigan State University Senior Director of the U.S. Food and Drug Administration(FDA) R&D Supervisor of Merck	NA	NA	NA	NA	NA
Director of Analytical chemistry, R&D Division	LI, WEI-HAN	Male	R.O.C	2022.05	94	0.04	0	0	0	0	Ph.D. in Chemistry, National Taiwan University Deputy Director of Chemical Analysis, Senior Manager, Manager, Researcher, R&D Division, OBI Pharma, Inc.	NA	NA	NA	NA	NA
Director of Quality Assurance Division	CHIEN, CHE-HSIN	Male	R.O.C	2021.08	24	0.01	0	0	0	0	Master of Management, EMBA, Yuan Ze University Manager of QA Department, Synmosa Biopharma Corp. Supervisor of QA Department, China Chemical & Pharmaceutical Co., Ltd. Director of Productive Department, Pharmacore Biotech Co., Ltd.	NA	NA	NA	NA	NA
Director of Public Affairs	Sharon Lee	Male	R.O.C	2016.03	30	0.01	8	0	0	0	Master of Public Health Studies, Tulane University of Louisiana Media director,SHOW-CHWAN MEMORIAL HOSPITAL Secretary-general, HAI GEN Foundation Director of Life and Comprehensive News Center of Min Sheng Bao Editor-in-chief, Nouvelles d'Europe	Lecturer of The Graduate Institute of Journalism National Taiwan University	NA	NA	NA	NA
Director, Human Resources & Administration	CHANG, PO-JEN	Male	R.O.C	2020.12	0	0	0	0	0	0	Master of Business Law and Economics, The University of Denver Master of Management, Webster University Head of HR, TTY Biopharm Company Limited Head of HR and CSR, Pou Chen Corp.	Director of Human Resources and Administrative Management, Amaran Biotechnology Inc.	NA	NA	NA	NA
Director of Audit Office	Neo Chien	Male	R.O.C	2021.06	0	0	0	0	0	0	Master of Business Administration, National Chengchi University Bachelor of Economics, National Chung Hsing University Assistant Manager of Audit Department, Star Travel Corp. Assistant Manager of Audit Department, Cashbox Partyworld Co., Ltd. Audit Department, Deloitte Taiwan	NA	NA	NA	NA	NA
Deputy Chief of Finance	Colin Kao	Male	R.O.C	2017.10	0	0	0	0	0	0	Master of Accountancy, National Chengchi University Bachelor of Accounting, National Chengchi University CPA in Taiwan、CPA in Britain Supervisor of Accounting, Ar Eastern International Leasing Corp. Supervisor of Accounting, K.H.S. Musical Instrument Co., Ltd. Assistant Manager of Audit Department, Deloitte Taiwan	Supervisor of Obigen Pharma, Inc. Supervisor of AP BIOSCIENCES INC.	NA	NA	NA	NA

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

1. Remuneration paid to the Director and Independent Director in the last year (2022)

Unit: NT$thousand

Title	Name	Director remuneration								Proportion of total amount of A, B, C and D in net profit after tax (NT$thousand, %)		Relevant remuneration received by part-time employee								Proportion of total amount of A, B, C, D, E, F and G in net profit after tax (NT$thousand, %)		Receiving remuneration from reinvestment enterprise other than the subsidiaries or from the parent company.
		Remuneration (A)		Retirement pension (B)		Reward in surplus distribution (C)		Business execution costs (D)				Salary, bonus and special disbursement etc. (E) (Note 3)		Retirement pension (F)		Employee remuneration (G)						
																The Company		All companies in financial report				
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in financial report	
Chairman	Michael N. Chang (Note 1)	2,508	2,508	-	-	-	-	30	42	2,538 (0.16)	2,550 (0.13)	-	-	-	-	-	-	-	-	2,538 (0.16)	2,550 (0.13)	NA
Chairman	Sheng Cheng Investment Co., Ltd. Representative: Yun Yen (Note 1)	-	-	-	-	-	-	20	40	20 -	40 -	11,357	11,357	-	-	-	-	-	-	11,377 (0.70)	11,397 (0.60)	NA
Director	Sheng Cheng Investment Co., Ltd. Representative: Frank Chen	-	-	-	-	-	-	30	62	30 -	62 -	10,166	10,166	-	-	-	-	-	-	10,196 (0.63)	10,228 (0.54)	NA
Director	Yi Tai Investment Co., Ltd. Representative: Tamon Tseng	-	-	-	-	-	-	25	31	25 -	31 -	-	-	-	-	-	-	-	-	25 -	31 -	NA
Independent Director	Jerry Fong (Note 2)	300	300	-	-	-	-	20	20	320 (0.02)	320 (0.02)	-	-	-	-	-	-	-	-	320 (0.02)	320 (0.02)	NA

Title	Name	Director remuneration								Proportion of total amount of A, B, C and D in net profit after tax (NT$thousand, %)		Relevant remuneration received by part-time employee								Proportion of total amount of A, B, C, D, E, F and G in net profit after tax (NT$thousand, %)		Receiving remuneration from reinvestment enterprise other than the subsidiaries or from the parent company.
		Remuneration (A)		Retirement pension (B)		Reward in surplus distribution (C)		Business execution costs (D)				Salary, bonus and special disbursement etc. (E) (Note 3)		Retirement pension (F)		Employee remuneration (G)						
																The Company		All companies in financial report				
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in financial report	
Independent Director	Taychang Wang (Note 2)	300	300	-	-	-	-	20	20	320 (0.02)	320 (0.02)	-	-	-	-	-	-	-	-	320 (0.02)	320 (0.02)	NA
Independent Director	Howard S. Lee	600	600	-	-	-	-	60	60	660 (0.04)	660 (0.03)	-	-	-	-	-	-	-	-	660 (0.04)	660 (0.03)	NA
Independent Director	Ming-Chin Chen (Note 2)	300	300					40	40	340 (0.02)	340 (0.02)									340 (0.02)	340 (0.02)	
Independent Director	Chin-Ting Chiu (Note 2)	300	300					40	40	340 (0.02)	340 (0.02)									340 (0.02)	340 (0.02)	

1. Please describe the payment policy, system, standard and structure of independent director's remuneration, and describe the relevance of payment amount according to factors such as the borne responsibility, risk and devotion time etc.
   According to the regulations of Articles of Incorporation of the Company, for the remuneration of director, Remuneration Committee will determine according to its value of involvement in and contribution to company operation and by considering the normal industry payment standard, and then propose it to Board of Directors for resolution. The Company may determine the remuneration of independent director different from that of general director. Besides, according to the rules of responsibility scope of independent director of the Company, the remuneration of independent director of the Company shall be determined in Articles of Incorporation or according to the resolution of Shareholders' Meeting, and reasonable remuneration different from general director may be determined appropriately. The remuneration of such independent director may also be determined appropriately as the fixed remuneration on monthly payment after relevant legal procedures, and will not participate in earnings distribution of the company. By referring to industry standards both at home and abroad, currently the Company pays the independent director a remuneration of NT$Fifty Thousand per month, and NT$Ten Thousand as traffic allowance for each attending Board of Directors Meeting.
2. Remuneration received by directors of the company for services rendered in the recent year (e.g., as an adviser to the parent company/to all companies listed in the financial reports/to subventures other than employees) except as disclosed in the table above: N.A.N.A.

Note 1: Dr. Michael N. Chang, the former Chairman, passed away on December 29, 2022, and the Board of Directors elected Dr. Yun Yen, the representative of corporate director Sheng Cheng Investment Co., Ltd., as the Chairman on December 30, 2022. It is estimated to by-select the vacancy for a director at the General Shareholders' Meeting on June 27, 2023.

Note 2: The term of office for the former independent directors Jerry Fong and Taychang Wang expired on June 26, 2022, and the Company reelected Ming-Chin Chen and Chin-Ting Chiu as independent directors at the General Shareholders' Meeting on June 27, 2022.

Note 3: Includes employee stock option certificates and restricted stocks, and recognized in salary expenses (non-cash charges) in accordance with IFRS 2 "Share-based Payment". Dr. Michael N. Chang, the former Chairman, passed away on December 29, 2022, and his share-based payment expense in 2022 was reversed into negative and proposed to be expressed with NT$0.

2. Remuneration of supervisor in the last year (2022): not applicable

3. Remuneration paid to General Manager and Vice President in the last year (2022):

Unit: NT$thousand

Title	Name	Salary (A)		Retirement pension (B)		Bonus and special disbursement etc. (C) (Note 2)		Amount of employee remuneration (D)				Proportion of total amount of A, B, C and D in net profit after tax (NT$thousand ,%)		Receiving remuneration from reinvestment enterprise other than the subsidiaries or from the parent company.
								The Company		All companies in financial report				
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in financial report	
Chairman & CEO (Note 1)	Michael N. Chang	19,303	19,303	0	0	28,064	28,064	0	0	0	0	47,367 (2.93)	47,367 (2.49)	NA
Chairman & CEO (Note 1)	Yun Yen													
Director & Chief Finance Officer	Frank Chen													
Chief Scientific Officer	Lai, Ming-Tien													
Vice President of Biological Agents, R&D Division	Jiann-Shiun Lai													
Vice President for Medical Affairs	Tsai, Cheng-En													
Vice President of Chemical Pharmacy, R&D Office	Chou, Chun-Hung													

Note 1: Michael N. Chang, the former CEO, passed away on December 29, 2022, and the Board of Directors resolved to elect Director Yun Yen as the Chairman and interim CEO.
Note 2: including the acquisition of employee stock option certificate and Restricted Stock Awards,RSA, and salary expense (non-cash charges) recognized in "Share-based Payment" according to IFRS 2

Remuneration Numerical Range Table

Numerical range of remuneration paid to each General Manager and Deputy General Manager of the Company (Note)	Name of General Manager and Deputy General Manager	
	The Company	All companies in financial report
Below NT$1,000,000	Michael N. Chang	Michael N. Chang
NT$1,000,000 (inclusive) ~ NT$2,000,000 (exclusive)	NA	NA
NT$2,000,000 (inclusive) ~ NT$3,500,000 (exclusive)	Chou, Chun-Hung	Chou, Chun-Hung
NT$3,500,000 (inclusive) ~ NT$5,000,000 (exclusive)	NA	NA
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	Lai, Ming-Tien、Tsai, Cheng-En、Jiann-Shiun Lai	Lai, Ming-Tien、Tsai, Cheng-En、Jiann-Shiun Lai
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	Yun Yen、Frank Chen	Yun Yen、Frank Chen
NT$15,000,000 (inclusive) ~ NT$30,000,00 (exclusive)	NA	NA
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	NA	NA
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	NA	NA
Above NT$100,000,000	NA	NA
Total	7 persons	7 persons

Note: including the acquisition of employee stock option certificate and Restricted Stock Awards,RSA, and salary expense (non-cash charges) recognized in "Share-based Payment" according to IFRS 2. Dr. Michael N. Chang, the former Chairman, passed away on December 29, 2022, and his share-based payment expense in 2022 was reversed into negative and proposed to be expressed with NT$0.

4. uneration paid to the top 5 supervisors with highest remuneration in the last year (2022):

Unit: NT$thousand

Title	Name	Salary (A)		Retirement pension (B)		Bonus and special disbursement etc. (C) (Notes)		Amount of employee's compensation (D)				Proportion of total amount of A, B, C and D in net profit after tax (NT$thousand, %)		Receiving remuneration from reinvestment enterprise other than the subsidiaries
								The Company		All companies in financial report				
		The Company	All companies in financial report	The Company	All companies in financial report	The Company	All companies in financial report	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in financial report	
Chairman & CEO	Yun Yen	0	0	0	0	11,357	11,357	0	0	0	0	11,357 (0.70)	11,357 (0.60)	NA
Director & Chief Finance Officer	Frank Chen	0	0	0	0	10,166	10,166	0	0	0	0	10,166 (0.63)	10,166 (0.54)	NA
Chief Scientific Officer	Lai, Ming-Tien	6,233	6,233	0	0	1,496	1,496	0	0	0	0	7,729 (0.48)	7,729 (0.41)	NA
Vice President of Biological Agents, R&D Division	Jiann-Shiun Lai	4,423	4,423	0	0	3,125	3,125	0	0	0	0	7,548 (0.47)	7,548 (0.40)	NA
Vice President for Medical Affairs	Tsai, Cheng-En	6,199	6,199	0	0	1,182	1,182	0	0	0	0	7,381 (0.46)	7,381 (0.39)	NA

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

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

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

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

Unit: NT$thousand

Annual remuneration / Company type	2021		2022	
	Total remuneration paid to director, General Manager and Deputy General Manager of the Company	Proportion of net profit after tax(%)	Total remuneration paid to director, General Manager and Deputy General Manager of the Company	Proportion of net profit after tax(%)
The Company	42,093	(2.75)	51,960	(3.22)
All companies in consolidated statement	49,012	(2.85)	52,030	(2.74)

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

III Corporate governance operation situation

(i) Board of Directors operation situation

7 (A) Board of Directors meetings were convened in 2022, attending situations of directors are as follows:

Title	Name	Actual attendance times (B)	Delegated attendance Times	Actual attendance rate (%) [B/A]	Notes
Chairman	Sheng Cheng Investment Co., Ltd. Representative: Yun Yen	5	0	71.43	Re-election on 2022.06.27 Elected as Chairman on 2022.06.27
Director	Sheng Cheng Investment Co., Ltd. Representative: Frank Chen	7	0	100.00	Re-election on 2022.06.27
Director	Yi Tai Investment Co., Ltd. Representative: Tamon Tseng	6	0	85.71	Re-election on 2022.06.27
Director	Michael N. Chang	6	0	100.00	Re-election on 2022.06.27 Passed away on 2022.12.29
Independent Director	Howard S. Lee	7	0	100.00	Re-election on 2022.06.27
Independent Director	Ming-Chin Chen	5	0	100.00	Re-election on 2022.06.27
Independent Director	Chin-Ting Chiu	5	0	100.00	Elective on 2022.06.27
Independent Director	Jerry Fong	2	0	100.00	Discharge on 2022.06.26
Independent Director	Taychang Wang	2	0	100.00	Discharge on 2022.06.26

Other matters should be recorded:

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

Date of the meeting: (Stage)	Proposal contents	Opinion of independent director and handling situation of the Company
March 18, 2022 (The 21st of the 6th session)	Proposal for Recognizing the Internal Control System Statement of 2021 Proposal for Partial Amendments to the Articles of Incorporation, the Procedures for the Acquisition or Disposal of Assets, Organizational Rules for Remuneration Committee, and Sustainability Development Best Practice Principles. Proposal for Removing Non-competition Restrictions of Directors.	Approved and passed by all independent directors.
May 6, 2022 (The 22nd of the 6th session)	Proposal for Partial Amendments to the Application for SOP of Suspension or Resumption of Transactions, Procedures for Handling Material Inside Information, the	

	Corporate Governance Best Practice Principles, and Methods of Supervision and Management of Subsidiaries. Proposal for Establishment of Methods for Issuing New Restricted Employee Shares of 2022 and issuance of New Restricted Employee Shares On this Basis. Proposal for Planned Lease of Taipei Bio-tech Park Proposal for Removing Non-competition Restrictions of New Directors.	
August 8, 2022 (The 2nd session of the 7th session)	Waiver of Pre-emption Right of New Shares Issued for Capital Increase by Cash by Important Subsidiary AP Biosciences Inc. Proposal for Amendments to Intellectual Property Right Management Policy, and Subsequent Amendments to Methods for Issuing New Restricted Employee Shares of 2022. Proposal for the First Batch List of Employees Vested with New Restricted Employee Shares and the Vesting Number of Shares in 2022 Proposal for the Register of the Third Issuance of Employee Stock Option Certificates in 2022.	
November 4, 2022 (The 3rd of the 7th session)	Proposal for Appointment PwC Taiwan to Handle Financial Statement Audit and Expenses 2023. Proposal for Partial Amendments to Rules of Procedure of the Board of Directors, Procedures for Handling Material Inside Information, and Procurement Cycle. Proposal for Audit Plan of 2023 by the Audit Department.	
November 24, 2022 (The 4th of the 7th session)	Proposal for Planned Participation in Capital Increase by Cash of the Subsidiary Obigen Pharma Inc.	
March 13, 2023 (The 6th of the 7th session)	Proposal for Recognizing the Internal Control System Statement of 2022 Operation of share dilution of AP Biosciences Inc. held by the Company in Batches to cooperate with the reinvested AP Biosciences Inc. to go public. Operation of share dilution of Obigen Pharma Inc. held by the Company in Batches to cooperate with the subsidiary Obigen Pharma Inc. to go public. Proposal for Partial Amendments to the Articles of Incorporation, the Corporate Governance Best Practice Principles, SOP for Dealing with Directors' Requirements, Procedures for Transactions of Related Parties, Specific Companies and Group Enterprises. Establishment of Risk Management Policies and Procedures, and Procedures for Preparation and Verification of Sustainability Reports. Proposal for Promoting Deputy Chief of Finance to Chief of Finance and His Remuneration.	

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

Date	Name of director	Motion contents	Reason for conflict of interest	Voting situation
2022.3.18	Yun Yen	Proposal for Appointing Representatives as Two Directors for Odeon Therapeutics (Cayman) Limited	Director Yun Yen is a party involved.	Director Yun Yen is a party involved, and rescued from discussion or voting according to law. After the Chairman held the consultation, the Proposal was approved by all directors attending the meeting without objections.

2022.08.08	Michael N. Chang Yun Yen	Proposal for the First Batch List of Employees Vested with New Restricted Employee Shares and the Vesting Number of Shares in 2022.	Chairman Michael N. Chang and Direct Yun Yen are on the vested employee list, and rescued according to law.	On the First Batch List of Employees Vested with New Restricted Employee Shares and the Vesting Number of Shares in 2022: Chairman Michael N. Chang served as CEO concurrently and Director Yun Yen served as Executive Vice President, are parties involved, and rescued from discussion or voting according to law. After Independent Director Howard S. Lee, the Acting Chairman, held the consultation, the Proposal was approved by all directors attending the meeting without objections.
2022.08.08	Frank Chen	Proposal for the Register of the Third Issuance of Employee Stock Option Certificates in 2022.	Director Frank Chen is on the issue register, and rescued according to law.	Director Frank Chen on the issue register serves as CFO and is a party involved, and rescued from discussion or voting according to law. After the Chairman held the consultation, the Proposal was approved by all directors attending the meeting without objections.
2022.11.24	Yun Yen Frank Chen	Proposal for Planned Participation in Capital Increase by Cash of the Subsidiary Obigen Pharma Inc.	Director Yun Yen and Director Frank Chen concurrently serve as directors of Obigen Pharma Inc. and rescued according to law.	Director Yun Yen and Director Frank Chen concurrently serve as directors of Obigen Pharma Inc. and rescued from discussion or voting due to conflicts of interests according to law. After the Chairman held the consultation, the Proposal was approved by all directors attending the meeting without objections.
2022.11.24	Yun Yen Frank Chen	The proposal of the Company for Waiver of the Pre-emption Right of New Shares Issued for Capital Increase by Cash by the Subsidiary Obigen Pharma Inc. and Transfer to All Its Shareholders, Agenda for Establishing Other Interest Base Date, etc.	Director Yun Yen and Director Frank Chen concurrently serve as directors of Obigen Pharma Inc. and rescued according to law.	Director Yun Yen and Director Frank Chen concurrently serve as directors of Obigen Pharma Inc. and rescued from discussion or voting due to conflicts of interests according to law. After the Chairman held the consultation, the Proposal was approved by all directors attending the meeting without objections.
2022.12.30	Yun Yen	Proposal for Removing Non-competition Restrictions of Managers.	Director Yun Yen is a party involved.	Director Dr. Yue Yin rescued from discussion or voting according to law. After Director Frank Chen, the Acting Chairman, held the consultation, the Proposal was approved by all directors attending the meeting without objections.

2023.03.13	Frank Chen	Operation of share dilution of AP Biosciences Inc. held by the Company in Batches to cooperate with the reinvested AP Biosciences Inc. to go public.	Director Frank Chen serve as the Chairman of AP Biosciences Inc. and rescued according to law.	Director Frank Chen serve as the Chairman of AP Biosciences Inc. and rescued from discussion or voting due to conflicts of interests according to law. After the Chairman held the consultation, the Proposal was approved by all directors attending the meeting without objections, and submitted to the General Shareholder's Meeting for discussion.
2023.03.13	Frank Chen	Operation of share dilution of Obigen Pharma Inc. held by the Company in Batches to cooperate with the subsidiary Obigen Pharma Inc. to go public.	Director Frank Chen serve as the Chairman of Obigen Pharma Inc. and rescued according to law.	Director Frank Chen serve as the Chairman of Obigen Pharma Inc. and rescued from discussion or voting due to conflicts of interests according to law. After the Chairman held the consultation, the Proposal was approved by all directors attending the meeting without objections, and submitted to the General Shareholder's Meeting for discussion.
20023.03.13	Yun Yen	Proposal for Remuneration and Welfare of the Company's CEO.	Director Yun Yen is a party involved.	Yun Yen, the Chairman and CEO of the Company, is a party involved, and rescued from discussion or voting according to law. After Independent Director Howard S. Lee, the Acting Chairman, held the consultation, the Proposal was approved by all directors attending the meeting without objections.

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

No.	Evaluation Method	Evaluation Cycle	Evaluation Duration	Evaluation Scope	Evaluation Content
1	Internal Self-Evaluation of Board of Directors	Once per year	From January 1, 2022 to December 31, 2022	The Whole Board of Directors	The measurement items of board performance evaluation include the following five aspects: I. Extent of participation in the operation of the company. II. Improve the decision-making quality of board of directors. III. Composition and structure of the board of directors. IV. Selection and continuing education of directors. V. Internal control.
2	Self-Evaluation of Directors	Once per year	From January 1, 2022 to December 31, 2022	Individual Director Member	The measurement items of performance evaluation of individual directors include the following six aspects: I. Master the company's objectives and tasks. II. Recognition of director responsibility. III. Extent of participation in the operation of the company. IV. Operation and communication of internal relationship. V. Professional and continuing

					education of directors. VI. Internal control.
3	Self-Evaluation of Directors	Once per year	From January 1, 2022 to December 31, 2022	Functional Committee	The measurement items of functional committee performance evaluation include the following five aspects: I. Extent of participation in the operation of the company. II. Recognition of responsibility of functional committee III. Improve the decision-making quality of functional committee. IV. Composition and selection of members of functional committee. V. Internal control.

The company completes the self-evaluation of board performance in 2022, and submits the evaluation results to the board report in the first quarter of 2023 as the basis for review and improvement. The overall score of self-evaluation of the performance of the board of directors is 4.92(full score of 5), and that of individual directors is 4.94(full score of 5. It indicating good operation of the board of directors. The overall score of the performance self-evaluation results of the functional committee was 4.97(full score of 5), indicating good performance.

4. The objective of strengthening the functions and powers of Board of Directors (such as setting Audit Committee, improving information transparency etc.) in the current and last year and assessment on execution situation:
   1. In order to strengthen corporate governance and enhance information transparency, the Company established an audit Committee with three independent directors on March 25, 2014. The company was listed on March 23, 2015, and all board operations are handled in accordance with relevant laws and regulations.
   2. The company has three independent directors, namely Dr. Howard S. Lee, Dr. Ming-Chin Chen and Dr. Chin-Ting Chiu, who have rich professional ability and experience in the Biomedical and Management, accounting and financial analysis, and Laws & Regulations, and provide good advice on the relevant proposals of the board of directors and the company's operation.
   3. All members of current Board of Directors of the Company have taken refresher courses related to corporate governance.
   4. In order to regularly review the efficiency of Board of Directors, the Company has formulated Board of Directors Performance Assessment Measures and its assessment method in 2016. The internal performance evaluation of the board of directors of the Company in 2022 has been completed before the end of the year of 2022.
   5. PwC Taiwan is appointed for auditing and certifying the financial reports of the Company, all information disclosures as required by laws and decrees are completed accurately in due time, and dedicated person is designated to be responsible for collection and disclosure of company information. Spokesman system is established to ensure timely and proper disclosure of important information. Apart from the linkage to mops.twse.com.tw, the website of the Company will also timely update relevant activities, announcements and financial information for the sake of reference by shareholders and interested parties on financial business related information.

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

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

Title	Name	Actual attendance times (B)	Delegated attendance times	Actual attendance rate (%) (B/A)	Notes
Chairperson	Ming-Chin Chen	4	0	100	Elective on 2022.06.27
Committee member	Howard S. Lee	6	0	100	Re-election on 2022.06.27
Committee member	Chin-Ting Chiu	4	0	100	Elective on 2022.06.27
Committee member	Jerry Fong	2	0	100	Discharge on 2022.06.26
Committee member	Taychang Wang	2	0	100	Discharge on 2022.06.26

Other matters should be recorded:

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

Date of the meeting: (Stage)	Proposal contents	Opinions of all independent directors and the company's handling of independent directors' opinion
March 18, 2022 (The 20th of the 3rd session)	Proposal for Final Statement of 2021. Proposal for Loss Allowance of 2021. Proposal for Recognizing the Internal Control System Statement of 2021. Proposal for Partial Amendments to the Articles of Incorporation, the Procedures for the Acquisition or Disposal of Assets, Organizational Rules for Remuneration Committee, and Sustainability Development Best Practice Principles. Proposal for Removing Non-competition Restrictions of New Directors.	Approved and passed by all independent directors.
May 6, 2022 (The 21st of the 3rd session)	Proposal for Financial Statement for the Q1 of 2022. Proposal for Partial Amendments to the Application for SOP of Suspension or Resumption of Transactions, Procedures for Handling Material Inside Information, the Corporate Governance Best Practice Principles, and Methods of Supervision and Management of Subsidiaries. Proposal for Planned Lease of Taipei Bio-tech Park. Proposal for Removing Non-competition Restrictions of New Directors.	
August 8, 2022 (The 2nd of the 4th session)	Proposal for Consolidated Financial Statements for the Q2 of 2022. Waiver of Pre-emption Right of New Shares Issued for Capital Increase by Cash by Important Subsidiary AP Biosciences Inc. Proposal for Partial Amendments to Intellectual Property Right Management Policy.	
November 4, 2022 (The 3rd of the 4th session)	Proposal for Consolidated Financial Statements for the Q3 of 2022. Proposal for Appointment PwC Taiwan to Handle Financial Statement Audit and Expenses 2023.	

	Proposal for Partial Amendments to Rules of Procedure of the Board of Directors, Procedures for Handling Material Inside Information, and Procurement Cycle. Proposal for Audit Plan of 2023 by the Audit Department.	
November 23, 2022 (The 4th of the 4th session)	Proposal for Planned Participation in Capital Increase by Cash of the Subsidiary Obigen Pharma Inc.	
March 10, 2023 (The 5th of the 4th session)	Proposal for Final Statement of 2022. Proposal for Loss Allowance of 2022. Proposal for Recognizing the Internal Control System Statement of 2022. Operation of share dilution of AP Biosciences Inc. held by the Company in Batches to cooperate with the reinvested AP Biosciences Inc. to go public. Operation of share dilution of Obigen Pharma Inc. held by the Company in Batches to cooperate with the subsidiary Obigen Pharma Inc. to go public. Proposal for Partial Amendments to the Articles of Incorporation, the Corporate Governance Best Practice Principles, SOP for Dealing with Directors' Requirements, Procedures for Transactions of Related Parties, Specific Companies and Group Enterprises. Establishment of Risk Management Policies and Procedures, and Procedures for Preparation and Verification of Sustainability Reports.	

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

3. Communication circumstances (shall include the major matters, method and result etc. of communication regarding financial and business situations of the company) between independent director and internal audit supervisor and accountant.

Date	Communication method	Communication object	Communication matter	Communication result
2022.3.18	Audit Committee	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
		Director of internal audit	Proposal for Recognizing the Internal Control System Statement of 2021.	Noted
		Accountant	PwC Taiwan communicated with the governance unit about item reports during the check completion stage of the final consolidated financial statements of 2021.	Noted
	Board of Directors	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
		Director of internal audit	Proposal for Recognizing the Internal Control System Statement of 2021.	Noted
		Accountant	PwC Taiwan communicated with the governance unit about item reports during the check completion stage of the final consolidated financial statements of 2021.	Noted

2022.05.06	Audit Committee	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
		Accountant	PwC Taiwan communicated with the governance unit about item reports during the review completion stage of the financial statement of the 1st quarter of 2022.	Noted
	Board of Directors	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
		Accountant	PwC Taiwan communicated with the governance unit about item reports during the review completion stage of the financial statement of the 1st quarter of 2022.	Noted
2022.08.08	Audit Committee	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
		Accountant	PwC Taiwan communicated with the governance unit about item reports during the review completion stage of the financial statement of the 2nd quarter of 2022.	Noted
	Board of Directors	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
		Accountant	PwC Taiwan communicated with the governance unit about item reports during the review completion stage of the financial statement of the 2nd quarter of 2022.	Noted
2022.11.04	Audit Committee	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
		Director of internal audit	Proposal for Audit Plan of 2023 by the Audit Department.	After passing the resolution submitted to the board of directors, it will be implemented
		Accountant	PwC Taiwan communicated with the governance unit about item reports during the review completion stage of the financial statement of the 3rd quarter of 2022.	Noted
	Board of Directors	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
		Director of internal audit	Proposal for Audit Plan of 2023 by the Audit Department.	Noted

		Accountant	PwC Taiwan communicated with the governance unit about item reports during the review completion stage of the financial statement of the 3rd quarter of 2022.	Noted
2022.11.23	Audit Committee	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
	Board of Directors	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
2022.03.10	Audit Committee	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
		Director of internal audit	Proposal for Recognizing the Internal Control System Statement of 2022.	Noted
		Accountant	PwC Taiwan communicated with the governance unit about item reports during the check completion stage of the final consolidated financial statements of 2022.	Noted
2023.03.13	Board of Directors	Director of internal audit	Director of internal audit audited the work progress report according to the annual audit program.	Noted
		Director of internal audit	Proposal for Recognizing the Internal Control System Statement of 2022.	Noted
		Accountant	PwC Taiwan communicated with the governance unit about item reports during the check completion stage of the final consolidated financial statements of 2022.	Noted

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

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

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

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
3. Board of Directors' composition and responsibility (1) Whether the Board of Directors has formulated diversified policy for the member composition and implemented it?	✓		(1) The "Procedures for Election of Directors" and "Corporate Governance Best Practice Principles" of the Company explicitly stipulate the diversity policy for composition of Board of Directors members and disclose it at company website and mops.twse.com.tw, directors of the Company have different professional backgrounds, and members of the sixth session Board of Directors possess knowledge, skills and accomplishments necessary for duty execution. The current board of directors of the Company is composed of seven directors, including four directors and three independent directors, with rich experience and expertise in accounting, law and other fields. The tenure of three independent directors is less than 9 years. Note: Dr. Michael N. Chang, the former Chairman, passed away on December 29, 2022, and it is scheduled to by-elect one director at the General Shareholders' Meeting of 2023.	There is no significant difference yet.
(2) Apart from setting Remuneration Committee and Audit Committee pursuant to law, whether the Company is willing to set other functional committees?	✓		(2) Apart from setting Remuneration Committee and Audit Committee pursuant to law, the Company also set M&A Special Committee and organization regulations in 2016, and the M&A Special Committee comprising of three independent directors was established on January 18, 2017. Other corporate governance operations of the Company are handled by each department respectively according to its function and power, in the future, other committee may be set after further assessment if necessary.	
(3) Whether the Company has formulated Board of Directors Performance Assessment Measures	✓		(3) In order to regularly review the efficiency of Board of Directors and improve the degree of corporate governance, the Company has formulated the "Board of Directors Performance Assessment Measures" and its assessment method in 2016, and executes Board of Directors performance assessment at least once a year.	

	Finance	Law	Industry	Management	International
Yun Yen			V	V	V
Frank Chen	V		V	V	V
Tamon Tseng		V		V	V
(Vacancy)					
Howard S. Lee			V	V	V
Ming-Chin Chen	V			V	V
Chin-Ting Chiu	V	V		V	V

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
and its assessment method, regularly carries out performance assessment every year, hands in the results of performance assessment to Board of Directors, and applies them as the reference for the remuneration, nomination and reappointment of individual directors?			The internal performance evaluation of the board of directors in 2022 of evaluation was completed before the end of 2022. The scope of this appraisal is the board of directors, individual directors and functional committees. The performance appraisal of the board of directors, in the form of self-assessment questionnaire in five aspects (including participation in the Extent of participation in the operation of the company, improving the decision-making quality of the board of directors, composition and structure of the board of directors, selection and continuing education of directors, internal control, etc.), and all performed well. Self-assessment of directors' members in the form of self-assessment questionnaire, has performed well in six aspects (including mastering the company's objectives and tasks, directors' responsibilities, participation in the company's operations, internal relations management and communication, directors' professional and continuing education, internal control, etc.). The performance appraisal of functional committees, in the form of self-assessment questionnaire, includes 24 evaluations in five aspects (including the degree of participation in the company's operations, the awareness of the responsibilities of functional committees, the improvement of decision-making quality of functional committees, the composition and selection of members of functional committees, internal control, etc.), and all performed well. The Company's review of the items with weaker scores will be the way to improve in the coming year. In addition, the external performance evaluation of the board of directors every three years entrusts China Corporate Governance Association, an external institution, to conduct the performance evaluation of the board of directors from January 1, 2021 to December 31, 2021. This institution and executive experts have no business dealings with the company and they are independent. The performance evaluation of the board of directors is based on eight aspects including the composition of the board of directors, guidance, authorization, supervision, communication, internal control and risk management, self-discipline and other aspects of the board of directors. The evaluation method is questionnaire and the company's own evaluation. The association reviewed the relevant documents required by the company to provide evaluation in writing and interviewed the chairman, independent directors and chief financial officer of the company via video interview on February 14, 2022 to help the company improve through the interaction and sharing of the evaluation process. The performance evaluation report of the Board of Directors was	

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
(4) Whether the Company has regularly assessed the independence of certified public accountant?	✓		presented on February 22, 2022, and the company reported the evaluation results to the Board of Directors on March 18, 2022. The performance appraisal report is posted on the company's website. (4) The Company assesses the independence and competency of certified public accountants at least once a year, and asks the accountants and accounting firm to provide relevant materials and statements on the indicators such as the scale and reputation of accounting firm, number of years in consecutive providing audit service, nature and degree of providing non-audit service, audit certification fee, peer appraisal, whether it is involved in any lawsuit or any case amended or investigated by competent authority, the quality of audit service, whether there is any regular further education, and interaction between and among the management echelon and internal audit supervisor etc., so that Board of Directors conducts assessment accordingly, and the assessment results of the last year has been completed on November 4, 2022.	
4. Whether or not the listed or OTC-quoted company sets appropriate number of eligible corporate governance personnel, and designates the corporate governance supervisor to be responsible for corporate governance related affairs (including but not limited to provide directors and supervisors necessary materials for business execution, assist directors and supervisors in legal compliance, handle matters related to Board of Directors Meeting and Shareholders' Meeting pursuant to law, and prepare meeting minutes for Board of Directors Meeting and Shareholders' Meeting etc.)?	✓		The Company has specific promotion plan for fulfilling corporate governance, and has formulated Corporate Governance Best Practice Principles and discloses it at the company website; meanwhile, the Company continues to update the latest amended regulations related to corporate governance; currently the Financial Division of the company is responsible for handling affairs related to corporate governance, and the execution situation is good so far, when the capital amount and scale etc. meet statutory requirements, the Company will set corporate governance personnel and supervisor to be responsible for handling affairs related to corporate governance. The Board of Directors of the Company has appointed the corporate governance supervisor responsible for related affairs of corporate governance on March 13, 2023.	There is no significant difference yet.

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
5. Whether the Company has established communication channels with the interested parties (including but not limited to shareholders, employees, customers and suppliers etc.), and set interested party zone in the company website, and appropriately responded to the important corporate social responsibility issues concerned by interested parties?	✓		The Company has set spokesman and acting spokesman mechanism, and regularly disclose financial information for interested party to rapidly understand the operation situation of the Company to safeguard its rights and interests.	There is no significant difference yet.
6. Whether the Company has appointed professional stock affairs agency to handle the affairs of Shareholders' Meeting?	✓		The Company has appointed MasterLink Securities Corporation to handle stock affairs.	There is no significant difference yet.
7. Information disclosure (1) Whether the Company has set website to disclose financial business and corporate governance information? (2) Whether the Company has adopted other information disclosure methods (such as setting English website, designating dedicated person to be responsible for the collection and disclosure of company information, implementing spokesman system, and setting company website in the course of investor conference presentation etc.)?	 ✓ ✓		(1) The website of the Company has disclosed information related to company profile and financial business. (2) The Company has designated dedicated person to be responsible for disclosing significant company information, and timely input it in the announcement at mops.twse.com.tw; besides, the Company has set spokesman and acting spokesman system and publicly plays the live video of investor conference presentation at the company website.	There is no significant difference yet.

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

Assessment item	Operation situation			Difference from Listed Company Governance Best Practice Principles and the reason therefor
	Yes	No	Description abstract	
			The Company emphasizes the risk management policy of "Prevention speaks louder than everything", apart from formulating rigorous internal control system pursuant to law, and regularly and irregularly examining the execution situation and proposing report through internal audit, the Company also takes reasonable hedging measures in the aspect of financial affairs and exchange rate etc. to reduce risks, and reviews the financial structure at any time to avoid excessive financial risks. (7) Execution situation customer policy: The products of the Company are currently at the stage of research and development and have no operating income, in the future, when the products come into the market for sale, dedicated personnel will provide relevant services to the correspondents. (8) The situation in which the Company buys liability insurance for the director: Starting from June 14, 2012, the Company buys liability insurance for the directors and supervisors, and the insurance is renewed every year.	
9. Please describe the improvement of corporate governance evaluation result released by corporate governance center of Taiwan Stock Exchange Corporation in the last year, and propose the prioritized strengthening matters and measures for the unimproved matters. The Company has been listed in corporate governance assessment (the 3rd session) for the first time in 2016, in the future, for the items failed in assessment, the Company will review the feasibility in current year and future strategy every year, therefore, the Company will achieve a balance between the development of competent authority policy and the development of company mainbody every year, promote the implementation plan for the items can be improved at current stage, and set the year and objective of improvement for the items cannot be improved at current stage.				

Main manners and situations of further education for directors of the Company in 2022 are as follows:

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

Name	Date of further education	Host unit	Course name	Hours of further education
Yun Yen	2022.11.11	Deloitte & Touche	Governance of Board of Directors under ESG	3.0
	2022.11.11	Deloitte & Touche	Significant Company Message (Information) Disclosure and Responsibilities of Directors and Supervisors	3.0
Frank Chen	2022.09.22	Taiwan Corporate Governance Association	Principle of Contractual Fairness and Integrity for Fair Treatment of Customers - Case Analysis of the Insurance Industry	1.0
	2022.09.28	Taiwan Corporate Governance Association	How to Prevent Internal Concerns - Analysis on Internal Investigations of Companies	3.0

Name	Date of further education	Host unit	Course name	Hours of further education
	2022.09.29	Taiwan Corporate Governance Association	Latest on IFRS 17	1.5
	2022.11.10	Taiwan Insurance Institute	Seminar on Anti-money Laundering and Combating of Terrorism Financing	1.0
	2022.12.06	Taiwan Corporate Governance Association	Latest on IFRS 17	1.5
Tamon Tseng	2022.09.22	Taiwan Corporate Governance Association	Principle of Contractual Fairness and Integrity for Fair Treatment of Customers - Case Analysis of the Insurance Industry	1.0
	2022.09.28	Taiwan Corporate Governance Association	How to Prevent Internal Concerns - Analysis on Internal Investigations of Companies	3.0
	2022.09.29	Taiwan Corporate Governance Association	Latest on IFRS 17	1.5
	2022.11.10	Taiwan Insurance Institute	Seminar on Anti-money Laundering and Combating of Terrorism Financing	1.0
	2022.12.06	Taiwan Corporate Governance Association	Latest on IFRS 17	1.5
Vacancy (Note)				
Howard S. Lee	2022.05.31	Securities & Futures Institute	Discussion about Enterprise Sustainability Transformation from ESG Management	3.0
	2022.09.28	Taiwan Corporate Governance Association	How to Prevent Internal Concerns - Analysis on Internal Investigations of Companies	3.0
	2022.10.12	Taiwan Corporate Governance Association	Information Security Governance Strategies of TWSE/TPEx Listed Companies from ESG Corporate Sustainability Development	3.0
Ming-Chin Chen	2022.08.25	Taipei Exchange (TPEx)	Advocacy Roadshow on Insider Equity of Companies Listed in the Emerging Stock Market	3.0
	2022.10.17	Greater China Financial and Economic Development Association	Value Connotations of Financial Statements and Strategic ESG Investment	3.0
Chin-Ting Chiu	2022.06.24	Accounting Research and Development Foundation	Corporate Governance and Securities Laws and Regulations	3.0
	2022.07.27	Co-organized by Taiwan Stock Exchange (TWSE) and Taipei Exchange (TPEx)	Advocacy Roadshow on Sustainability Development Roadmap with Industry Themes	2.0
	2022.08.25	Taipei Exchange (TPEx)	Advocacy Roadshow on Insider Equity of Companies Listed in the Emerging Stock Market	3.0
	2022.09.27	Taiwan Corporate Governance Association	How Do Audit Committee Members Interpret and Use Audit Quality Indexes (AQI)	3.0
	2022.09.28	Taiwan Corporate Governance Association	How to Prevent Internal Concerns - Analysis on Internal Investigations of Companies	3.0
	2022.10.12	Taiwan Corporate Governance Association	Information Security Governance Strategies of TWSE/TPEx Listed Companies from ESG Corporate Sustainability Development	3.0

Note: Dr. Michael N. Chang, the former Chairman, passed away on December 29, 2022, and the Board of Directors elected Dr. Yun Yen, the representative of corporate director Sheng Cheng Investment Co., Ltd. as the Chairman. The vacancy for a director shall be by-elected at the General Shareholders' Meeting of 2023.

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

1. Information of Remuneration Committee members

April 30, 2023

Condition / Name / Position		Professional qualifications and experience	Independence conformance	Number of other public companies in which concurrently act as independent director
Independent Director	Howard S. Lee	**Education background:** Ph. D. in chemistry, University of Southern California **Experience:** Partner of CID Group. **Current position:** Chairman of TAHO Pharmaceuticals Ltd., Chairman of Transwell Biotech Co., Ltd., etc He has more than 30 years of experience in biotech investment and management and familiar with the biotech industry. He has the necessary experience and expertise in business, finance and corporate business. No section 30 of the Company Law. (Note 1)	All independent directors conform to the following conditions: 1. Comply with the relevant provisions of Article 14 bis of the Securities and Exchange Law issued by the Financial Supervisory Commission and "Measures for Setting up independent Directors of Publicly issued Companies and Matters to be Followed" (Note 2). 2. I (or in the name of another person), my spouse and minor children do not hold shares of the Company. 3. The amount of remuneration not obtained from providing business, legal, financial, accounting and other services to the Company or its affiliated enterprises in the recent two years.	3
Independent Director	Ming-Chin Chen	**Education background:** Doctor of Accounting, Arizona State University **Experience:** Independent director of Bank of Taiwan and Independent director of Taimed Biologics Inc. **Current position:** Professor, Department of Accounting, National Chengchi University (NCCU), Independent director of Ruentex Materials Co., Ltd. and Independent director of Nan Shan Life Insurance Company, Ltd. He has the extensive knowledge and experience in Accounting and Financial Analysis. He has the necessary experience and expertise in finance, accounting and corporate business. No section 30 of the Company Law. (Note 1)		2

Condition / Name / Position		Professional qualifications and experience	Independence conformance	Number of other public companies in which concurrently act as independent director
Independent Director	Chin-Ting Chiu	**Education background:** Master, **Business Administration,** National Taiwan University **Experience:** Chairman of Securities and Futures Investors Protection Center and Chairman of TAIWAN-CA Inc. **Current position:** Independent director of Ruentex Interior Design Inc. and Independent director of Taimed Biologics Inc. He has the extensive knowledge and experience in Accounting and Regulations. He has the necessary experience and expertise in accounting, legal and corporate business. No section 30 of the Company Law. (Note 1)		2

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

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

Note 2: 1. Other than the provisions of Article 27 of the Company Law, the government, the legal person or its Representative:

2. No more than three independent directors of other publicly issued companies.
3. Not having any of the following incidents in the first two years or during the term of office:
   (1) An employee of the Company or its affiliates.
   (2) Directors and supervisors of the company or its affiliated enterprises.
   (3) Natural person shareholder holding over 1% of the total issued shares of the company or being the top ten shareholders not in the name of himself/herself and his/her spouse, minor children or other persons.
   (4) Not the spouse, relative within second degree of kinship, or lineal relative within third degree of kinship, of the managerial officer listed in Paragraph (1) or any of the persons listed in Paragraph (2) and (3).
   (5) Directors, supervisors or employees of the corporate shareholders who directly hold more than 5% of the total number of issued shares of the company, the top five holders of shares or who designate Representative as director or supervisor of the Company in accordance with Article 27 of the Company Law.
   (6) More than half of the directors or voting shares of the company and the other company are directors, supervisors or employees of the other company controlled by the same person.

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

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

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

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

2. Information of operation situation of Audit Committee

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

(2) Term of office of members in this session: from June 27, 2022 to June 26, 2025, Remuneration Committee has convened 5 meetings (A) in 2022, and members' qualifications and attending situations are as follows:

Title	Name	Actual attendance times B	Delegated attendance times	Actual attendance rate (%) [B/A]	Notes
Convenor	Howard S. Lee	5	0	100	Re-election on 2022.06.27
Committee member	Ming-Chin Chen	3	0	100	Elective on 2022.06.27
Committee member	Chin-Ting Chiu	3	0	100	Elective on 2022.06.27
Committee member	Jerry Fong	2	0	100	Discharge on 2022.06.26
Committee member	Taychang Wang	2	0	100	Discharge on 2022.06.26

Other matters should be recorded:

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

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

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
1. Whether the Company has established a governance structure to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development, and whether the Board of Directors has authorized senior management echelon to handle and supervised the situation to Board of Directors?	✓		To promote the Company's sustainability development policy and relevant matters, the Company has designated the Board of Directors as the supreme command unit for sustainability development and established the Sustainability Development Execution Committee; the CFO serves as the Director of the Committee, it has the Execution Secretariat for which the Public Affair Division has the responsibilities and five project groups of corporate governance and economics, product service, employee care, social care and sustainable environment by category of sustainability affairs. Group members are representatives elected by division concerned, and keeps advocating the philosophy of corporate sustainable development through work division meetings, and recognize and analyze themes of sustainability development; the Committee discloses the results between the Company and stakeholders and achievements of sustainability development in the Sustainability Report on a regular basis annually, and reports to the Board of Directors and accepts the guidance from the Board of Directors. To implement the sustainability policies, the Company has established the Procedures for Preparation and Verification of Sustainability Report in 2023 and will implement the Procedures after being approved by the Board of Directors.	There is no significant difference yet.
2. Whether the Company has set dedicated (part-time) unit to promote corporate social responsibility, and whether the Board of Directors has authorized senior management echelon to handle and report the handling situation to Board of Directors?	✓		1. The sustainability development performance of the Company is dominated by the parent company of IBO and doesn't include that of associates in the consolidated financial statements. The disclosure range of sustainability data is the corporate governance, environmental and social performance from January 1, 2022 to December 31, 2022. 2. The Sustainability Development Execution Committee of the Company makes analysis in accordance with the materiality principle of sustainability principle, inspects the aspects of corporate governance, economics, society, environment and product service after communications with stakeholders and by virtue of the features, themes and corporate operation relevance of the bio-tech industry, and analyzes material themes as the sustainability development basis of the Company. 3. The risk management policies of the Company are based on the principle of prevention. While the Company develops a strict internal control system, audits and checks the implementation status, presents reports, classifies risks according to the materiality principle, and drafts countermeasures respectively, and departments concerned evaluates and reviews risks regularly to reduce the impacts from risk events. Once a risk occurs, the CEO starts organizing a project group to evaluate, dispose of, control and manage risks, release information, monitoring the public opinions in accordance with the risk control and management mechanism of the Company, and cope with and reviews the aftermath of the risk to minimize the harm. For relevant risk items and countermeasures, please refer to 7 and 6 for Risk Analysis and Evaluation.	There is no significant difference yet.

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
			4. To establish a perfect risk management system, the Company established Risk Management Policies and Procedures in early 2023 and plans to implement them in the second half of 2023.	
3. Environmental issue (1) Whether the Company has been devoting to improve the utilization efficiency of all kinds of resources, and using renewable materials having lower impact on environmental load?	✓		(1) The main business of the Company is new drug R&D, and no products have been launched for mass production or launched in the market, so there is no concern about sewage, waste or greenhouse gas emission pollution; the Company has the Safety And Health Management Group and Laboratory Waste Management Methods to effectively prevent and manage possible laboratory pollution, clean and recycle waste, and abide by all environment protection regulations of competent authorities.	The Company is in the bio-tech and new drug R&D industry, and has not yet been in the stage of mass production, and there is no significant difference yet between the measures for maintaining the sustainable environment and the Code
(2) Whether the Company has established appropriate environmental management system according to its industrial characteristics?	✓		(2) The current new drug R&D of the Company is only laboratory work at present and only requires a limited amount of energy, resources and materials, so no environmental load is caused. However, to cherish resources, the Company keeps advocating energy conservation, recycles waste by classification and reduces paper use, and advocates its employees to turn off lamps when leaving, print less, use environment-friendly cups but reduce the use of packaged water and dixie cups, implementing energy conservation in daily life. Besides, the Company is committed to promoting resource classified processing and recycling to realize the goals of garbage reduction and resource recovery. The Company produces clinical trial drugs, and has improved the manufacture methods, processes and management modes to avoid pollution accidents and effectively use resources; in the future, it will integrate the concepts of environmental protection and energy conservation in its mass production schedules, take related measures, and attach equal importance to environmental protection; it intends to realize the sustainable operation goal while pursuing development. Besides, the Company requires its employees to implement energy-saving measures, reducing the annual electricity consumption by 11.94% in 2022 compared with 2021. The Company will continue implementing energy conservation and enhance energy utilization.	
(3) Whether or not the company assesses potential current and future risk and opportunity brought by climate change to the company, and adopts solutions to relevant climate issues?	✓		(3) The Sustainability Development Execution Committee of the Company drafts, manages and implements topics on climate change for which the CFO is fully held accountable, and reports to the Board of Directors on a regular basis. The Company evaluated risks and opportunities from climate change for the first time in 2022 in accordance with the Framework of Task Force on Climate-related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB), and will make inspection and updating every year. The detailed explanations and countermeasures on analysis of risks and opportunities from climate change have been disclosed in its Sustainability Report.	
(4) Whether or not the company conducts statistics on greenhouse gas emissions, water consumption and total waste weight in the last	✓		(4) The drug R&D business of the Company is based in the laboratories in Nangang Software Park, has not yet been in the stage of mass production, and only requires a limited amount of energy, resources and materials, so no environmental load is caused, so there is no difference with requirements of general	

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
two years, and formulates policies for energy saving, carbon reduction, reduction of greenhouse gas emissions and water consumption, or management of other waste?			offices with regards to water and energy consumption management. To respond to the Government's sustainability development policy, the Company gets down to planning the greenhouse gas check methods, drafting climate change mitigation strategies, and setting energy conservation and carbon reduction goals. The Company organized two sessions of educational training on Greenhouse Gas Check and Quantification in 2022, and plans to establish the Greenhouse Gas Check Group at the end of June, 2023 whose number of members and responsibility scopes will be planned according to law in the future to check greenhouse gas and disclose relevant data regularly. In terms of waste management, the Company has established Industrial Waste Disposal Plan and Laboratory Waste Management Methods as the bases for properly disposing of industrial waste in accordance with relevant governmental regulations on environmental protection. To avoid pollution from solid or liquid waste generated in drug R&D experiments, the Company strictly follows Handling Considerations about Industrial Waste and Laboratory Waste Management Methods, strictly requests laboratory technicians to dispose of industrial waste in strict accordance with standard processes, but not throw the waste away randomly or pour it into the drainage system to avoid damage to personal health or environmental pollution. The amount of waste produced of the Company in 2022 was 9.25 tons, increased by 30% compared with that in 2021, which was mainly due to the sharp increase in workload when newly-developed products were in the process development and amplification stages. The Company fulfills the environmental protection obligation properly in the R&D process, strengthens the waste management measures in accordance with Verification Criteria on Substantial Concerns about Industrial Disposal Entrustment and implements the determination and actions of sustainability development goals.	
4 Social issue (1) Whether the Company has formulated relevant management policies and procedures according to relevant laws and regulations and International Covenants on Human Rights?	✓		(1) The Company formulates the *Employee Handbook* in accordance with the Labor Standards Law and related laws and regulations 1. Carry out employee health examination regularly. 2. The Company holds labor and capital meetings every quarter, and protects the legitimate rights and interests of employees, as well as their non-discriminatory treatment in employment policy in accordance with labor laws and regulations, and provides retirement pensions. Set up an employee welfare committee, and handle various welfare matters through the operation of the welfare committee elected by the employees. 3. The company formulates the methods for the club establishment, encourages employees to spontaneously establish Leisure Club and hold regular activities, advocates employees to enjoy work and health, exercise their body and mind, and improve cohesion.	Conforming to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
(2) Whether or not the company formulates and implements rational employee welfare measures (including remuneration, leave and other welfares etc.), and appropriately reflects the operation performance or achievement to employee remuneration?	✓		4. Hold employee friendship and other activities from time to time to promote the physical and mental development of employees. (2) 1. Employee compensation: The Company cooperates with an international renowned management agency to set the compensation standards and master the salary market situations at any time to ensure that its employees are better-paid than peers in the same type of companies. The compensation of regular employees includes fixed salary, allowances, bonuses and remuneration; employees with the same length and service and at the same level of position are not paid differently due to gender. The Company decides to adjust the salary standard for the year with reference to the salary adjustment standards of its peers, its operating performance and profitability, provides different salary adjustment ranges based on the performance assessment results of managers/employees, and implements the reward differentiation. Besides, the Company has established related measures and working rules on compensation and employee stock options in which compensation and reward and punishment standards are clearly specified, allowing employees to share its operating performance achievements. 2. Employee well-being: The Company provides a leave system better than those stipulated in Labor Standards Act, and provides group insurance and occupational disaster insurance except for the labor and health insurance as stipulated in Employment Insurance Act and National Health Insurance Act. Besides, it has established the Employee Welfare Committee in accordance with the Employee Pension Regulations, holds activities to facilitate employee care, and offers benefits to its employees. The Company is committed to advocating doing physical exercise and encourage its employees to go to the gym after work. It has established Methods for Encouraging Employees to Develop Club Activities to help employees relax, keep fit and strengthen communication with their colleagues. The Company has established Methods for Employee Stock Option Certificate Issuance and Subscription to share the growth achievements with the employees, and stimulates employees' cohesiveness. 3. Workplace diversity and equality: The Company considers employees' morality, professionalism and experience in its talent promotion and recruitment principles; eradicates discrimination against race, skin color, gender, age, nationality, family origin, religion, or disability, and requires to realize zero discrimination. No discrimination, harassment or bullying occurred in the Company. The Company recruited two disabled employees in 2022.	

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
(3) Whether the Company has provided employees a safe and healthy working environment, and has implemented safety and health education to the employees regularly?	✓		The employee gender ratio of the Company is almost 1:1, no differential treatment due to gender or age; the Company has lactation rooms, provides child care subsidies to its employees, has welfare measures better than those stipulated in Labor Standards Act, and boosts as a happy enterprise in the bio-tech industry. (3) Since its establishment, the Company has kept the zero-accident record, actively implements the occupational health and safety requirements, and is committed to creating a friendly working environment. 1. The Company attaches importance to the personal safety and health of employees. In addition to setting up a full-time nurse in accordance with the Labor Health Protection Rules to be responsible for the annual health examination and health consultation of employees, the Company also regularly holds health lectures to promote physical and mental health, health education and assist employees in self-health managementand inspects the maintenance of workplace environment health. 2. According to the Occupational Safety and Health Law, the Company also has a Maternal Health Protection Plan to assess and control hazards, provide physician consultation guidance, carry out risk classification management, and arrange work suitability for pregnant and postpartum and breastfeeding employees. 3. In addition, the Company also regularly arranges physician health consultation services and diet health lectures for employees who have abnormal physical examination reports, pain and daily medical troubles. 4. Epidemic prevention measures and publicity: The global epidemic of COVID-19 is critical. The company makes every effort to take protective measures, such as measuring and registering the body temperature every day, providing employees with alcohol for disinfection, strengthening the disinfection of office environment and appliances, and advocating employees to wash their hands frequently, and wearing masks in the office area to protect themselves and others. If a colleague has a fever or other discomfort, the colleague shall be persuaded to seek medical treatment or rest at home and take independent health management. If any colleague or his / her family member or roommate has a fever or is listed or isolated, he / she shall take the initiative to inform the company, and the Human Resources and Administration Office shall take the initiative to care or assist. 5. The Company holds at least twice a year for employees and laboratories safety and health education and fire drills, carries out work environment hazard control assessment, provides appropriate and adequate protective tools, and provides first aid facilities such as watering, fire fighting, ambulance and medical treatment in case of emergency, so as to establish a safe working environment, protect personal safety and prevent occupational disasters.	

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
(4) Whether the Company has set effective occupational ability development training plan for the employees?	✓		(4) Taiwan OBI clearly stipulates the *Education and Training Management Measures*. In addition to the company's own education and training and continuing education for employees, it also provides channels for employees to participate in seminars at home and abroad, encourages employees to strive for professional certification, and spares no effort in on-the-job cultivation for employees. This talent investment is budgeted and implemented, and the training effectiveness is included in the annual performance appraisal, promotion and re-education reference. The employee training amounted to 1,863.1 hours with the average training of 14.22 hours per person in 2022.	
(5) For the customer health and safety, customer privacy, marketing and marking of product and service, whether or not the company complies with relevant laws and regulations and international standards, and formulates relevant policies and complaint procedures for protecting consumer rights and interests?	✓		(5) All products of the Company are still in the research and development stage, and no finished products have been on the market. However, at the beginning of the its establishment, the Company formulated a complete set of management systems for all related processes, including the determination of the composition of new drugs, preclinical research and development, clinical trials, marketing and selection of suppliers. In addition to expressly prohibiting the sale and purchase of products or manufacturers in dispute, the Company also emphasizes to adhere to moral standards and ethical principles, comply with global international harmonization regulations, such as *Good Manufacturing Practice* (PIC/S GMP), *Good Laboratory Practice* (GLP) and *Good Clinical Practice* (GDP), and strictly abide by the *Medical Law*, *Administrative Measures for Human Test*, *Pharmaceutical Law* and other regulations. In addition, in terms of personal data protection and management, the Company shall strictly abide by the *Personal Data Protection Law*, the *Implementing Rules of the Personal Data Protection Law*, the EU *General Data Protection Regulation* (GDPR) and the relevant laws and regulations of the competent authorities, and do the best to protect and manage customers' data.	
(6) Whether or not the company formulates supplier management policy, and asks the supplier to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights etc.? And the implementation situation thereof?	✓		(6) Taiwan OBI selects suppliers who meet the Good Manufacturing Practice (GMP), Good Distribution Practice (GDP), Good Laboratory Practice (GLP), Good Clinical Practice (GCP) for drugs, ISO Quality Standards and other industry standards and specifications as priority objects; And timely request suppliers to provide relevant certifications according to business needs, such as The Association for the Assessment and Accreditation of Laboratory Animal Care International (TAF and AAALAC), The American College of the Veterinary Pathologist (ACVP), (PIC/S GMP), Taiwan Food and Drug Administration (TFDA), Ministry of Health and Welfare, US Food and Drug Administration (USFDA), and the manufacturer's drug dealer license of the European Medicines Agency (EMA), so as to ensure that the entrusted tests comply with the relevant specifications of drug research or service. In addition, according to the supplier's performance in the professional field, industry evaluation, perfection of plant and equipment, employee quality, corporate value and its fulfillment of social responsibilities, etc., the competent unit of OBI must make a comprehensive evaluation and write a report before signing a contract for cooperation; Once the agreement is reached,	

Assessment item	Operation situation			Difference from the Code of Corporate Social Responsibility of Listed Company and the reason
	Yes	No	Description abstract	
			we shall follow the procedures to inform the integrity policy of the Company in good faith and require reasonable quotations, appropriate quality and service before the cooperation between the two parties; Based on mutual trust and mutual benefit, the two parties will jointly improve product quality and fulfill the sustainable development of the enterprise, so as to establish a good long-term cooperative relationship.	
5. Whether or not the company refers to international report preparation criterion or guidelines to prepare corporate social responsibility report and other reports disclosing non-financial information of the company? Whether or not the aforesaid report has acquired the assurance or guarantee opinion from the third party verification unit?	✓		The Company compiles its Sustainability Report in accordance with the GRI Standards 2021 published by the Global Reporting Initiative (GRI), and the information disclosure is also in compliance with Operating Methods for Preparation and Declaration of Sustainability Report of TPEx Listed Companies, criteria of Sustainability Accounting Standards Board (SASB) and Framework of Task Force on Climate-related Financial Disclosures (TCFD). Till now, the Company has not yet executed external assurance procedures but listed it in the short-term objectives.	There is no significant difference yet.
6. If the Company has formulated its own code of corporate social responsibility pursuant to " Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies ", please describe its operation and the difference circumstance therebetween: The Company established the Corporate Social Responsibility Best Practice Principles in 2014 and put them into effect through the Board of Directors; in March, 2022, the Company revised the Corporate Social Responsibility Best Practice Principles through the Board of Directors as the criteria of various policies, measures and methods for its sustainability development, must fully implement them, and carry out regular reporting and inspection to make them comply with the rules promulgated by the Government; since its execution, there is no difference.				
7. Other important information good for understanding the operation situation of corporate social responsibility: ● The Company was ranked No. 2 in the bio-tech service industry based on its operating performance of 2021 by CRIF China Credit Information Service, Ltd in the Top 5000 Large Enterprises in Taiwan of 2022. ● Encourage its employees to be engaged in voluntary services, and support the growth of patient groups with actual donations. ● Hold blood donation activities on a regular basis every year with international enterprises in the same building, such as HSBC, Intel, etc. ● Organize to establish an employee volunteer society, participate in the basketball experience camp for autistic children sponsored by Autism Adaptive Sports Leisure Promotion Association, and employees voluntarily accompany autistic children and help them experience fun from playing basketball. ● Cooperate closely with academic and educational institutions, establish industry-university cooperation, and carry out high-level talent training and educational cooperation programs; And actively participate in domestic and foreign biotechnology academic, talent cultivation, law revision, professional seminars and other activities, and pursue the overall coexistence and co-prosperity of the industry.				

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

Assessment item	Operation situation			Difference from Listed Company Integrity Operation Rules and the reason therefor
	Yes	No	Description abstract	
1. Formulate integrity operation policy and scheme				There is no significant difference yet.
(1) Whether or not the company formulates the integrity operation policy passed by Board of Directors, and explicitly formulates the policy and practice of integrity operation in the regulations and external documents, and the commitment of Board of Directors and senior management echelon to actively implement the operation policy?	✓		(1) The Company has formulated the Code of Integrity Operation, Operation Procedures and Behavioral Guidelines for Integrity Operation, and Code of Ethical Conduct as the complying basis for internal operation of the company. Integrity and transparency are the important core values in the operation of the Company, the Company establishes corporate governance and risk control mechanisms based on that to pursue sustainable company development.	
(2) Whether or not the company establishes assessment mechanism for the risk of dishonest behavior, regularly analyzes and assesses the operating activities of higher dishonest behavior risks within the scope of business, and formulates the scheme for preventing dishonest behavior accordingly, and at least covers the prevention measures for various behaviors prescribed in Paragraph 2, Article 7 of "Listed and OTC-quoted Company Integrity Operation Rules"?	✓		(2) The Company has formulated Employee Code of Conduct to sincerely treat customers, investors, colleagues, suppliers and every business contact object with self-discipline and in the principle of integrity and honesty, and strictly prohibits employees to accept any improper gift and entertainment. The Company regularly carries out self-assessment of integrity operation for each department, so as to effectively control relevant risks within business scope respectively.	
(3) Whether or not the company explicitly formulates the operation procedures, behavioral guidelines, violation punishment and complaints system in the schemes of preventing dishonest behavior, implements them, and regularly reviews and amends the aforesaid schemes?	✓		(3) Directors, supervisors, managers, employees or those of substantial control ability of the Company are strictly prohibited from directly or indirectly providing, promising, asking for or receiving any unjustified interests, or from conducting other dishonest behaviors violating integrity, against the law or violating fiduciary duties. Besides, the Company sets the mailbox for malfeasance impeachment, and formulates measures for handling impeachment case to specify the handling procedures and competent unit of the impeachment case.	
2. Implement integrity operation				
(1) Whether the company has assessed the integrity record of contacting objects, and explicitly stipulated integrity clauses in the contract signed	✓		(1) Personnel of every level of the Company are of high self-discipline and have never involved in other illegal affairs or purposes in the commercial activity; for those who have the record of dishonest behaviors, the Company will	There is no significant difference yet.

Assessment item	Operation situation			Difference from Listed Company Integrity Operation Rules and the reason therefor
	Yes	No	Description abstract	
between the Company and trading objects? (2) Whether the company has set dedicated unit subordinated to Board of Directors to promote corporate integrity operation, and regularly (at least once a year) reports to Board of Directors on its integrity operation policy and scheme of dishonest behavior prevention, and supervises the execution situation? (3) Whether the Company has formulated policy to prevent conflict of interest and provided proper statement channel, and implements them? (4) Whether the company has established effective accounting system, internal control system for implementing integrity operation, and has the internal audit unit to draft relevant audit plans according to the assessment results of dishonest behavior risks, and checks the compliance of the scheme for dishonest behavior prevention accordingly, or appoints the accountant to execute the auditing? (5) Whether the Company holds internal and external educational training on integrity operation regularly?	✓ ✓ ✓ ✓		degrade them, stop their powers, or remove them from the list of qualified suppliers. (2) The Legal Affairs and Intellectual Property Department of the Company is the specialized unit responsible for honest operation, which is responsible for assisting the board of directors and management in formulating and supervising the implementation of honest operation policies and preventive plans, and ensuring the implementation of the code of honest operation. The full-time unit reported its implementation to the board of directors on August 8, 2022 and March 13, 2023 respectively. (3) Board of Directors of the Company adheres to high self-discipline, for the proposal listed by Board of Directors and those have interest relationship with the Board of Directors or its representing juridical person, such interested relationship shall be described in the current Board of Directors meeting, if such relationship is detrimental to corporate benefits, it shall not join in discussion and voting and shall evade upon discussion and voting, and shall not exercise voting right on behalf of other directors. (4) To establish effective accounting and internal control system, the Company carries out computerized operation in which the management function can be connected through computers, besides, the Company executes abnormality management and assigns internal audit unit to conduct examination regularly or appoints accountants to execute the examination. (5) On August 29, 2022, the company held the " Integrity management, insider trading prevention and General Data Protection Regulation (GDPR) education training ", which was publicized by e-mail and paper posters.	
3. Operation situation of company reporting system (1) Whether the Company has formulated specific reporting and rewarding system and established convenient reporting channel, and assigned appropriate	✓		The Company sets the mailbox for malfeasance impeachment, and formulates measures for handling impeachment case to accept any notification on illegal or immoral circumstances, assigns independent dedicated unit to be responsible for the investigation, and actually keeps the identity of whistleblower and impeachment contents confidential; besides, the investigation results will be	There is no significant difference yet.

Assessment item	Operation situation			Difference from Listed Company Integrity Operation Rules and the reason therefor
	Yes	No	Description abstract	
dedicated handling personnel for the object being reported?			submitted to members of Board of Directors regularly.	
(2) Whether the company has formulated standard investigation procedures for accepting impeachment matters, and subsequent measures and relevant confidentiality mechanism should be adopted after investigation?	✓			
(3) Whether the Company has taken measures to protect whistleblower from improper treatment due to the reporting?	✓			
4. Strengthen information disclosure Whether the Company has disclosed the contents of Code of Integrity Operation formulated and the promotion effect thereof at the company website and mops.twse.com.tw?	✓		The Company discloses company profile at the company website and announces real time information at the mops.twse.com.tw as required by laws and decrees.	There is no significant difference yet.
5. If the company has formulated its own Code of Integrity Operation according to the "Listed and OTC-quoted Company Integrity Operation Rules", please describe its operation and the differences with the formulated rules: the Code of Integrity Operation of the Company is conforming to the regulations of "Listed and OTC-quoted Company Integrity Operation Rules", and there is no difference.				
6. Other important information good for understanding the operation situation of integrity operation of the company (such as the Company reviews and amends the Code of Integrity Operation formulated etc.): the Company has formulated the Code of Integrity Operation for the first time in 2014, and amends it according to laws and decrees and corporate practice.				

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

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

the Company will amend the management measures according to relevant laws and decrees as the case may be, so as to strengthen the corporate governance.

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

(ix) Execution situation of internal control system

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

OBI Pharma Inc.

Internal Control System Statement

Date: December 31, 2022

For the 2022 internal control system of the Company, based on the result of self-assessment, it is hereby made the statement as follows:

i The Company acknowledges that the establishment, implementation and maintenance of internal control system are the responsibilities of Board of Directors and managers of the Company, and the Company has established such system. Its purpose is to provide a reasonable guarantee for achieving the objectives such as operation effect and efficiency (including profit making, performance and safeguarding assets safety etc.), report reliability, promptness, transparency and the compliance of relevant regulations and relevant laws and decrees etc.

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

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

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

v Based on the assessment result in preceding paragraph, the Company thinks that the internal control system of the Company on December 31, 2022 (including supervision and management of subsidiary), including that the design and execution of internal control system related to understanding the operation effect and achievement degree of efficiency objective; reliable, prompt and transparent report; and compliance of relevant regulations and relevant laws and decrees etc. are effective, and it can reasonably guarantee the achievement of above objectives.

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

vii This Statement is passed by Board of Directors of the Company on March 13, 2023, among 6 attending directors, no one holds opposing opinion and all agree upon the contents of this Statement, it is hereby declared as well.

OBI Pharma Inc.

Chairman & CEO

Yun Yen (Signature/Seal)

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

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

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

Shareholders' Meeting / Board of Directors Meeting	**Date**	**Important resolution and execution situation**
Board of Directors	The 21th of the 6th session Board of Directors March 18, 2022	1. Approval of Proposal for the Final Statement of 2021. 2. Approval of Proposal for the Loss Allowance of 2021. 3. Approval of the Annual Operating Plan of 2022. 4. Approval of Proposal for Recognizing the Internal Control System Statement of 2021. 5. Approval of Planned Partial Amendments to the Articles of Incorporation to hold shareholders' meetings more flexibly. 6. Approval of Partial Amendments to the Procedures for the Acquisition or Disposal of Assets 7. Approval of Partial Amendments to Organizational Rules for Remuneration Committee 8. Approval of Partial Amendments to Sustainability Development Best Practice Principles 9. Approval of Amended Proposal for Capital Allocation. 10. Approval of Proposal for Appointing Representatives as Two Directors of Odeon Therapeutics (Cayman) Limited. 11. Approval of Proposal for Re-electing Seven Directors of the 7th Board of Directors (including three independent directors). 12. Approval of the the List of Director Candidates (including Independent Directors) Nominated by the Board of Directors. 13. Approval of Proposal for Removing Non-competition Restrictions of Directors 14. Approval for accepting the nomination periods for candidates of directors (including independent directors), quota of candidates and place for accepting. 15. Approval for determining the places for accepting shareholders' proposals. 16. Approval of proposal for determining the date, place and matters of the General Shareholders' Meeting of 2022. 17. Approval of proposal for salary adjustment to be implemented in 2022 of the Company, and salary adjustment for managers in 2022. 18. Approval of proposal for salary adjustment to be implemented in 2022 of the US subsidiary, and salary adjustment for managers in 2022. 19. Approval of proposal for salary adjustment to be implemented in 2022 of the subsidiary AP Biosciences, Inc., and salary adjustment for managers in 2022. 20. Approval of proposal for salary adjustment to be implemented in 2022 of the subsidiary Obigen Pharma Inc., and salary adjustment for managers in 2022. 21. Approval of proposal for register of the first issue of employee stock option certificates in 2022. 22. Approval of Proposal for Appointment of Vice President of Pharmaceutical Chemistry of R&D Division of the Company and his Remuneration. 23. Approval of Proposal for Appointment of Chief of Commercial Division of the subsidiary Obigen Pharma Inc. and his Remuneration.
Board of Directors	The 22nd of the 6th session Board of Directors	1. Proposal for the Financial Statement of the 1st Quarter of 20222. 2. Planned partial amendments to the Application for SOP of Suspension or Resumption of Transactions,

Shareholders' Meeting / Board of Directors Meeting	Date	Important resolution and execution situation
	May 6, 2022	3. Planned partial amendments to Procedures for Handling Material Inside Information 4. Planned partial amendments to the Corporate Governance Best Practice Principles 5. Planned partial amendments to Methods of Supervision and Management of Subsidiaries. 6. Proposal for Establishment of Methods for Issuing New Restricted Employee Shares of 2022 and issuance of New Restricted Employee Shares On this Basis. 7. Proposal for Improvement of the Operation Plan of 2022. 8. Planned proposal for Lease of Taipei Bio-tech Park 9. Proposal for nomination of candidates for directors and independent directors. 10. Proposal for Removing Non-competition Restrictions of new Directors 11. Proposal for changing place for the General Shareholders' Meeting in 2022 and its supplementary proposal. 12. Proposal for register of the second issue of employee stock option certificates in 2022. 13. Approval of Proposal for Promotion from Deputy Chief of Chemical Analysis of R&D Division of the Company to Chief and his Remuneration 14. Proposal for investigating the salary adjustment for managers to be implemented in 2022 of the subsidiary Runya
Shareholders' meeting	2022 General meeting of shareholders June 27, 2022	Items for acknowledgment: **[The first case] Adoption of the 2021 settlement statements.** **Resolution:** After the chairman consulted all the shareholders present, the original proposal was voted without objection. According to the statistics, after the total voting rights of the shareholders present were 133,861,522 (including electronic voting), they were in favor of 131,723,147 rights, opposed to 58,864 rights, invalid weight 0 rights and abstained/did not vote 2,079,511 rights; The affirmative weight accounts for 98.40% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case. **[The second case] Adoption of the Proposal for 2021 Deficit Compensation.** **Resolution:** After the chairman consulted all the shareholders present, the original proposal was voted without objection. According to the statistics, after the total voting rights of the shareholders present were 131,723,128 (including electronic voting), they were in favor of 58,883 rights, opposed to 32,437 rights, invalid weight 0 rights and abstained/did not vote 2,079,511 rights; The affirmative weight accounts for 98.40% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case. Discussion items: **[The first case] Proposal for Partial Amendments to the Articles of Incorporation** **Resolution:** After the chairman consulted all the shareholders present, the original proposal was voted without objection. According to the statistics, after the total voting rights of the shareholders present were 133,861,522 (including electronic voting), they were in favor of 131,716,137 rights, opposed to 60,875 rights, invalid weight 0 rights and abstained/did not vote 2,084,510 rights; The affirmative weight accounts for 98.39% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case. **[The second case] Proposal for partial amendments to the Procedures for the Acquisition or Disposal of Assets** **Resolution:** After the chairman consulted all the shareholders present, the original proposal was voted without objection. According to the statistics, after the total voting rights of the shareholders present were 133,861,522 (including electronic voting), they were in favor of 131,723,130 rights, opposed to 58,880 rights, invalid weight 0 rights and abstained/did not vote 2,079,512 rights; The affirmative weight accounts for 98.40% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case. **[The third case] Establishment of methods for issuing new Restricted Employee shares of 2022 and issuance of new restricted employee shares on this basis** **Resolution:** After the chairman consulted all the shareholders present, the original proposal was voted without objection. According to the statistics, after the total voting rights of the shareholders present were 133,861,522 (including electronic voting), they were in favor of 130,415,731 rights, opposed to 1,366,280 rights, invalid weight 0 rights and abstained/did not vote 2,079,511 rights; The affirmative weight accounts for 97.42% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case. The election items

Shareholders' Meeting / Board of Directors Meeting	Date	Important resolution and execution situation
		[The first case] Election of the 7th directors of the Company Election Result: List of the 7th directors elected at the General Shareholders' Meeting of 2022 and their votes received Director — Michael N. Chang — Elected shares: 152,930,856 Director — Yi Tai Investment Co., Ltd.- Legal representative: Tamon Tseng — Elected shares: 128,317,611 Director — Sheng Cheng Investment Co., Ltd.- Legal representative: Yun Yen — Elected shares: 128,092,451 Director — Sheng Cheng Investment Co., Ltd.- Legal representative: Frank Chen — Elected shares: 128,088,710 Independent Director — Howard S. Lee — Elected shares: 127,760,719 Independent Director — Ming-Chin Chen — Elected shares: 127,638,494 Independent Director — Chin-Ting Chiu — Elected shares: 127,502,196 Other cases **[The first case] Lifting the prohibition of non-competition of the directors of the company for discussion.** **Resolution:** after the chairman consults all present shareholders, no objection will be made according to the original proposal. According to the statistics, after the total voting rights of the shareholders present were 133,861,522 (including electronic voting), they were in favor of 131,705,076 rights, opposed to 64,109 rights, invalid weight 0 rights and abstained/did not vote 2,092,337 rights; The affirmative weight accounts for 98.38% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case.
Board of Directors	The 1st of the 7th session Board of Directors June 27, 2022	1. Re-elect the 7th Chairman. 2. Plan to appoint the new independent directors as the members of the 4th Audit Committee e and members of the 5th Compensation Committee.
Board of Directors	The 2nd of the 7th session Board of Directors August 8, 2022	1. Proposal of the consolidated financial statements of the 2nd quarter of 2022. 2. The Company waives the pre-emption right of new shares issued for capital increase by cash by the important subsidiary AP Biosciences Inc. 3. Proposal of the Company for waiver of participation in capital increase by cash through issuing new shares by the important subsidiary AP Biosciences Inc. and transfer to all its shareholders for subscription, agenda for establishing other interest base date, etc. 4. Proposal for partial amendments to Intellectual Property Right Management Policy 5. Proposal for Subsequent Amendments to Methods for Issuing New Restricted Employee Shares of 2022 6. Proposal for the First Batch List of Employees Vested with New Restricted Employee Shares and the Vesting Number of Shares in 2022. 7. Proposal for the Register of the Third Issuance of Employee Stock Option Certificates in 2022. 8. Proposal for subsequent recognition of appointment of Chief Medical Officer of the US subsidiary and his remuneration.
Board of Directors	The 3rd of the 7th session Board of Directors November 4, 2022	1. Proposal of the consolidated financial statements of the 3rd quarter of 2022. 2. Proposal for Appointment PwC Taiwan to Handle Financial Statement Audit and Expenses 2023. 3. Proposal for Partial Amendments to Rules of Procedure of the Board of Directors. 4. Proposal for Partial Amendments to Procedures for Handling Material Inside Information. 5. Proposal for Partial Amendments to Procurement Cycle 6. Proposal for Audit Plan of 2023 by the Audit Department. 7. Proposal for the work plan of 2023 of the Remuneration Committee of the Company. 8. Proposal for remuneration of the Chief Medical Officer of the US subsidiary. 9. Proposal for welfare for the employees of the US subsidiary. Incidental motions 1. Proposal for negotiation with potential partners about cooperative development of allogeneic cell therapy (CAR-T).
Board of Directors	The 4th of the 7th session	1. Proposal for participation in capital increase by cash of the subsidiary Obigen Pharma Inc.

Shareholders' Meeting / Board of Directors Meeting	Date	Important resolution and execution situation
	Board of Directors November 24, 2022	2. Proposal of the Company for waiver of the pre-emption right of new shares issued for capital increase by cash by the subsidiary Obigen Pharma Inc. and transfer to all its shareholders, agenda for establishing other interest base date, etc. 3. Planned proposal for the budget plan of 2023.
Board of Directors	The 5th of the 7th session Board of Directors December 30, 2022	1. Selection of the Chairman. 2. Proposal of abnormalities of the Company's Spokesperson. 3. Proposal of abnormalities of the Company's CEO. Incidental motions 1. Proposal for Removing Non-competition Restrictions of managers.
Board of Directors	The 6th of the 7th session Board of Directors112.03.13	1. Proposal for the Final Statement of 2022. 2. Proposal for the Loss Allowance of 2022. 3. Proposal for the Operation Plan of 2023. 4. Proposal for Recognizing the Internal Control System Statement of 2022. 5. Operation of share dilution of AP Biosciences Inc. held by the Company in Batches to cooperate with the reinvested AP Biosciences Inc. to go public. 6. Operation of share dilution of Obigen Pharma Inc. held by the Company in Batches to cooperate with the subsidiary Obigen Pharma Inc. to go public. 7. Proposal for Partial Amendments to the Articles of Incorporation. 8. Proposal for Partial Amendments to the Corporate Governance Best Practice Principles. 9. Proposal for Partial Amendments to SOP for Dealing with Directors' Requirements 10. Proposal for Partial Amendments to Procedures for Transactions of Related Parties, Specific Companies and Group Enterprises. 11. Proposal for Establishing Risk Management Policies and Procedures, 12. Proposal for Establishing Procedures for Preparation and Verification of Sustainability Reports 13. Appointment of corporate director representatives of the Company as two directors of AP due to the general re-election of the latter's Board of Directors. 14. By-election of one 7th director of the Company 15. Acceptance of the nomination periods for candidates of directors, quota of candidates and place for accepting 16. Determination about the places for accepting shareholders' proposals. 17. Determination about the date, place and matters of the General Shareholders' Meeting of 2022 18. Proposal for remuneration of the CEO of the Company. 19. Proposal for promotion from Deputy Chief of Finance of the subsidiary to Chief and his remuneration. 20. Proposal for having corporate governance supervisor. 21. Proposal for promotion from Deputy Chief of Medical Law and Regulation Division of the US subsidiary to Chief and his remuneration. 22. Proposal for inspection on the salary adjustments to be implemented by the Company and the US subsidiary in 2023, and salary adjustment for managers. 23. Subsequent correction of the register of the first Issuance of employee stock option certificates in 2021.

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

The 2022 General Meeting of OBI was held in Taipei on June 27, 2022. The resolutions of attending shareholders and executions are reviewed as follows:

Report items:

(1) 2021 business report.

After the Chairman held the consultation, the Proposal was approved by all directors attending the meeting without objections.

(2) 2021 Audit Committee review report.

After the Chairman held the consultation, the Proposal was approved by all directors attending the meeting without objections.

(3) Implementation of sound business plans.

After the Chairman held the consultation, the Proposal was approved by all directors attending the meeting without objections.

Items for acknowledgment:

[The first case] Adoption of the 2021 settlement statements.

Resolution: After the chairman consulted all the shareholders present, the original proposal was voted without objection.

According to the statistics, after the total voting rights of the shareholders present were 133,861,522 (including electronic voting), they were in favor of 131,723,147 rights, opposed to 58,864 rights, invalid weight 0 rights and abstained/did not vote 2,079,511 rights; The affirmative weight accounts for 98.40% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case.

[The second case] Adoption of the Proposal for 2021 Deficit Compensation.

Resolution: After the chairman consulted all the shareholders present, the original proposal was voted without objection.

According to the statistics, after the total voting rights of the shareholders present were 131,723,128 (including electronic voting), they were in favor of 58,883 rights, opposed to 32,437 rights, invalid weight 0 rights and abstained/did not vote 2,079,511 rights; The affirmative weight accounts for 98.40% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case.

Discussion items:

[The first case] Proposal for Partial Amendments to the Articles of Incorporation

Resolution: After the chairman consulted all the shareholders present, the original proposal was voted without objection.

According to the statistics, after the total voting rights of the shareholders present were 133,861,522 (including electronic voting), they were in favor of 131,716,137 rights, opposed to 60,875 rights, invalid weight 0 rights and

abstained/did not vote 2,084,510 rights; The affirmative weight accounts for 98.39% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case.

[The second case] Proposal for partial amendments to the Procedures for the Acquisition or Disposal of Assets

Resolution: After the chairman consulted all the shareholders present, the original proposal was voted without objection.

According to the statistics, after the total voting rights of the shareholders present were 133,861,522 (including electronic voting), they were in favor of 131,723,130 rights, opposed to 58,880 rights, invalid weight 0 rights and abstained/did not vote 2,079,512 rights; The affirmative weight accounts for 98.40% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case.

[The third case] Establishment of methods for issuing new Restricted Employee shares of 2022 and issuance of new restricted employee shares on this basis

Resolution: After the chairman consulted all the shareholders present, the original proposal was voted without objection.

According to the statistics, after the total voting rights of the shareholders present were 133,861,522 (including electronic voting), they were in favor of 130,415,731 rights, opposed to 1,366,280 rights, invalid weight 0 rights and abstained/did not vote 2,079,511 rights; The affirmative weight accounts for 97.42% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case.

The election items

[The first case] Election of the 7th directors of the Company

Election Result: List of the 7th directors elected at the General Shareholders' Meeting of 2022 and their votes received

Director	Michael N. Chang	Elected shares: 152,930,856
Director	Yi Tai Investment Co., Ltd.- Legal representative: Tamon Tseng	Elected shares: 128,317,611
Director	Sheng Cheng Investment Co., Ltd.- Legal representative: Yun Yen	Elected shares: 128,092,451
Director	Sheng Cheng Investment Co., Ltd.- Legal representative: Frank Chen	Elected shares: 128,088,710
Independent Director	Howard S. Lee	Elected shares: 127,760,719
Independent Director	Ming-Chin Chen	Elected shares: 127,638,494
Independent Director	Chin-Ting Chiu	Elected shares: 127,502,196

Other cases

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

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

According to the statistics, after the total voting rights of the shareholders present were 133,861,522 (including electronic voting), they were in favor of 131,705,076 rights, opposed to 64,109 rights, invalid weight 0 rights and abstained/did not vote 2,092,337 rights; The affirmative weight accounts for 98.38% of the total voting rights, which exceeds the statutory amount. The case was passed as per the case.

No extemporary motions have been passed in this Shareholders' Meeting. Please refer to the Minute Book of 2022 General Meeting for the voting of each proposal in Shareholders' Meeting.

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

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

Title	Name	Date of Arrive	Date of Leaving Office	Reason For Resignation or Leaving Office
CHAIRMAN	MICHAEL N. CHANG	2013.2.7	2022.12.29	Death
CEO	MICHAEL N. CHANG	2019.8.1	2022.12.29	Death

IV. Accountant's fees information

(i) Accountant's fees information:

Monetary unit: NT$thousand

Name of accounting firm	Name of accountant	Examination period	Audit fees	Non-audit fee			Total	Notes
				Business registration	Other	Subtotal		
PwC Taiwan	David Teng Liang, Hua-Ling	2022/1/1-2022/12/31	3,260	0	791	791	4,051	

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

1. Service fee NT$340,000 for checking visa of for-profit enterprise income tax and checking salary information form of full-time employees who are not in charge
2. Business tax of part-time business persons shall be directly deducted and verified by the law of NT$ 100,000
3. Service fee of opinion issue for cases of capital increase by cash NT$ 250,000
4. Advance payment NT$ 101,000 .

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

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

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

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

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

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

Unit: Thousand shares

Title	Name	2022		2023 As at April 30	
		Increased (decreased) number of shareholding	Increased (decreased) number of pledged shares	Increased (decreased) number of shareholding	Increased (decreased) number of pledged shares
Chairman & CEO	Michael N. Chang(Note 1)	587	1,320	0	0
Chairman & CEO	Sheng Cheng Investment Co., Ltd. Representative: Yun Yen(Note 2)	0	0	0	0
Director	Yi Tai Investment Co., Ltd. Representative: Tamon Tseng	0	0	0	0
Director & Chief Financial Officer	Sheng Cheng Investment Co., Ltd. Representative: Frank Chen	0	0	0	0
Independent Director	Jerry Fong(Note 3)	0	0	0	0
Independent Director	Taychang Wang(Note 4)	0	0	0	0
Independent Director	Howard S. Lee	0	0	0	0
Independent Director	Ming-Chin Chen(Note 5)	0	0	0	0
Independent Director	Chin-Ting Chiu(Note 6)	0	0	0	0
Substantial shareholder holding 10% or more	Yi Tai Investment Co., Ltd.	0	0	0	0
Chief Scientific Officer	Lai, Ming-Tien	10	0	0	0
Vice President of Biological Agents, R&D Division	Jiann-Shiun Lai	0	0	0	0
Vice president of Medical Division	Tsai, Cheng-En	0	0	0	0
Vice President of Chemical Pharmacy, R&D Office	Chou, Chun-Hung(Note 7)	0	0	0	0
Director of Public Affairs	Sharon Lee	3	0	0	0
Director, Human Resources & Administration	CHANG, PO-JEN	0	0	0	0
Director of Audit	Neo Chien	0	0	0	0
Director of Quality Assurance	CHIEN, CHE-HSIN	24	0	0	0
Director of Medicinal Chemistry, R&D Division	CHUANG, SHIH-HSIEN(Note 8)	0	0	0	0
Director of Chemical analysis, R&D Division	LI, WEI-HAN(Note 9)	95	0	0	0
Deputy Chief of Finance	Colin Kao	(5)	0	0	0

Note 1: Michael N. Chang, the former Chairman, passed away on December 29, 2022, and his shares are inherited according to legal procedures.

Note 2: The Board of Directors resolved to elect Director Yun Yen as Chairman and Interim CEO on December 30, 2022.

Note 3: The director left office after the expiration of his term of office on June 26, 2022.

Note 4: The director left office after the expiration of his term of office on June 26, 2022.
Note 5: The director was elected as a new independent directr on June 27, 2022.
Note 6: The director was elected as a new independent directr on June 27, 2022.
Note 7: The manager took office on April 11, 2022
Note 8: The manger resigned on October 14, 2022.
Note 9: The manager took office on May 6, 2022.

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

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

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

April 29, 2023 Unit: thousand shares; %

Name	Individual shareholding		Shareholding of spouse, minor children		Total shareholding in the name of other person		If the top ten shareholders are of interested party, spouse or relatives within second degree relationship mutually, the name of or relationship between them.		Notes
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Yi Tai Investment Co., Ltd.	25,765	11.22	0	0	0	0	Hui Hong Investment Co., Ltd. Ruentex Industries Co., Ltd. Sheng Cheng Investment Co., Ltd.	Enterprise under the same Group	NA
Yi Tai Investment Co., Ltd. Representative: Chang, Kun-Long	0	0	0	0	0	0	NA	NA	NA
Hui Hong Investment Co., Ltd.	19,005	8.28	0	0	0	0	Yi Tai Investment Co., Ltd. Ruentex Industries Co., Ltd. Sheng Cheng Investment Co., Ltd.	Enterprise under the same Group	NA
Hui Hong Investment Co., Ltd. Representative: Yi Yanliang	0	0	0	0	0	0	NA	NA	NA
Ruentex Industries Co., Ltd.	9,358	4.07	0	0	0	0	Yi Tai Investment Co., Ltd. Hui Hong Investment Co., Ltd. Sheng Cheng Investment Co., Ltd.	Enterprise under the same Group	NA
Ruentex Industries Co., Ltd. Representative: Sheng-yu Hsu	0	0	0	0	0	0	NA	NA	NA

Name	Individual shareholding		Shareholding of spouse, minor children		Total shareholding in the name of other person		If the top ten shareholders are of interested party, spouse or relatives within second degree relationship mutually, the name of or relationship between them.		Notes
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relationship	
Hsu, Ching-Hsiang	5,271	2.29	0	0	0	0	NA	NA	NA
Michael N. Chang	3,872	1.68	0	0	0	0	NA	NA	NA
Alpha Corporate Holdings, Ltd.	3,640	1.58	0	0	0	0	NA	NA	NA
Alpha Corporate Holdings, Ltd. Representative::Ken, Chung-Hsuan	22	0.01	0	0	0	0	NA	NA	NA
TU, SHUI-CHENG	3,611	1.57	0	0	0	0	NA	NA	NA
Sheng Cheng Investment Co., Ltd.	3,254	1.41	0	0	0	0	Yi Tai Investment Co., Ltd. Hui Hong Investment Co., Ltd. Ruentex Industries Co., Ltd.	Enterprise under the same Group	NA
Sheng Cheng Investment Co., Ltd. Representative: Chang, Kun-Long	0	0	0	0	0	0	NA	NA	NA
Hsu, Hung-Chao	2,870	1.25	0	0	0	0	NA	NA	NA
Trusted Investment Account of National Bank of Liechtenstein by business Department, Standard Chartered Bank (Taiwan)	2,355	1.02	0	0	0	0	NA	NA	NA

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

April 30, 2023 Unit: share; %

Reinvestment enterprise (Notes 1)	Investment of the Company		Investment of director, supervisor, managerial officer and enterprise under direct or indirect control		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
OBI Pharma Limited	2,650,000	100.00%	-	-	2,650,000	100.00%
OBI Pharma (Shanghai) Limited	- (Note 2)	-	-	100.00% (Note 2)	-	100.00% (Note 2)
OBI Phamra USA, Inc.	2,701,000	100.00%	-	-	2,701,000	100.00%
AP Biosciences Inc.	26,624,000	41.12%	-	-	26,624,000	41.12%
OBI Phamra Australia Pty Ltd	12,500,000	100.00%	-	-	12,500,000	100.00%
Amaran Biotechnology, Inc.	64,915,252	70.70%	2,440,459	2.66%	67,355,711	73.36%
Obigen Pharma Inc.	55,062,500	51.94%	10,526,512	9.93%	65,589,012	61.87%
Odeon Therapeutics (Cayman) Limited	6,000,000	77.42%	-	-	6,000,000	77.42%
Odeon Therapeutics (Hong Kong) Limited	-	-	1	100.00%	1	100.00%
Odeon Therapeutics (Shanghai) Limited	- (Note 3)	-		100.00% (Note 3)		100.00% (Note 3)

Note 1: The company adopts equity method of investment. The Company completed the incorporation of Hong Kong OBI Pharma Limited, OBI Pharma (Shanghai) Limited, OBI Pharma USA, Inc. and OBI Pharma Australia Pty Ltd in November 2012, March 2013, April 2013 and June 2018 respectively; the Company reinvested in AP Biosciences Inc. by transferring the shares of Ablogix Inc. and issuing new shares in January 2018; the Company transferred Amaran Biotechnology, Inc. through issuing new shares by capital increase by cash in December 2020, and the former shareholders' shares were reinvested in Runya; the Company reinvested in and acquired the shares of Obigen Pharma Inc. by equipment sales and authorization of global cosmetic medicine IP right of OBI-85 new clostridium botulinum preparation in 2021; the Company acquired 6000,000 preferred shares from Odeon Therapeutics (Cayman) Limited on March 21, 2022 as the signing fee of special licence agreement on OBI-833 (Globo H active immune anti-cancer drug) and OBI-999 (Globo H anti-body small-molecule drug complex) in China (including Hong Kong and Macao).

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

Note 3: Odeon Therapeutics (Hong Kong) Limited transferred funds to Odeon Therapeutics (Shanghai) Limited without issuing shares.

IV. Fundraising Situation

I Capital and stock

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

April 30, 2023, Unit: thousand shares, NT$ thousand

Month & Year	Issue price	Authorized share capital		Paid-up share capital		Notes		
		Number of shares	Amount	Number of shares	Amount	Sources of share capital	Compensation of shares payment with property other than cash	Other
Jan. 2018	Share exchange: NT$10	300,000	3,000,000	173,841	1,738,406	1,675 thousand new issue of shares	NA	Approved by Shou-Shang-Zi No. 10701013600 Letter Feb. 7, 2018
Jan. 2018	Employee stock subscription: NT$10	300,000	3,000,000	173,991	1,739,906	150 thousand shares of employee subscription right have been executed	NA	Approved by Shou-Shang-Zi No. 10701013620 Letter on June February 9, 2018
Mar. 2019	Capital reduction by stock repurchases: NT$10	300,000	3,000,000	173,129	1,731,286	862 thousand Capital reduction by stock repurchases:	NA	Approved by Shou-Shang-Zi No. 10801033180 Letter on Mar. 26, 2019
June 2019	Cash capital increase: NT$135	300,000	3,000,000	188,129	1,881,286	Cash capital increase of 15,000 thousand shares	NA	Approved by Shou-Shang-Zi No. 10801077480 Letter on June 28, 2019
Mar. 2020	Employee stock subscription: NT$10	300,000	3,000,000	188,229	1,882,286	100 thousand shares of employee subscription right have been executed	NA	Approved by Shou-Shang-Zi No. 10901085200 Letter on May 22, 2020
July 2002	Employee stock subscription: NT$10	300,000	3,000,000	188,586	1,885,861	357 thousand shares of employee subscription right have been executed	NA	Approved by Shou-Shang-Zi No. 10901158520 Letter on Aug. 28, 2020
Dec. 2020	Share exchange: NT$10	300,000	3,000,000	199,279	1,992,793	10,693 thousand new issue of shares	NA	Approved by Shou-Shang-Zi No. 11001021540 Letter on Feb. 3, 2021
Mar. 2022	Cash capital increase: NT$ 105	300,000	3,000,000	229,279	2,292,794	Cash capital increase of 30,000 thousand shares	NA	Approved by Shou-Shang-Zi No. 11101061510 Letter on Apr. 19, 2022
Nov. 2022	Restricted Stock Awards (RSA): NT$ 0	300,000	3,000,000	229,439	2,294,394	Restricted Stock Awards (RSA) of 160 thousand shares	NA	Approved by Shou-Shang-Zi No. 11101208940 Letter on Nov. 10, 2022

April 30, 2023, Unit: shares

Class of shares	Authorized share capital			Notes
	Outstanding shares	Unissued shares	Total	
Ordinary shares	**229,439,374**	**70,560,626**	**300,000,000**	**OTC shares**

(ii) Shareholder structure:

April 29, 2023, Unit: thousand shares

Shareholder structure / Quantity	Government institution	Financial institution	Other juridical person	Individual person	Foreign institution and foreigner	Total
Number of person	0	0	248	32,311	125	32,684
Number of shareholding	0	0	70,083	133,066	26,290	229,439
Shareholding ratio (%)	0	0	30.54	58.00	11.46	100

(iii) Dispersion of stock right

April 29, 2023, Unit: thousand shares

Classification of shareholding	Number of shareholders	Number of shareholding	Shareholding ratio (%)
1 to 999	16,055	511	0.223
1,000 to 5,000	12,833	24,875	10.842
5,001 to 10,000	1,697	12,877	5.612
10,001 to 15,000	691	8,579	3.739
15,001 to 20,000	348	6,198	2.701
20,001 to 30,000	383	9,455	4.121
30,001 to 40,000	185	6,476	2.822
40,001 to 50,000	96	4,306	1.877
50,001 to 100,000	213	14,486	6.313
100,001 to 200,000	89	12,412	5.410
200,001 to 400,000	53	14,975	6.527
400,001 to 600,000	11	5,176	2.256
600,001 to 800,000	3	2,131	0.929
800,001 to 1,000,000	2	1,735	0.756
1,000,001 above	25	105,247	45.872
Total	32,684	229,439	100.000

(iv) List of major shareholders:

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

April 29, 2023 Unit: thousand shares

Share / Name of major shareholders	Number of shareholding	Shareholding ratio
Yi Tai Investment Co., Ltd.	25,765	11.23%
Hui Hong Investment Co., Ltd.	19,005	8.28%
Ruentex Industries Co., Ltd.	9,358	4.08%
Hsu, Ching-Hsiang	5,271	2.30%
Michael N. Chang	3,872	1.69%
Alpha Corporate Holdings, Ltd.	3,640	1.59%
TU, SHUI-CHENG	3,611	1.57%
Sheng Cheng Investment Co., Ltd.	3,254	1.42%
Hsu, Hung-Chao	2,870	1.25%
Trusted Investment Account of National Bank of Liechtenstein by business Department, Standard Chartered Bank (Taiwan)	2,355	1.03%

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

Unit: NT$; thousand shares

Item / Year			2022	2023	As at April 30, 2023
Market price per share	Maximum		163	137.5	93.3
	Minimum		93.4	64.3	68.0
	Average		117.05	100.99	81.52
Net value per share	Before distribution		13.63	20.19	19.32
	After distribution		13.63	20.19	19.32
Earnings per share	Weighted-average shares		198,941	222,127	228,963
	Earnings per share		(7.69)	(7.27)	(1.59)
Dividend per share	Cash dividend		Not applicable	Not applicable	Not applicable
	Stock grants	Stock Dividend from Retained Earnings	Not applicable	Not applicable	Not applicable
		Stock Dividend from Capital Reserve	Not applicable	Not applicable	Not applicable
	Accumulated unpaid dividends		Not applicable	Not applicable	Not applicable
Return on investment analysis	Price-to-earnings ratio		Not applicable	Not applicable	Not applicable
	Price-to-dividend ratio		Not applicable	Not applicable	Not applicable
	Cash dividend yield (%)		Not applicable	Not applicable	Not applicable

Note: The financial data for 2021 and 2022 have been audited and certified by accountants. The net value per share and earnings per share in the current year as of April 30, 2023 in the chart refer to the data of the first quarter of 2023 reviewed by accountants.

(vi) Corporate dividend policy and execution condition:

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

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

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

   The Company had no surplus in 2022, and there was no surplus distribution, hence it was not applicable.

(vii) The impact of stock grants proposed by Shareholders' Meeting this time on company business performance and earnings per share: as passed in board resolution on March 13, 2023, stock dividend is not distributed due to recovery of losses, hence it is not applicable.

(viii) Employee, director and supervisor remuneration:

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

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

   Employee(including managerial officer) remuneration will be paid in stock or cash, which shall be resolved by the consent of more than half of attending

directors in the board meeting attended by more than two third of directors, and reported to the Shareholders' Meeting.

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

2. Estimation base of employee, director and supervisor remuneration in this estimation, the number of shares calculation base for employee(including managerial officer) remuneration in stock distribution, and accounting treatment when the actual distribution amount is different from and estimated amount:
   (1) Employee(including managerial officer), director and supervisor remunerations are not estimated due to the losses in this period.
   (2) If the distribution amount resolved in Shareholders' Meeting is different from the estimated amount in financial statement, it will be deemed as estimated change and listed as distribution of current profits and losses.
3. Situation of remuneration distribution as passed by Board of Directors: the Company had no surplus available for distribution in 2022, hence it was not applicable.
4. For the actual distribution situation of employee(including managerial officer), director and supervisor remuneration in last year (including distributed shares, amount and stock price), if it is different from the recognized employee(including managerial officer), director and supervisor remuneration, the balance, reason and handling situation shall be specified: the Company had no surplus available for distribution in the last year, hence it was not applicable.

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

April 30, 2023

Buyback phase	Not applicable
Buyback purpose	Amaran Biotechnology Inc., a subsidiary, held shares of the company before becoming an individual of the group
Buyback period	June 12, 2019
Buyback interval price	NT$ 135
Class and quantity of shares bought back	800,000 ordinary shares
Amount of shares bought back	NT$ 108,000,000
Proportion of purchased quantity in scheduled purchased quantity (%)	No applicable
Quantity of shares eliminated and transferred	497,000 shares
Accumulated quantity of company shares held	303,000 shares
Proportion of accumulated quantity of company shares held in total shares issued (%)	0.13%

II Handling situation of corporate bonds: NA.

III Handling situation of special shares: NA.

IV Handling situation of issuing global depository receipt: NA.

V Handling situation of employee stock option certificate

(i) Handling situation of employee stock option certificate:

April 30, 2023

Type of employee stock option certificate	First time (phase) employee stock option certificate	Second time (phase) employee stock option certificate
Effective registration date and Total Number of Units	Not applicable (Notes 1) /8,000,000	July 9, 2013 /4,700,000
Issuing date	99.3.8/99.5.21/ 99.9.10/99.12.15/ 100.3.30/100.6.10/ 100.9.30/100.12.16/ 101.2.13/101.3.9	102.11.27/ 103.2.21/ 103.3.26
Number of issuing unit	7,996,000	4,140,000
Number of issuing unit still available	0	0
Proportion of total shares issued for subscription in total issued shares	3.49%	1.80%
Duration	10 years	10 years
Method of performance	Issue new shares for delivery	Issue new shares for delivery
Limited subscription period and proportion (%)	25% subscription right can be exercised after 1 year 50% subscription right can be exercised after 2 years 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years Starting from the second year, the subscription right can be exercised in equal proportion on monthly basis ever year.	50% subscription right can be exercised after 2 years (namely starting from the third year) Within 24 months after 2 years, for every expiration of one month, the accumulated maximum exercisable subscription proportion will increase by 1/48 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years (namely starting from the fifth year)
Executed number of shares obtained	6,425,581 shares	853,922 shares
Executed subscription amount	NT$ 64,255,810	NT$ 195,915,194
Unexecuted subscription quantity	1,570,419 shares (Notes 2)	3,286,078 shares (Notes 2)
Subscription price per share for those who have not executed the subscription	NT$10	NT$215.8;NT$191.1; NT$201(Notes 3)
Proportion of unexecuted subscription quantity in total shares issued (%)	0.68%	1.43%

Impact on shareholders' rights and interests	The Company's issue of employee stock option certificate aims at attracting and retaining professional talents, and encouraging and improving employees' centripetal force and productivity, so as to jointly create company and shareholder benefits, it has positive impact on the shareholders' equity.

Type of employee stock option certificate	Third time (phase) employee stock option certificate	Fourth time (phase) employee stock option certificate
Effective registration date and Total Number of Units	April 15, 2015 /5,500,000	January 20, 2017 /5,000,000
Issuing date	104.5.6/104.8.4/ 104.11.6/104.12.15/ 105.3.25	106.3.9/106.5.12/ 106.8.11/106.11.10/ 107.1.19
Number of issuing unit	4,679,000	5,000,000
Number of issuing unit still available	0	0
Proportion of total shares issued for subscription in total issued shares	2.04%	2.18%
Duration	10 years	10 years
Method of performance	Issue new shares for delivery	Issue new shares for delivery
Limited subscription period and proportion (%)	50% subscription right can be exercised after 2 years (namely starting from the third year) Within 24 months after 2 years, for every expiration of one month, the accumulated maximum exercisable subscription proportion will increase by 1/48 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years (namely starting from the fifth year)	50% subscription right can be exercised after 2 years (namely starting from the third year) Within 24 months after 2 years, for every expiration of one month, the accumulated maximum exercisable subscription proportion will increase by 1/48 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years (namely starting from the fifth year)
Executed number of shares obtained	0 shares	0 shares
Executed subscription amount	NT$0	NT$0
Unexecuted subscription quantity	4,679,000 shares (Notes 2)	5,000,000 shares (Notes 2)
Subscription price per share for those who have not executed the subscription	NT$280.7;NT$242.5; NT$346.7;NT$575.3; NT$345.2 (Notes 3)	NT$313.9;NT$251.3; NT$183.9;NT$162.7; NT$164.2(Notes 3)
Proportion of unexecuted subscription quantity in total shares issued (%)	2.04%	2.18%
Impact on shareholders' rights and interests	The Company's issue of employee stock option certificate aims at attracting and retaining professional talents, and encouraging and improving employees' centripetal force and productivity, so as to jointly create company and shareholder benefits, it has positive impact on the shareholders' equity.	

Type of employee stock option certificate	Fifth time (phase) employee stock option certificate	Sixth time (phase) employee stock option certificate
Effective registration date and Total Number of Units	August 5, 2019 /3,500,000	September 13, 2021 /5,000,000
Issuing date	108.9.6/108.11.8/ 109.8.5	110.11.5/111.3.18/ 111.5.6/111.8.8
Number of issuing unit	2,020,000	4,961,000
Number of issuing unit still available	0	0
Proportion of total shares issued for subscription in total issued shares	0.88%	2.16%
Duration	10 years	10 years
Method of performance	Issue new shares for delivery	Issue new shares for delivery
Limited subscription period and proportion (%)	50% subscription right can be exercised after 2 years (namely starting from the third year) Within 24 months after 2 years, for every expiration of one month, the accumulated maximum exercisable subscription proportion will increase by 1/48 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years (namely starting from the fifth year)	50% subscription right can be exercised after 2 years (namely starting from the third year) Within 24 months after 2 years, for every expiration of one month, the accumulated maximum exercisable subscription proportion will increase by 1/48 75% subscription right can be exercised after 3 years 100% subscription right can be exercised after 4 years (namely starting from the fifth year)
Executed number of shares obtained	0 shares	0 shares
Executed subscription amount	NT$0	NT$0
Unexecuted subscription quantity	2,020,000 shares (Notes 2)	4,961,000 shares (Notes 2)
Subscription price per share for those who have not executed the subscription	NT$140.5;NT$127.8; NT$117.1 (Notes 3)	NT$105.4;NT$107.4; NT$118.5;NT$79 (Notes 3)
Proportion of unexecuted subscription quantity in total shares issued (%)	0.88%	2.16%
Impact on shareholders' rights and interests	The Company's issue of employee stock option certificate aims at attracting and retaining professional talents, and encouraging and improving employees' centripetal force and productivity, so as to jointly create company and shareholder benefits, it has positive impact on the shareholders' equity.	

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

Notes 2: From the first time (phase) to the sixth time (phase), the number of shares retrieved upon dimission and included in unexercised employee stock option certificates are 1,570,419 shares;1,761,593 shares;2,947,000 shares;2,255,441 shares;543,650 shares and 638,000 shares respectively.

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

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

Unit: thousand shares; NT$thousand

1st time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	Vice Chairman and Global Clinical and Legal Chief Planner (Resigned)	Youe-Kong Shue	6,180	2.69%	5,219	10	52,195	2.27%	961	10	9,605	0.42%
	General Manager (Resigned)	Amy Huang										
	Chief Scientific Officer & Executive Vice President (Resigned)	Tony Yu										
	Vice President, Quality Assurance (Resigned)	Richard Tseng										
	Director of Clinical Medicine Division (Resigned)	Yuxin Lin										
	Senior R&D Director (Resigned)	Weicheng Liao										
	Director of Business Development Division (Resigned)	Minshuo Li										
	Vice President, Finance (Resigned)	CT Wang										
	Senior Manager, Audit Office	Neo Chien										
	Director of Human Resources Division (Resigned)	Peihua Bao										
Employee	Senior Manager	Suifen Zhang	1,064	0.46%	583	10	5,832	0.25%	481	10	4,808	0.21%
	Director of Financial Division (Resigned)	Xuemei Yao										
	Manager of Clinical Operation Division (Resigned)	Yuman Huang										
	Senior Admin Manager of R&D Division	Lina Ke										
	Manager of R&D Division of American subsidiary (Resigned)	Zhengqi Wang										
	Manager of Pharmacy R&D Division (Resigned)	Jiaxin Xiao										
	Deputy Director of Product Planning Division (Resigned)	Huihua Wu										
	Senior Manager in immune antibody, R&D Division (Resigned)	Yiru Chen										
	Researcher of R&D Division (Resigned)	Jingyi Zhuang										
	Deputy Director, Clinical Operation (Resigned)	Jingrong Zhang										

Unit: thousand shares; NT$thousand

2nd time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	General Manager (Resigned)	Amy Huang	1,535	0.67%	133	214.4 ~ 247.4	30,026	0.06%	1,402	191.1 ~ 215.8	281,135	0.61%
	Chief Operating Officer (Resigned)	Joanna Meng										
	Chief Scientific Officer & Executive Vice President (Resigned)	Tony Yu										
	Vice President, Quality Assurance (Resigned)	Richard Tseng										
	Vice President of Biological Agents, R&D Division	Jiann-Shiun Lai										
	Director of chemical pharmacy, R&D Division (Resigned)	Edward Hsieh										
	Director, Clinical Operation (Resigned)	Maggie Yang										
	Vice President, Finance (Resigned)	CT Wang										
	Director, Human Resources & Administration (Resigned)	Rose Lo										
	Senior Manager, Audit Office	Neo Chien										
Employee	Chief Business Officer of American subsidiary	Kevin Poulos	1,470	0.64%	170	214.4 ~ 247.4	41,387	0.07%	1,300	191.1 ~ 215.8	272,255	0.57%
	Chief Operating Officer of American subsidiary	Mitch Che										
	Global Pharmaceutical & Legal Deputy General Manager of American subsidiary	David Hallinan										
	Deputy Director, Human Resources & Administration of American subsidiary (Resigned)	Dee Warren										
	Business Information Director, Commercial (Resigned)	Pedro Chen										
	Director of Investor Relations Department (Resigned)	Gus Adapon										
	Deputy Director of Information and Procurement Division (Resigned)	Junbo Zhang										
	Director of Public Affairs	Sharon Lee										
	Manager of R&D Division of American subsidiary (Resigned)	Zhengqi Wang										
	Senior Manager of Procurement Division	Irene Sun										

Unit: thousand shares; NT$thousand

3rd time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	Chief Medical Officer and Deputy General Manager for Clinical Drug Research and Development (Resigned)	Nathan Chen	2,265	0.99%	0	334 ~ 727	0	0%	2,265	280.7 ~ 345.2	674,292	0.99%
	Vice President, Translational Medicine, R&D Division (Resigned)	Phoebe Yu										
	General Manager (Resigned)	Amy Huang										
	Director, Commercial Medicine (Resigned)	Jon Jih Liao										
	Chief Scientific Officer & Executive Vice President (Resigned)	Tony Yu										
	Chief Operating Officer (Resigned)	Joanna Meng										
	Vice President, Quality Assurance (Resigned)	Richard Tseng										
	Vice President of Biological Agents, R&D Division	Jiann-Shiun Lai										
	Vice President, Finance (Resigned)	CT Wang										
	Director, Human Resources & Administration (Resigned)	Rose Lo										
	Director of chemical pharmacy, R&D Division (Resigned)	Edward Hsieh										
	Director, Clinical Operation (Resigned)	Maggie Yang										
	Business Information Director, Commercial (Resigned)	Pedro Chen										
	Director of Investor Relations Department (Resigned)	Gus Adapon										
	Director of Public Affairs	Sharon Lee										
	Senior Manager, Audit Office	Neo Chien										
Employee	Chief Business Officer of American subsidiary	Kevin Poulos	1,094	0.48%	0	334 ~ 727	0	0%	1,094	280.7 ~ 346.7	342,931	0.48%
	Senior Director of Business Development in Asia Pacific (Resigned)	Xiaofeng Yu										
	Chief Operating Officer of American subsidiary	Mitch Che										
	Global Pharmaceutical & Legal Deputy General Manager of American subsidiary	David Hallinan										
	Deputy Director of Clinical R&D Division	Lance Ou										
	Deputy Director of Information Division (Resigned)	Amos Yang										
	Director, Legal Affairs and Intellectual Property (Resigned)	Jay Chen										
	Pharmaceutical & Legal Deputy Director of American subsidiary	Patricia Ha										
	Deputy Director, Human Resources & Administration of American subsidiary (Resigned)	Dee Warren										
	Senior Manager of Clinical Operation Division (Resigned)	Lisa Liang										

Unit: thousand shares; NT$thousand

4th time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	Chief Financial Officer (Resigned)	Max Chan	1,813	0.79%	0	169 ~ 326	0	0%	1,813	162.7 ~ 313.9	511,616	0.79%
	Vice President, Statistic & Biometrics (Resigned)	Sophia Lee										
	General Manager (Resigned)	Amy Huang										
	Vice president of Medical Division (Resigned)	Cristina Chang										
	Chief Scientific Officer & Executive Vice President (Resigned)	Tony Yu										
	Vice President, Quality Assurance (Resigned)	Richard Tseng										
	Vice President, Finance (Resigned)	CT Wang										
	Vice President of Biological Agents, R&D Division	Jiann-Shiun Lai										
	Director, Human Resources & Administration (Resigned)	Rose Lo										
	Director of chemical pharmacy, R&D Division (Resigned)	Edward Hsieh										
	Director, Clinical Operation (Resigned)	Maggie Yang										
	Director of Investor Relations Department (Resigned)	Gus Adapon										
	Business Information Director, Commercial (Resigned)	Pedro Chen										
	Director of Public Affairs	Sharon Lee										
	Director, Commercial Medicine (Resigned)	Jon Jih Liao										
	Director, Legal Affairs and Intellectual Property (Resigned)	Jay Chen										
	Director of Supply Chain Division (Resigned)	Tyro Shyu										
	Accounting Manager of Financial Division	Colin Kao										
Employee	General Manager of AP Biosciences, Inc.	He Zhenghong	1,050	0.46%	0	170.5 ~ 326	0	0%	1,050	164.2 ~ 313.9	242,051	0.46%
	Chief Operating Officer of American subsidiary	Mitch Che										
	Chief Business Officer of American subsidiary	Kevin Poulos										
	Global Pharmaceutical & Legal Deputy General Manager of American subsidiary	David Hallinan										
	Director of R&D Division of AP Biosciences, Inc.	You Zhongzhe										
	Senior Director of Business Development in Asia Pacific (Resigned)	Xiaofeng Yu										
	Deputy Director of Clinical R&D Division (Resigned)	Lance Ou										
	Deputy Director of Information Division (Resigned)	Amos Yang										
	Pharmaceutical & Legal Deputy Director of American subsidiary	Patricia Ha										
	Deputy Director, Human Resources & Administration of American subsidiary (Resigned)	Dee Warren										

Unit: thousand shares; NT$thousand

5th time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	Chairman & CEO (Pass away)	Michael N. Chang	950	0.41%	0	120 ~ 144	0	0%	950	117.1 ~ 140.5	125,987	0.41%
	Director &Chief Financial Officer	Frank Chen										
	Chief Scientific Officer	Lai, Ming-Tien										
	Vice president of Medical Division	Tsai, Cheng-En										
	Vice President, Quality Assurance (Resigned)	Shih, Yu-Nan										
Employee	Medical director of American subsidiary (Resigned)	Tillman Elder Pearce	725	0.32%	0	120 ~ 144	0	0%	725	117.1 ~ 140.5	93,035	0.32%
	Vice President, Clinical Operations Division, American Subsidiary	Alberto Rodriquez										
	Senior Director, Commercial Division, American Subsidiary	Tod Lauerman										
	Chief Operating Officer of American subsidiary	Mitch Che										
	Deputy director of medical department (Resigned)	HSU, PEI										
	Senior Manager of Biology, R&D Division (Resigned)	Steven Su										
	Principal Investigator of Biological Agents, R&D Division	Tzong-Shoou Wu										
	Senior Manager, Legal and Treasury Department (Resigned)	Mike Hsu										
	Manager of Clinical Operation Division (Resigned)	Charlotte Chuan										
	Senior Research Fellow II, Biological Agents, R&D Division	Sam Liu										

Unit: thousand shares; NT$thousand

6th time employee subscription right	Title	Name	Acquired subscription quantity	Proportion of acquired subscription quantity in total shares issued	Executed				Unexecuted			
					Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued	Subscription quantity	Subscription price (NT$)	Subscription amount	Proportion of subscription quantity in total shares issued
Manager	Director & Executive Vice President	Yun Yen	1,500	0.65%	0	79 ~ 118.5	0	0%	1,500	79 ~ 118.5	153,706	0.65%
	Director &Chief Financial Officer	Frank Chen										
	Chief Scientific Officer	Lai, Ming-Tien										
	Vice president of Medical Division	Tsai, Cheng-En										
	Director of Public Affairs	Sharon Lee										
	Vice President of Biological Agents, R&D Division	Jiann-Shiun Lai										
	Director of Audit Office	Neo Chien										
	Deputy Chief of Finance	Colin Kao										
	Director, Human Resources & Administration	CHANG, PO-JEN										
	Director of Medicinal Chemistry, R&D Division (Resigned)	CHUANG, SHIH-HSIEN										
	Vice president of chemical pharmacy, R&D Division	Chou, Chun-Hung										
	Director of Quality Assurance	CHIEN, CHE-HSIN										
Employee	Medical director of American subsidiary	Saville, Wayne	1,294	0.56%	0	79 ~ 110	0	0%	1,294	79 ~ 107.4	128,588	0.56%
	Chief Operating Officer of American subsidiary	Mitch Che										
	Chief Business Officer of American subsidiary	Kevin Poulos										
	Global Pharmaceutical & Legal Deputy General Manager of American subsidiary	David Hallinan										
	Pharmaceutical & Legal Deputy Director of American subsidiary	Patricia Ha										
	Senior Admin Manager of R&D Division	Lina Ke										
	Senior Manager of Finance	Suifen Zhang										
	Director of Clinical Operations of American subsidiary	Janet Petrell										
	Senior Manager of Procurement Division	Irene Sun										
	Manager-researcher	LI, WAN-FEN										

VI Handling situation of employee restricted stock:

(i) Handling situation of employee restricted stock:

April 30, 2023

Type of new restricted employee share	First time (period) of new restricted employee shares
Effective declaration date and total shares	July 12, 2022 / 500,000 shares
Issuing date	October 25, 2022
Number of new restricted employee shares issued	160,000 shares
Number of issuable new restricted employee shares	340,000 shares
Issuing price	NT$ 0(Free issue)
Ratio of number of new restricted employee shares issued to the total number of shares issued	0.07%
Vested conditions of new restricted employee shares	To obtain the vested new restricted employee shares, senior supervisors must meet all the following conditions:(1) they are still in office on the expiration dates of the vesting periods; (2) they don't violate any contracts entered into with the Company or any working rules of the Company; (3) they have achieved the performance assessment indicators set for senior supervisors by the Company (i.e., their performance assessment level in the most recent year before the expiration of vesting period must be at least above Exceed (included)). The ratios of shares vested every year are as follows respectively: a. When they are still in office till the expiration of the second year from the vesting date after issuance, they acquire 50% new restricted employee shares; b. When they are still in office till the expiration of the third year from the vesting date after issuance, they acquire 25% new restricted employee shares; c. When they are still in office till the expiration of the fourth year from the vesting date after issuance, they acquire 50% new restricted employee shares.
Restricted rights of new restricted employee shares	1. After issuance, the new restricted employee shares shall be immediately under entrustment/custody, and senior supervisors are not allowed to request the trustee to return new restricted employee shares before the vesting conditions are fulfilled. 2. Senior supervisors shall not sell, pledge, transfer, grant the new restricted employee shares to others, or set them, or dispose of them in other forms. 3. Unless otherwise restricted in the method, other rights endowed to senior supervisors whilst being allocated the new restricted employee shares according to the method before fulfilling the vesting conditions include but are not limited to: the right of allotting dividend, bonus, and capital surplus, warrants of capital increase by cash, etc.; when they are the same as ordinary shares issued by the Company, relevant operations shall be executed according to entrustment/custody agreements. 4. Before fulfilling the vesting conditions, senior supervisors entrust entrustment/custody agencies to attend shareholders' meetings, present proposals, speak, exercise the right of voting and other related shareholders' equity on their behalf. 5. If the Company handles capital decrease by cash, capital decrease to make up deficits, and other forms of capital

	decrease rather than legal capital decrease during the vesting period, new restricted employee shares shall be written off by proportion of capital decrease. If it is capital decrease by cash, the refundable cash shall be under entrustment/custody, and delivered to senior supervisors only the vesting conditions are fulfilled; in case the vesting conditions are fulfilled, the Company will recover the cash.
Custody of new restricted employee shares	After issuance, the new restricted employee shares shall be immediately under entrustment/custody, and senior supervisors are not allowed to request the trustee to return new restricted employee shares for any reason or in any form before the vesting conditions are fulfilled. The senior supervisors vested with new restricted employee shares need to sign the Consent to Receive New Restricted Employee Shares and go through relevant entrustment/custody procedures. It is deemed that any senior supervisor waives the new restricted employee shares if he/she fails to sign relevant documents as specified.
Process modes when employees fail to fulfill the vesting conditions after being vested with or subscribing new shares	1. When any senior supervisor fails to fulfill the vesting conditions in Item 3, the Company will recover the shares free of charge and write them off. 2.voluntary resignation, dispatch or dismissal: it is deemed that the new restricted employee shares unvested are unqualified for vesting conditions from the effective date of resignation, and the Company will recover the shares free of charge and write them off. 3. Temporary leave without pay: the new restricted employee shares unvested are not affected; only the actual vested shares, on top of compliance with the vesting conditions in Item 3, need to be recalculated based on the senior supervisors' actual service days of the previous year before the vesting date. If they are in the state of temporary leave with pay on the vesting date, it is deemed that the vesting conditions are not fulfilled, and the Company will recover the shares free of charge and write them off. 4. Retirement: the new restricted employee shares unvested are not affected; only the actual vested shares are handled according to the vesting conditions in Item 3, and it is deemed that they are still in office and their personal performance assessment level at Exceed. 5. Inability to continue in office due to general death or physical disabilities caused by occupational disasters: it is deemed that the new restricted employee shares unvested fulfill the vesting conditions for the year from the expiration of the original vesting period, and their inheritors can apply for receiving the inheritable shares after completing necessary legal procedures and providing relevant supporting documents; if he/she is unable to remain in office due to physical disabilities caused by occupational disasters, the senior supervisor can continue receiving the vested shares. 6. Transfer: (1) when a senior supervisor asks to be transferred to a subsidiary or associate, his/her new restricted employee shares unvested shall be handled by referring to the way of voluntary resignation. (2) if he/she is appointed to be transferred to a subsidiary or associate, the senior supervisor's new restricted employee shares unvested are not affected by transfer; only the senior supervisor is restricted by the vesting conditions, and must continue to be in office in the designated subsidiary or

	associate on the vesting date, otherwise, it is deemed that the vesting conditions are not fulfilled, and the Company will recover the shares free of charge and write them off. The senior supervisors' personal performance shall be assessed by the Chairman of the Company with reference to the performance assessment provided by the subsidiary or associate to verify whether the vesting conditions are not fulfilled. 7. When a senior supervisor declares the voluntary waiver of the granted new restricted employee shares to the Company in writing, the Company will recover the shares free of charge and write them off. 8. If any senior supervisor violates the contracts entered into with the Company or working rules of the Company after acquiring the new restricted employee shares, the Company will recover the shares free of charge and write them off. 9. When any senior supervisor terminates or cancels the entrustment/custody agency authorization regarding the new restricted employee shares, it is deemed that the new restricted employee shares unvested fail to fulfill the vesting conditions, and the Company will recover the shares free of charge and write them off. 10. Other circumstances shall be individually verified by the Chairman based on the actual situations, and submitted to the Compensation Committee/the Board of Directors of review.
Number of restricted employee shares redeemed or purchased	0 shares
Number of restricted employee shares released	0 shares shares
Number of restricted employee shares unreleased	160,000
Ratio of restricted employee shares unreleased to the total shares issued (%)	0.07%
Impacts on shareholders' equity	The ratio of restricted employee shares unreleased to the total shares issued is 0.07%, having no significant impact on shareholders' equity.

(ii) Name of managers and top ten employees acquiring new restricted employee shares, and the acquisition:

April 30, 2023

	Title	Name	Number of new employee stock options acquired	Ratio of new employee stock options acquired to the total shares issued	Restricted employee shares released				Restricted employee shares unreleased			
					Number of restricted employee shares released	Issuing price	Issuing amount	Ratio of restricted employee shares released to the total shares issued	Number of restricted employee shares unreleased	Issuing price	Issuing amount	Ratio of restricted employee shares unreleased to the total shares issued
Manager	Chairman & CEO (Note)	Michael N. Chang	160 thousand shares	0.07%	0	NT$ 0	NT$ 0	0%	160 thousand shares	NT$ 0	NT$ 0	0.07%
	Chairman & CEO (Note)	Yun Yen										

Note: the Chairman Michael N. Chang passed away on December 29, 2022, and the Board of Directors resolved to appoint Director Yun Yen as the Chairman and Interim CEO.

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

VIII Execution of fund application plan

By the end of the Q1 of 2023, the contents, implementation and benefit analysis of the 2018 cash capital increase plan of the Company are as follows:

(1) Plan contents:

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

(2) Plan progress and fund disbursement situation:

By the end of the first quarter of 2023, the amount spent in the fundraising plan is NT$ 1,753,969 thousand, and the balance of unspent fund is NT$ 271,031 thousand. The cash increase fund was originally used for obI-866, OBI-999, OBI-898, OBI-998 and OBI-3424, etc. However, in order to protect shareholders' rights and ensure the efficiency of capital utilization, we decided to postpone the follow-up development plan due to the failure of the pre-clinical trial results of OBI-898 and OBI-998, and considering the shortage of working capital in the future and the difficulty for the drug company to obtain bank financing. Therefore, the unspent balance of the above-mentioned two new drug r&d plans up to the end of the first quarter of 2021 is NT$ 957.115 million. The board of Directors approved the change plan on May 7, 2021 to replenish the working capital to maintain the normal operation of the company, and submitted it to the shareholders' meeting for approval on July 16, 2021.

Unit: NT$thousand

Plan item	Execution situation as at the Q1 of 2023		
OBI-866 new drug R&D project	Disbursement amount	Predetermined	209,012
		Actual	53,401
	Execution progress (%)	Predetermined	99.16
		Actual	25.33
OBI-999 new drug R&D project	Disbursement amount	Predetermined	495,221
		Actual	422,400
	Execution progress (%)	Predetermined	93.35
		Actual	79.62
OBI-898 new drug R&D project	Disbursement amount	Predetermined	44,173
		Actual	44,173
	Execution progress (%)	Predetermined	100.00
		Actual	100.00
OBI-998 new drug R&D project	Disbursement amount	Predetermined	20,796
		Actual	20,796
	Execution progress (%)	Predetermined	100.00
		Actual	100.00
OBI-3424 new drug R&D project	Disbursement amount	Predetermined	263,640
		Actual	256,084
	Execution progress (%)	Predetermined	99.21
		Actual	96.36
Replenish working capital	Disbursement amount	Predetermined	957,115
		Actual	957,115

Plan item	Execution situation as at the Q1 of 2023		
	Execution progress (%)	Predetermined	100.00
		Actual	100.00
Total	Disbursement amount	Predetermined	1,989,957
		Actual	1,753,969
	Execution progress (%)	Predetermined	98.07
		Actual	86.44

(3) Estimated execution benefits: as at the Q1 of 2023, each new drug research and development project of this fund-raising plan has not generated any licensing income. According to the planned schedule of each new drug research and development project of this fund-raising plan, for the licensing income generated from each new drug expectation, it is expected to successively realize it after 2023, the Company signed an exclusive licence agreement on OBI-833 and OBI-999 in China (including Hong Kong and Macao) with Odeon Therapeutics (Hong Kong) Limited in February, 2022; according to the Agreement, Odeon Therapeutics (Hong Kong) Limited will possess the rights of clinical researches, registration of listing regulations and sales of OBI-833and OBI-999 in China. The Agreement includes the pre-emptive negotiation right of intellectual property rights of OBI-888 in China, and the licensing terms include signing fees and milestone payments totally amounting to US$200 million maximally; additionally, both parties have agreed to calculate the sales royalty at a certain ratio of net sales amount; the singing fee is US$12 million, and the Company receives the newly-issued shares as considerations from Odeon Therapeutics (Cayman) Limited (the parent company 100% held by Odeon Therapeutics (Hong Kong) Limited and hereafter referred to as Odeon Company). Besides, Odeon Company issued preferred stocks in March 2022, and the Company obtained the controlling voting right to make Odeon Company become a subsidiary over which the Company has the right of control. Hence currently the execution benefits are still conforming to the original schedule.

Unit: NT$ Thousand

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

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

Up to the Q1 of 2023, the contents, implementation and benefit analysis of the 2021 cash capital increase plan of the Company are described as follows:

(1) Plan contents:

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

(2) Plan progress and fund disbursement situation:

By the end of the Q1 of 2023, the amount spent in this fundraising plan is NT$ 1,085,187 thousand, and the unspent fund balance is NT$ 2,064,813 thousand, which will be used for the progress of three new drug r&d projects including OBI-822, OBI-833 and OBI-888 in the future. The cash increase funds are used for three new drug r&d projects and Replenish working capital, in line with the planned purposes of the original fundraising plan, and there is no change in the plan at present.

Unit: NT$thousand

Plan item	Execution situation as at the first quarter of 2023		
OBI-822 new drug R&D project	Disbursement amount	Predetermined	425,536
		Actual	468,821
	Execution progress (%)	Predetermined	38.84
		Actual	42.79
OBI-833 new drug R&D project	Disbursement amount	Predetermined	80,015
		Actual	28,027
	Execution progress (%)	Predetermined	53.80
		Actual	18.84
OBI-888 new drug R&D project	Disbursement amount	Predetermined	75,951
		Actual	88,502
	Execution progress (%)	Predetermined	85.82
		Actual	100.00
Replenish working capital	Disbursement amount	Predetermined	568,079
		Actual	499,837
	Execution progress (%)	Predetermined	31.26
		Actual	27.51
Total	Disbursement amount	Predetermined	1,149,581
		Actual	1,085,187
	Execution progress (%)	Predetermined	36.49
		Actual	34.45

(3) Expected performance benefits: As of the Q1 of 2023, none of the new drug r&d projects of this fundraising plan has generated licensing revenue. According to the planned progress of each new drug r&d project of the company in this fundraising plan, the expected licensing revenue of each new drug is expected to appear after 2023, so the company's current implementation benefits are still in line with the original expected progress.

Unit:NT$ Thousand

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

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

V Operation Overview

I Business content

(1) Business scope:

1. Major contents of operating business:

   (1) IG01010 Biotechnology Services.
   (2) F108021 Wholesale of Drugs and Medicines.
   (3) F208021 Retail Sales of Drugs and Medicines.
   (4) F401010 International Trade.
   (5) IG02010 R&D Services.
   (6) F601010 Intellectual Property Rights.

2. Operating proportion of major products in 2022:

   In 2022, new drug products of the Company were still at the stage of research and development, hence there was no operating income from major products in current year. The operating income of the Company in 2022 was NT$4,711 thousand, mainly for the recognition of sales royalties, authorization income, material sales income and labor service income.

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

   All the product lines of OBI are currently in the R&D stage, and many products have been under human clinical trials. Affected by COVID-19 during the past three years, the inclusion of Adagloxad Simolenin (OBI-822) for triple-negative breast cancer in phase III clinical trials has been hindered in various countries; to accelerate the progress, the Company adds medical centers involved globally according to the new clinical trial plan which has been underway in over ten countries. Except for Adagloxad Simolenin (OBI-822), clinical trials of other products in progress proceed as planned as there are not so many medical institutions participating in experiments and they are less impacted by COVID-19. Affected by COVID-19, the Company will remain to be under normal operation, and inspect and adjust relevant product R&D plans on a rolling basis according to environmental changes. Below are the current product R&D progress of OBI:

   (1) Adagloxad Simolenin (A/S, originally OBI-822) breast cancer active immunity anti-cancer drug: the global phase III clinical trials accept patients with triple negative breast cancer (TNBC) with high post-operation recurrent risk who have unmet medical need as the test subjects, and screen test subjects with a substantial Globo H expression level using immunohistochemistry (IHC) independently developed by the Company and approved by FDA of the United State (US FDA) as the receiving targets. The product has been verified by FDA

of the United State (US FDA) and regulatory units of test country participants to change the clinical trial design and inclusion conditions; as of the end of 2022, the Company has been actively receiving cases in over ten countries, including USA, Taiwan, Australia, China, etc. Besides, relevant patent applications and layout have been done for the product and approved by 16 countries, such as Taiwan, USA, etc.

(2) OBI-833, a new generation of Globo H active immune anticancer drug: OBI-833 phase I clinical trials have passed safety and therapeutic effect evaluation, showing its safety, and the preliminary results were published at 2020 ESMO Asia). In 2021, the subsequent two phases of clinical trial plans have been completed: one is for non-small cell lung cancer (NSCLC) and engineered to evaluate whether the combination of OBI-833 and tyrosine kinase inhibitor (EGFR) could prolong patients' progression-free survival (PFS); another one is to delay the recurrence of esophagus cancer after operation initiated by clinical professors, and is a self-initiated phase II clinical trial plan (investigator-initiated trial, IIT). The applications for the two trials were approved by the Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare for execution in February 2022 and October 2021 respectively and the Company is currently actively receiving cases for the two cases. Besides, relevant patent applications and layout have been done for the product and approved by 11 countries, such as Taiwan, USA, etc.

(3) OBI-866 SSEA-4 active immune anticancer drug: OBI-866 is an active immunity anti-cancer drug with the tumour-associated carbohydrate antigen SSEA-4 expressed in many cancers as the action target. The product has been verified in animal experiments and generated specific antibodies in murine. In October 2021, a series of phase I clinical trial inclusion were conducted in Taiwan, with patients with terminal ovarian cancer, renal cancer, brain cancer, pancreatic cancer, breast cancer, lung carcinoma and other solid tumors/metastatic cancers as subjects, Besides, This product is exactly a and was approved to obtain the patent in Taiwan in 2021. Besides, relevant patent applications and layout have been done for the product and approved by 4 countries, such as Taiwan, USA, etc.

(4) OBI-999 Globo H Antibody Drug Conjugate/ADC: OBI-999 is currently undergoing phase II cohort expansion clinical trials in 11 medical centers, including MD Anderson Cancer Center (The University of Texas MD Anderson Cancer Center) in the USA and Taipei Veterans General Hospital in Taiwan. In this stage of trial, patients with locally advanced or metastatic tumors, such as

pancreatic cancer, colorectal cancer and basket-type group, were accepted as test subjects, and the expression of tumor Globo H measured using immunohistochemistry (IHC) approved by FDA of the United States (US FDA) was as the subject screening criteria. Besides, relevant patent applications and layout have been done for OBI-999 and was approved by the USA, Taiwan and South Africa. OBI-888 obtained the qualification as the “orphan drug” for pancreatic cancer treatment from US Food and Drug Administration (FDA) in December, 2019, and further obtained the qualification as the “orphan drug” for gastric cancer treatment from US Food and Drug Administration (FDA) in January, 2020, and won the Product Award in International Innovation Awards in 2020.

(5) OBI-3424 AKR1C3 micromolecule chemotherapy prodrug: OBI-3424 is a new precursor first-in-class small-molecule drug, has completed the first phase of clinical dose increment trials in MD Anderson Cancer Center (The University of Texas MD Anderson Cancer Center) and Ohio State’s James Cancer Hospital and Solove Research Institute, and is currently undergoing phase II cohort expansion clinical trials in many hospitals, such as MD Anderson Cancer Center and actively receiving cases. In this stage of trial, patients with pancreatic cancer and basket-type group with high AKR1C3 expression were accepted as test subjects. Besides, OBI cooperated with Southwest Oncology Group (SWOG), and the Phase I/II clinical trials for T-cell acute lymphatic leukemia (T-ALL) and T-cell lymphoblastic lymphoma (T-LBL) sponsored by SWOG were approved by US Food and Drug Administration (FDA) in 2020, and are currently undergoing Phase I dose increment trials and drug safety evaluation in the USA. OBI-3424 obtained the qualifications as the “orphan drug” for hepatocellular carcinoma (HCC) and acute lymphatic leukemia (ALL) treatment from US Food and Drug Administration (FDA) in July and September, 2018 respectively, and won the Product Award in International Innovation Awards in 2019. Relevant patent applications and layout have been done for the product and approved by 5 countries, such as USA, EU, etc.

(6) OBI-858 new botulinum toxin preparation: OBI-858 is a new botulinum toxin independently by the Company using new strains, and the preparations are scheduled for cosmetic and medical purposes. Based on professional work division, OBI authorized the global cosmetic and medical intellectual property rights to its subsidiary Obigen Pharma Inc. Pharma, Inc. for subsequent development in February, 2021. In 2011, it has completed the phase I clinical trials in Tri-Service General Hospital and Chang Gung Memorial Hospital, and

the trial report was with the GCP verification from the Ministry of Health and Welfare in January, 2023; the results have indicated that that the product is safe and tolerant; the preliminary effects have shown that it could effectively improve face and glabellar frown lines and have similar effects with the products available in the market. At present, Obigen Pharma Inc. Pharma, Inc. has completed phase II/III clinical trial design for cosmetic medicine indications. Additionally, Obigen Pharma Inc. Pharma, Inc. is actively negotiating with the Company about licensing beyond cosmetic medicine, hoping to further comprehensively develop product usage. Besides, relevant patent applications and layout have been done for the product and approved by Taiwan, Russia and Australia.

(7) R-992 Trop2 antibody small-molecule drug complex (Trop2 ADC): OBI introduced highly potential Trop2 monoclonal antibody from Biosion in 2021, and regarded it as a new target to actively develop the antibody small-molecule drug complex R-992, and further improved and optimized it based on the shortcomings of the existing products available in the market, hoping to make it the Best-in-Class in the drug category. Animal experiments have verified that the drug has excellent anti-tumor effects and satisfactory stability, and release potent small-molecule drugs against tumors. It has completed the toxicology batch preparation in the beginning of the year and is currently undergoing the GLP toxicity test; the preliminary results have shown that R-992 has not resulted in significant hepatotoxicity or hematotoxicity in monkeys. OBI presented a patent application to the United States Patent and Trademark Office (USPTO). The emphasis of the next stage is to complete the GMP batch and apply for clinical trials.

(8) COVID-19 BCVax: the self-developed COVID-19 BCVAX of OBI adopted the protein recombination technology, mainly focused on ideal vaccine conditions, and must be safe and with slight side effect, the potent and effective adjuvant significantly improved the T-cell immune responses, and people with low immunity could have antibody reactions and get protected after being vaccinated. Besides, the outstanding stability, mature production technologies and low cold-chain thresholds make it easier to store, transport and popularize the vaccines, which are important advantages of ideal vaccines. The mature protein recombinant vaccine technology completely meets the aforementioned conditions, and is also the most common vaccine R&D way globally at present. In terms of components, BCVax uses spikes in the natural structure of Delta trimer as the antigen, and combines the adjuvant ISCOM (immune stimulating

complex) improved from OBI-821 and in the nano-particle preparation formulation to result in neutral antibodies for protection. Animal tests have shown that it could produce high-titer antibody and the immune responses tend to Th1, so it is expected to generate strong T-cell reactions and facilitate virus removal. Animal tests have also verified that it could have a neutralizing effect on various COVID-19 (SARS-CoV-2) variants after having two doses, and further improve the titer of neutral antibody after having the third booster injection. OBI submitted Provisional Patent Application to the United States Patent and Trademark Office (USPTO) in February, 2022.

(2) Industry overview:

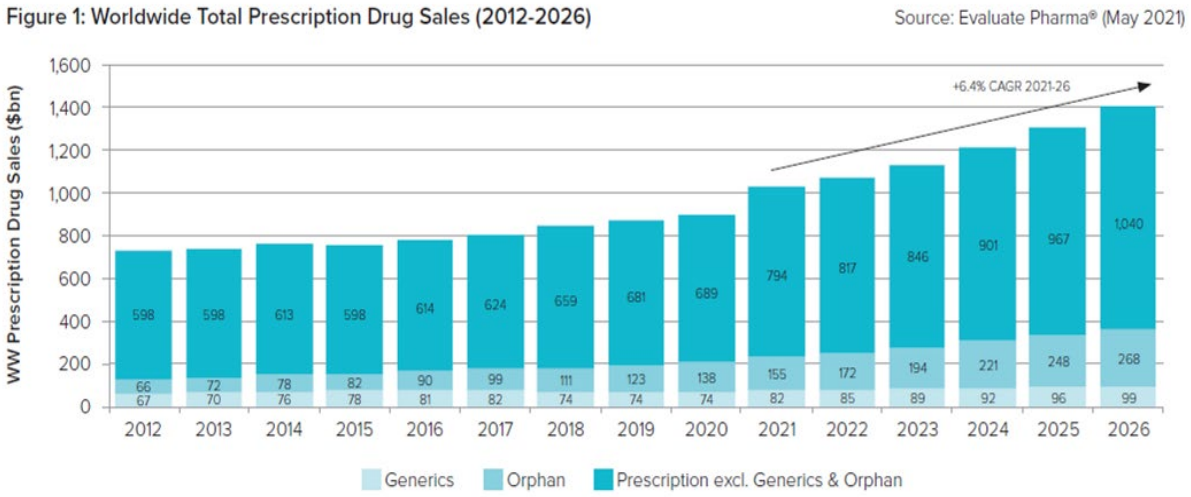
1. Global drug market conditions:

According to the analytical data of Evaluate Pharma, from 2021 to 2026, it is estimated that the Compound Annual Growth Rate (CAGR) of global prescription drugs market will be 6.4%, Keytruda, the immune checkpoint inhibitor from American Merck Sharp & Dohme, will become the best-selling drug globally, and it is estimated that the annual product sales would amount to US$27 billion.

The sales of cancer drugs will keep growing , and is expected to account for 22% of the prescription drug market by 2026. the market of orphan drugs is also a highlight for drug developers. As predicted by Evaluate Pharma, the global market scale of orphan drugs will be doubled, reaching up to US$268 billion.

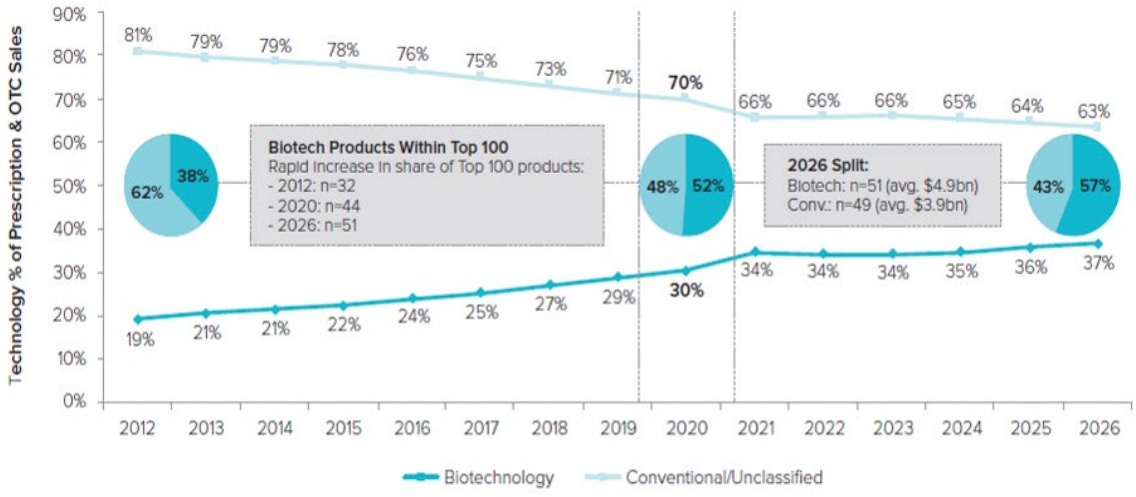
The global drug R&D expenses is expected to witness an annual growth rate of 4.2%, and amount to US$254 billion by 2026. Roche is the largest investor with the estimated R&D budget to be up to US$14 billion. Till now, the drug under R&D with the highest value is tirzepatide from Lilly, and its net present value is up to US$22 billion. At the same time, during the period from 2021 to 2026, a huge amount of drugs will become off-patent with the total turnover of about US$226 billion, and are expected to be impacted.

The scale of global drugs market from 2012～2026



One of an important trends in current global drug market is the fast growth of biotechnology products. In the global top 100 drug ranking list 2020, biologicals, for the first time, outnumbered traditional preparations. In the global prescription and OTC drug markets, it is estimated the sales of biologicals will keep increasing from 30% in 2020 to 27% by 2026. Among the global top 100 drugs, 51 ones are estimated to be biologicals, accounting for 57% of the total sales.

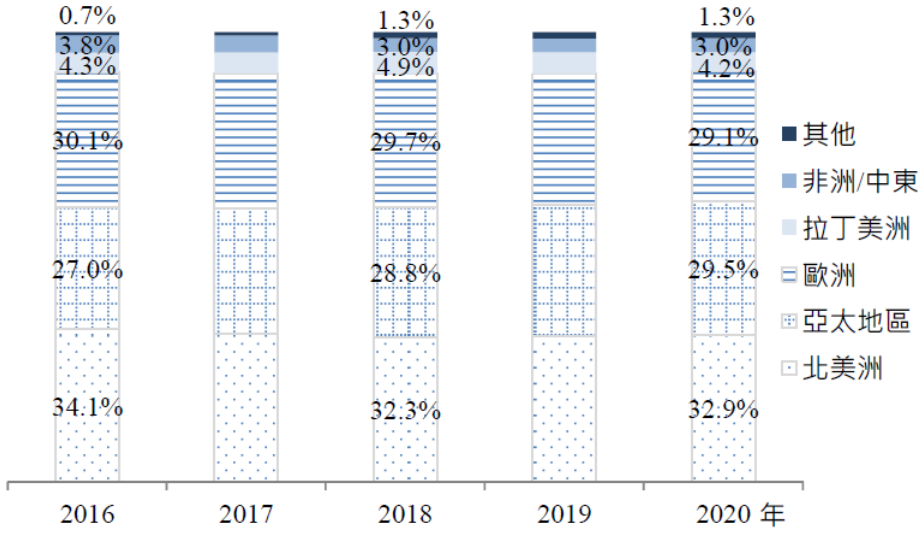
Market scale of global prescription drugs: biotechnology and traditional pharmaceutical technology



According to the report of Yearbook of Pharmaceutical Industry of 2021, the largest regional drug markets of the world were located in North American and Europe in 2019 with drug market scale reaching USD 391.2 billion and USD 3,912 billion respectively. However, in 2020, the information of Fitch Solutions indicated that the market in North America still maintained its No. 1 position, while the market

scale of the Asia-Pacific region was increased to USD 3,661 billion, which was higher than that in Europe. Therefore, it became the 2nd largest regional drug market in the world, and the drug market in Europe ranked the 3rd place; additionally, in Latin America and Africa/the Middle East, the sales volume of drug markets in 2020 presented a declining trend compared that in 2019. To be specific, the sales volume of drug market in Latin America dropped by 10.5%, while that in Africa/the Middle East dropped by 3.5% respectively.

Global Top 10 National Drug Markets in 2020



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

Global Top 10 National Drug Markets in 2020

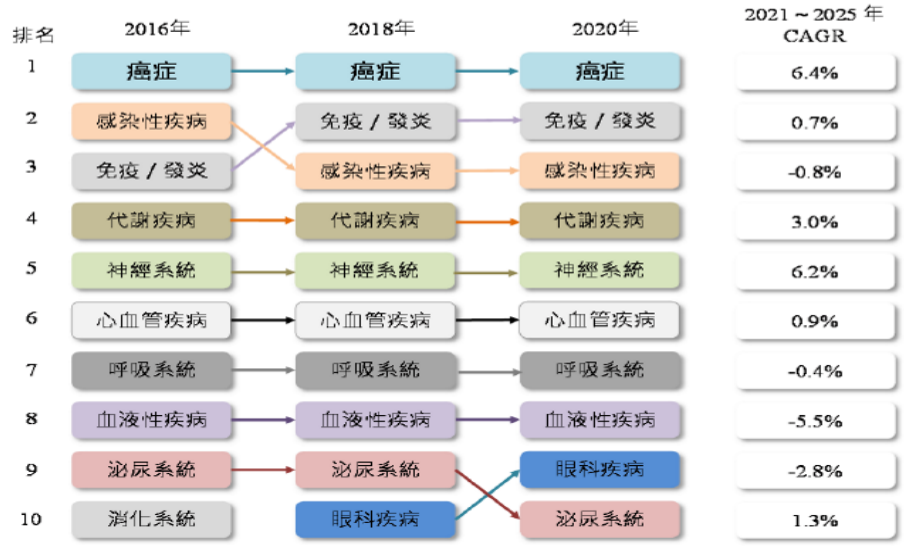
單位：億美元；%

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

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

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

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



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

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

2. Current status of drug market of our country:

Taiwan's pharmaceutical market has maintained steady growth for many years. However, due to the increasing medical expenditure, the Chinese government has implemented the adjustment of insurance premium rate, the new system of partial burden and the control of health insurance drug price to control medical expenditure. Since 2000, it has implemented the adjustment of health insurance drug price every two years, and changed to the annual adjustment in 2013. If the annual drug price exceeds the budget, the drug price needs to be adjusted. In 2020, the Central Health Insurance Department of the Ministry of Health and Welfare (hereinafter referred to as the Health Insurance Department) reported that since April 2019, the prices of 7,470 drugs have been adjusted, with an average price decrease of 3.5% and an overall expenditure decrease of NT$ 5.8 billion. The following table is a list of health insurance drug price adjustments from 2013 to 2019.

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

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

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

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

According to the 2020 White Paper on Biotechnology Industry published by the Ministry of Economic Affairs, according to the statistics of the Health Insurance Department, the drug expenditure in 2018 reached NT$ 195.7 billion, of which anti-tumor and immunomodulators, cardiovascular drugs, systemic anti-infective agents, gastrointestinal and metabolic drugs accounted for 22%, 16%, 15% and 14% of the overall drug expenditure respectively, accounting for about 67% in total, the expenditure on medicines is about NT$ 131.1 billion. As the number of cancer patients in Taiwan continues to increase, the total sales volume of anti-tumor products has consistently occupied the first place in the category of diseases treated in Taiwan

drug market for many years. According to the statistics of the Health Insurance Department, among the top ten malignant tumors in medical expenses in 2019, lung cancer, breast cancer, and colorectal cancer were the top three. According to the statistics of the National Health Administration of the Ministry of Health and Welfare in 2020, the top ten cancers in Taiwan (men and women) are (1) colorectal cancer (2) lung cancer (3) female breast cancer (4) liver cancer (5) oral cancer (including oropharynx and hypopharynx) (6) prostate cancer (7) thyroid cancer (8) skin cancer (9) gastric cancer (10) esophageal cancer. The tumor types of the top ten drug expenditures are slightly different from the tumor epidemiology in Taiwan, which shows that besides epidemiology, the sales of tumor drugs also have other comprehensive influence factors, including the degree of disease risk, the survival period of patients, and whether there are new drugs within the patent protection period.

表　108年全民健保惡性腫瘤醫療支出「排名前十大癌別之醫療費用支出統計表」

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

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

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

Top 10 blockbuster drugs in our country in 2017

Unit: NT$100 million; %

Ranking		Product name	Sales volume	Name of manufacturer	Indications
2019	**2017**				
1	-	Harvani	39.57	Gilead	Chronic Hepatitis C virus (HCV) genotype 1, 2,3,4,5 or 6
2	2	Maviret	28.63	AbbVie	Chronic Hepatitis C virus (HCV) genotype 1, 2,3,4,5 or 6
3	3	Plavix	25.79	Sanofi	Atherosclerosis
4	7	Crestor	23.88	AstraZeneca	Hypercholesterolemia, Hypertriglyceridemia
5	2	Baraclude	18.37	Bristol-Myers Squibb	Hepatitis B
6	6	Lipitor	17.97	Pfizer	Hypercholesterolemia, Hypertriglyceridemia
7	-	Glivec	17.26	Novatis	Chronic myelogenous leukemia
8	1	Herceptin	16.57	Roche	HER2-positive breast cancer
9	-	Norvasc	16.05	Pfizer	Hypertension and Angina pectoris
10	-	Advate powder and solvent for injection	15.89	Takeda	Haemophilia A
Total			219.98	—	—

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

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

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

US drug development and review procedure

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

資料來源：FDA；DCB 產資組 ITIS 計畫整理

(1) New drug exploration:

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

(2) Pre-clinical trial:

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

(3) Investigational New Drug (IND) application:

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

(4) Clinical trial:

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

A. Phase I clinical trial:

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

B. Phase II clinical trial:

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

C. Phase III clinical trial:

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

(5) New Drug Application (NDA):

After completing clinical trial successfully, trial results (including pre-clinical trial results) and all relevant materials can be prepared to propose New Drug Application (NDA) to the competent authority, namely the examination registration procedure, the review period takes about 1 year on average. If in those materials it can prove that the new drug under application has better therapeutic or preventive effect than the drugs in the market on the same disease, it will have the opportunity to enter into quick review procedure to shorten the review period to about 6 months.

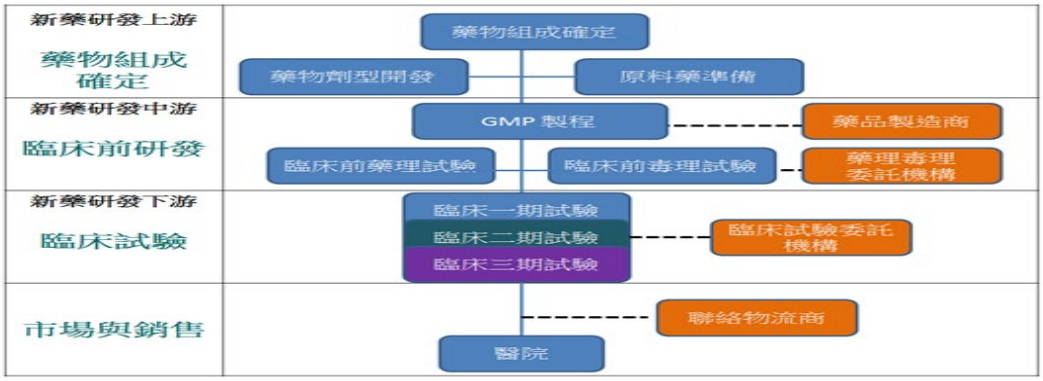
(6) Post-marketing surveillance:

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

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

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

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



4. Taiwan industrial competitiveness analysis:

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

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

Weakness - Lack of experience is the difficult problem in Taiwan biotechnology industry. How to enrich the industrial experience of Taiwan biotechnology talents and establish the

confidence of capital market for long-term support of biotechnology and pharmaceutical industry is the challenge of Taiwan currently.

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

5. OBI product competitiveness analysis:

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

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

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

general cancer chemical therapy and target therapy, effectively improving the life quality of patients and their families.

Evaluate Pharma's analysis on breast cancer market trend - in 2017, the sales amount reached to USD17.2 billion, and it is expected to reach to USD3.4 billion in 2024 with annual growth rate of 9.9%. In 2017, the market share of the largest category of drugs for HER2 targeted therapy was 58%, the market share of rising star CDK4/6 inhibitor was about 19%, it is expected that its market share will grow up to 39% in 2024, on the contrary, the market share of drugs for HER2 targeted therapy will decline from 58% to 39%.

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

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

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

- Afinitor® (everolimus): launched to the market in 2009, it is the inhibitor for mTOR (mammalia rapamycin target), and major side effects include stomatitis and non-infectious pneumonia.
- Immune checkpoint inhibitors: such drugs launched to the market in 2014, but among the advanced metastatic breast cancer patients with HR+/HER2- after

menopause, only 6% of them with over-expression are the target population, currently the drugs is still at the stage of human clinical trial.

- PI3K (phosphatidylinositol 3- kinase) inhibitor: Among the advanced metastatic breast cancer patients with HR+/HER2- after menopause, only 26% of them with over-expression are the target population, currently the drugs it is still at the stage of human clinical trial, major side effects include colitis, hyperglycemia and pneumonia.
- PARP (poly ADP-ribose polymerase) inhibitors: such drugs launched to the market in 2015, but among the advanced metastatic breast cancer patients with HR+/HER2- after menopause, only 8% of them with over-expression are the target population, in 2018, Lynparza® has been approved to be used for HER 2 receptor negative metastatic breast cancer of *gBRCA* mutation, and major side effect is the blood toxicity.

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

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

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

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

(3) OBI-3424 AKR1C3 Enzyme Prodrug

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

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

(4) OBI-858 new botulinum toxin preparation

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

According to the forecast of GlobalData, the global market of Botox® will reach to USD5.2 billion in 2024, the compound annual growth rate from 2017~2024 will be 7.4%, which is quite impressive. Due to the great market potential, 6~8 biosimilar drugs will enter into the market successively. OBI-858 is a new type of toxin preparation with good stability and safety. The Company has mastered high-quality

manufacturing technology. It is expected that after the completion of clinical trials, its efficacy and safety will be comparable to that of Botox®, the leading brand in the market, and then enter the high-growth botulinum toxin market at competitive prices. OBI-858 has authorized its subsidiary Obigen Pharma, Inc. to have global intellectual property rights in cosmetic medicine.

(3) Technology and research and development overview:

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

(1) Globo Polysaccharide series cancer immunotherapy:

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

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

The method of traditional chemical synthesis of carbohydrate molecules needs to go through several protecting groups and de-protecting groups before getting the carbohydrate molecules compound needed. Such chemical synthesis method needs to consume a lot of time and operation steps, and multiple operational steps will finally cause extremely low productivity, it is lack of possibility for commercial production, and thereby restricts the development of active immunity anti-cancer drugs, and cannot be pushed forward to clinical research.

Large-scale chemo-enzymatic process produces hexaose in several reaction steps of carbohydrate through enzymes, it breaks through the concepts that the protection of functional group must be carried out for the carbohydrate molecules upon the chemical synthesis of carbohydrate molecule. Such new technology directly utilizes the specificity of enzyme inside bacteria, assisted by all kinds of appropriate reagents for synthesis, synthesizing monosaccharides into

polysaccharides one by one under the status without protecting carbohydrate molecules, drastically simplifies the synthesis steps of Globo H carbohydrate molecules.

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

After the carbohydrate antigen Globo H is linked with the carrier protein hemocyanin (Keyhole limpet hemocyanin), the bulk drug of the anticancer vaccine OBI-822 can be obtained; at the same time, after the carbohydrate antigen Globo H is linked with the carrier protein cross-reacting material 197 (CRM197), the bulk drug of the anticancer vaccine OBI-833 can be obtained. After the carbohydrate antigen SSEA-4 is linked with the carrier protein KLH, the bulk drug of the anticancer vaccine OBI-866 can be obtained. Such chemical synthesis technology is the achievement of OBI Pharma team by gradual adjustment and optimization of the aforesaid carbohydrate immunotherapy and carbohydrate synthesis technology; OBI Pharma takes full control of relevant technologies such as key production steps and control parameters etc., hoping to provide what are needed for commercial production with optimized conditions and under good quality control environment after the launch of anti-cancer vaccine into the market.

(4) Antibody drug conjugate technology:

After the chemical crosslinking of the monoclonal antibody and the chemotherapy molecular capable of killing cancer cells, the Antibody-Drug Conjugate (ADC for short) against cancer cells will be obtained. The principle of such new generation drug utilizes the specific functional group at antibody amino acids, after appropriate chemical activation, effectively crosslinks the chemotherapy molecular capable of killing cancer cells to the antibody. After the drug has been injected into human body, through the specificity of antibody, it can ensure that the toxic compounds can only be released in the areas of human body generating cancer cells, so as to kill the cancer cells effectively, meanwhile, it will not affect the growth of other normal cells in human body. OBI-999 is the leading drug of OBI in such research and development field.

2. R&D overview:

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

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

The global phase III clinical trials accept patients with triple negative breast cancer (TNBC) with high post-operation recurrent risk who have unmet medical need as the test subjects, and screen test subjects with a substantial Globo H expression level using immunohistochemistry (IHC) independently developed by the Company and approved by FDA of the United State (US FDA) as the receiving targets. The product has been verified by FDA of the United State (US

FDA) and regulatory units of test country participants to change the clinical trial design and inclusion conditions; as of the end of 2022, the Company has been actively receiving cases in over ten countries, including USA, Taiwan, Australia, China, etc. Besides, relevant patent applications and layout have been done for the product and approved by 16 countries, such as Taiwan, USA, etc.

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

OBI-833 phase I clinical trials have passed safety and therapeutic effect evaluation, showing its safety, and the preliminary results were published at 2020 ESMO Asia). In 2021, the subsequent two phases of clinical trial plans have been completed: one is for non-small cell lung cancer (NSCLC) and engineered to evaluate whether the combination of OBI-833 and tyrosine kinase inhibitor (EGFR) could prolong patients' progression-free survival (PFS); another one is to delay the recurrence of esophagus cancer after operation initiated by clinical professors, and is a self-initiated phase II clinical trial plan (investigator-initiated trial, IIT). The applications for the two trials were approved by the Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare for execution in February 2022 and October 2021 respectively and the Company is currently actively receiving cases for the two cases. Besides, relevant patent applications and layout have been done for the product and approved by 11 countries, such as Taiwan, USA, etc.

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

OBI-866 is an active immunity anti-cancer drug with the tumour-associated carbohydrate antigen SSEA-4 expressed in many cancers as the action target. The product has been verified in animal experiments and generated specific antibodies in murine. In October 2021, a series of phase I clinical trial inclusion were conducted in Taiwan, with patients with terminal ovarian cancer, renal cancer, brain cancer, pancreatic cancer, breast cancer, lung carcinoma and other solid tumors/metastatic cancers as subjects, Besides, This product is exactly a and was approved to obtain the patent in Taiwan in 2021. Besides, relevant patent applications and layout have been done for the product and approved by 4 countries, such as Taiwan, USA, etc.

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

OBI-999 is currently undergoing phase II cohort expansion clinical trials in 11 medical centers, including MD Anderson Cancer Center (The University of Texas MD Anderson Cancer Center) in the USA and Taipei Veterans General Hospital in Taiwan. In this stage of trial, patients with locally advanced or metastatic tumors, such as pancreatic cancer, colorectal cancer and basket-type group, were accepted as test subjects, and the expression of tumor Globo H measured using immunohistochemistry (IHC) approved by FDA of the United States (US FDA) was as the subject screening criteria. Besides, relevant patent applications and layout have been done for OBI-999 and was approved by the USA, Taiwan and South Africa. OBI-999 obtained the qualification as the "orphan drug" for pancreatic cancer treatment from US Food and Drug Administration (FDA) in December, 2019, and further obtained the qualification as the "orphan drug" for gastric cancer treatment from US Food and Drug Administration (FDA) in January, 2020, and won the Product Award in International Innovation Awards in 2020.

(5) OBI-3424 AKR1C3 Enzyme Prodrug:

OBI-3424 is a new precursor first-in-class small-molecule drug, has completed the first phase of clinical dose increment trials in MD Anderson Cancer Center (The University of Texas MD Anderson Cancer Center) and Ohio State's James Cancer Hospital and Solove Research Institute, and is currently undergoing phase II cohort expansion clinical trials in many hospitals, such as MD Anderson Cancer Center and actively receiving cases. In this stage of trial, patients with pancreatic cancer and basket-type group with high AKR1C3 expression were accepted as test subjects. Besides, OBI cooperated with Southwest Oncology Group (SWOG), and the Phase I/II clinical trials for T-cell acute lymphatic leukemia (T-ALL) and T-cell lymphoblastic lymphoma (T-LBL) sponsored by SWOG were approved by US Food and Drug Administration (FDA) in 2020, and are currently undergoing Phase I dose increment trials and drug safety evaluation in the USA. OBI-3424 obtained the qualifications as the "orphan drug" for hepatocellular carcinoma (HCC) and acute lymphatic leukemia (ALL) treatment from US Food and Drug Administration (FDA) in July and September, 2018 respectively, and won the Product Award in International Innovation Awards in 2018. Relevant patent applications and layout have been done for the product and approved by 5 countries, such as USA, EU, etc.

(6) OBI-858 new botulinum toxin preparation

OBI-858 is a new botulinum toxin independently by the Company using new strains, and the preparations are scheduled for cosmetic and medical purposes. Based on professional work division, OBI authorized the global cosmetic and medical intellectual property rights to its subsidiary Obigen Pharma Inc. Pharma, Inc. for subsequent development in February, 2021. In 2011, it has completed the phase I clinical trials in Tri-Service General Hospital and Chang Gung Memorial Hospital, and the trial report was with the GCP verification from the Ministry of Health and Welfare in January, 2023; the results have indicated that that the product is safe and tolerant; the preliminary effects have shown that it could effectively improve face and glabellar frown lines and have similar effects with the products available in the market. At present, Obigen Pharma Inc. Pharma, Inc. has completed phase II/III clinical trial design for cosmetic medicine indications. Additionally, Obigen Pharma Inc. Pharma, Inc. is actively negotiating with the Company about licensing beyond cosmetic medicine, hoping to further comprehensively develop product usage. Besides, relevant patent applications and layout have been done for the product and approved by Taiwan, Russia and Australia.

(7) R-992 Trop2 antibody small-molecule drug complex (Trop2 ADC):

OBI introduced highly potential Trop2 monoclonal antibody from Biosion in 2021, and regarded it as a new target to actively develop the antibody small-molecule drug complex R-992, and further improved and optimized it based on the shortcomings of the existing products available in the market, hoping to make it the Best-in-Class in the drug category. Animal experiments have verified that the drug has excellent anti-tumor effects and satisfactory stability, and release potent small-molecule drugs against tumors. It has completed the toxicology batch preparation in the beginning of the year and is currently undergoing the GLP toxicity test; the preliminary results have shown that R-992 has not resulted in significant hepatotoxicity or hematotoxicity in monkeys. OBI presented a patent application to The United States Patent and Trademark Office (USPTO).

The emphasis of the next stage is to complete the GMP batch and apply for clinical trials.

(8) COVID-19 BCVax:

The self-developed COVID-19 BCVAX of OBI adopted the protein recombination technology, mainly focused on ideal vaccine conditions, and must be safe and with slight side effect, the potent and effective adjuvant significantly improved the T-cell immune responses, and people with low immunity could have antibody reactions and get protected after being vaccinated. Besides, the outstanding stability, mature production technologies and low cold-chain thresholds make it easier to store, transport and popularize the vaccines, which are important advantages of ideal vaccines. The mature protein recombinant vaccine technology completely meets the aforementioned conditions, and is also the most common vaccine R&D way globally at present. In terms of components, BCVax uses spikes in the natural structure of Delta trimer as the antigen, and combines the adjuvant ISCOM (immune stimulating complex) improved from OBI-821 and in the nano-particle preparation formulation to result in neutral antibodies for protection. Animal tests have shown that it could produce high-titer antibody and the immune responses tend to Th1, so it is expected to generate strong T-cell reactions and facilitate virus removal. Animal tests have also verified that it could have a neutralizing effect on various COVID-19 (SARS-CoV-2) variants after having two doses, and further improve the titer of neutral antibody after having the third booster injection. OBI submitted Provisional Patent Application to the United States Patent and Trademark Office (USPTO) in February, 2022.

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

Full-time personnel	Title	Education background	Relevant experience
Yun Yen	Chairman & CEO	PhD in Pathology and Cell Biology, Thomas Jefferson University Receipt of specialized training in tumor, blood and bone marrow transplantation in Yale University	Yen once served as vice president of the City of Hope Cancer Center in the United States, medical consultant of the National Marrow Donors Program/Asian Marrow Donors Program, president of Taipei Medical University, adjunct professor of USC, California Institute of Technology and National Taiwan University with experience in managing several new drug development companies, specialized in the fields of cancer drug development, clinical oncology and translational medicine, and a member of many international heavyweight cancer associations such as the American Society of Clinical Oncology (ASCO).
Lai, Ming-Tien	Chief Scientific Officer	PhD in Bio-organic Chemistry, University of Minnesota	With over 23 years of new drugs research and development and management experience in big international pharmaceutical companies, once was the senior chief scientist of Merck Sharp & Dohme, and also the core team member in early drug development and product development, during his term of office, he once led the team to develop more than 10 drug candidates, and most of them successfully were proceeded to the phase of clinical trial. Once won various awards of Merck Sharp & Dohme, including District Staff Award in 2007, Special Achievement Award in 2009 and New Drug Development Award in 2018 etc. The antiviral drug developed by his leading obtained the medicament license from US FDA IN 2018.

Full-time personnel	Title	Education background	Relevant experience
Tsai, Cheng-En	Vice President of Medical Division	PhD in Molecular Genetics and Biology, University of Cambridge	Graduated from College of Medicine, National Taiwan University; PhD in Molecular Genetics and Biology, University of Cambridge. Have received complete clinical training and with rich experience in clinical diagnosis and treatment. Before joining OBI, once served in TaiGen Biotechnology and TWi Biotechnology, supervising phase 1 to phase 4 clinical trial, and completed the phase 3 pivotal trial for new ingredient drug of TaiGen Biotechnology, obtaining the marketing authorization in both Taiwan and mainland and health insurance payment in Taiwan. Previously, once served as the examiner of Clinical Group and Senior Research Fellow of Medical Technology Evaluation Group in Center for Drug Evaluation, Taiwan; Medical Advisor of Bristol-Myers Squibb (Taiwan and Hong Kong); with comprehensive and rich experience in drug research and development, design and implementation of clinical trial, and evaluation of test results.
Jiann-Shiun Lai	Vice President of Biological Agents, R&D Division	Doctor of Inheritance Institute, State University of New York at Stony Brook	Postdoctoral Research of Massachusetts Institute of Technology, Genetics Doctor of Cold Spring Harbor Laboratory, Stony Brook University, and Master in Microbiology and Immunology, National Yang-Ming University; with over 20 years of experience in monoclonal antibody new drug research and development and management, including leading candidate drugs screening, optimization, mass production cell line development, pre-clinical pharmacological, pharmacokinetic and toxicity test design. Once served as the Consultant in the fields of biotechnology, medicine and living materials chemistry in Technology Division of Ministry of Economic Affairs; Group Leader of Protein engineering Group, Biopharmaceutical Institute, Development Center for Biotechnology (DCB), Assistant Researcher of Biomedical Institute, Academia Sinica.
Chou, Chun-Hung	Vice President of Chemical Pharmacy, R&D Office	PhD in Chemistry, Michigan State University	Chou was graduated from the Department of Chemistry of National Cheng Kung University, obtained a PhD in Inorganic Chemistry, Michigan State University, and conducted post-doctoral research at the University of Illinois in the United States; worked for US MERCK and participated in marketing teams of Vytorin (a drug for high blood lipid treatment) and Januvia Janumet (a drug for diabetic patients). Also, he served as CMC examiner in FDA for 8 years. Chou is proficient in the downstream process of pharmaceuticals with more than 20 years' experience in pharmaceutical development, process and regulations.
LI, WEI-HAN	Director of Chemical Analysis, R&D Division	Doctorate, Department of Chemistry, National Taiwan University	Obtained a PhD from Department of Chemistry of National Taiwan University, Deputy Chief of R&D Division of OBI, R&D and management experience for over 15 years in analysis method development and validation review, protein structure features and impurity studies, IND writing and technical review reply, stability follow-up, annual quality review, etc.

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

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

Unit: NT$thousand

Item \ Year	2022	2021	2020	2019	2018
Research and development costs	1,772,856	1,449,598	1,309,881	1,257,392	1,127,083
Ending paid-up capital	2,294,394	1,992,794	1,992,794	1,881,287	1,739,907
Proportion of research and development costs in paid-up capital (%)	77.27	72.74	65.73	66.84	64.78

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

Product	Development progress	R&D achievements
DIFICID™	Has acquired medicament license and health insurance payment	Has acquired medicament license from Department of Health on September 7, 2012, and approved to launch in Taiwan. In August 2014, it has completed health insurance payment agreement with Department of National Health Insurance. In October 2015, through Optimer Pharmaceuticals, the subsidiary of Merck Sharp & Dohme, the product development and sales right of DIFICID™ in Taiwan was transferred to Merck Sharp & Dohme. OBI has gained signing bonus of USD three million only and will gain the milestone payment and product sales royalty in the future.
Adagloxad Simolenin (OBI-822) Globo H active immunity vaccine	Phase III clinical trials are underway	Has completed clinical phase II/III trial in Taiwan, conducting trials in 45 clinical medical centers worldwide, including 15 in Taiwan, 1 in Hong Kong, 13 in USA, 11 in Korea and 2 in India; has received 349 targets in July 2014, and unblinding was conducted in February 2016. Currently, the Company is actively receiving cases for phase III human clinical trials in 13 countries, such as the USA, Taiwan, Australia, China, etc.
OBI-833 Globo H-DT active immune – oncology therapy	Phase II clinical trials are underway	The safety assessment of OBI-833 Phase I Dose Incremental Trial has been completed, and the cohort expansion study, which aims at lung cancer patients, has also completed the safety assessment, immune antibody response and tumor response. Currently, the Company is actively receiving cases for phase II human clinical trials in Taiwan.
OBI-866 SSEA-4 active immune anticancer drug	Phase I clinical trials are underway	In the animal experiment stage, it has been proved that it can trigger the production of specific antibodies in mice.The first phase of dose increment test was approved by the Food and Drug Administration of the Ministry of Health and Welfare of Taiwan Province in August, 2020, and the case was received in October, 2020.
OBI-3424 AKR1C3 Enzyme Prodrug	The phase II clinical trial is ongoing.	In June 2017, signed contract with Threshold Pharmaceuticals from California, purchased the micromolecule first-in-class new drug TH-3424, and renamed it into OBI-3424, it will be developed into the potential therapy treating cancers of high AKR1C3 enzyme performance. In 2018, the US Food and Drug Administration (FDA) approved the qualification of orphan drugs for hepatocellular carcinoma (HCC) and acute lymphoblastic leukemia (ALL). The first phase of clinical dose increment trial has been completed, The phase II clinical cohort expansion trial is currently ongoing.

Product	Development progress	R&D achievements
OBI-999 Globo H Antibody Drug Conjugate (ADC)	The phase II clinical trial is ongoing.	Animal pharmacological tests have been completed, related patent applications and layout have been put forward, Chemistry Manufacturing Control (CMC) plan and preclinical GLP toxicology tests have been completed, the first phase of human clinical trials has been completed, The phase II clinical trial has been lauched in eleven medical centers in the United States and Taiwan as estimated.
OBI-858 new botulinum toxin preparation	The phase I clinical trial was already completed, and the phase II clinical trial has been planned.	In August, 2020, she obtained the first-phase clinical trial license from the Taiwan Food and Drug Administration (TFDA) of the Ministry of Health and Welfare, and conducted the trial in Tri-Service General Hospital and Kaohsiung Chang Gung Hospital, and successfully received the case, A report of drug efficacy and safety data and integration report of 36 subjects was completed in December 2021. The phase II/III clinical trial design has been completed, and it is expected to present trial application to TFDA by the end of 2023.

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

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

The Company's long-term goals are based on product diversification strategies, such as strengthening of the development of novel target (Trop2) antibody small molecule conjugate (Trop2 ADC), and the development of cell therapy (CAR-T) targeting Globo H and TROP2. at the same time, the Company actively develops bispecific antibody and adopts multi-pronged approaches to develop new products, Supplemented by product life cycle management, and Expect to become a International cancer pharmaceutical company. The company will give back to Taiwan to increase the employment opportunities, lead the biotechnology industry to internationalization, create a world-class Taiwan brand, and use capital investment and new research and development plans to further invest and contribute to Taiwan; and hope to create value to the shareholders and the company.

II Market and production and marketing overview

(i) Market analysis:

1. Sales territory of main commodities:

Based on the market in Taiwan and with layout worldwide, the Company takes developing into international first-class brand in biotechnology as the objective, strategically, the Company will seek for international pharmaceutical factory as strategic alliance for mutual complements of resources and expertise, so as to accelerate the schedule of commercialization of products under research and development through joint development or licensing etc.

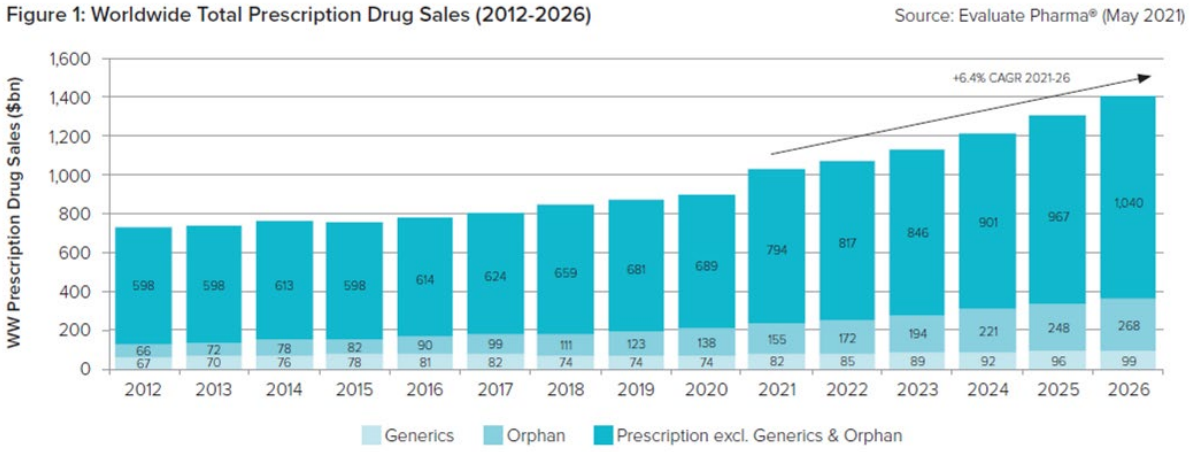
2. Market share:

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

3. Future market supply and demand condition, growth:

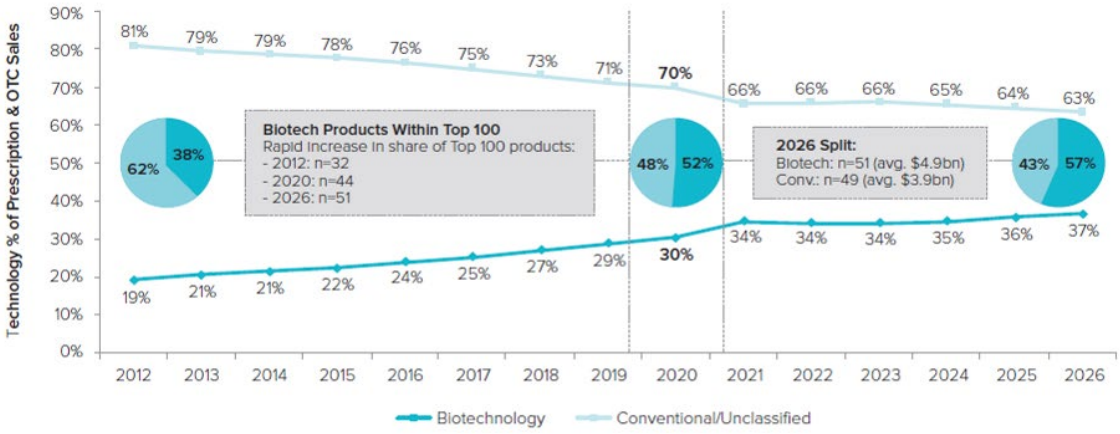
In recent years, the global pharmaceutical industry has been developing towards an active and positive direction, including the improvement of research and development productivity, historic new high in the number of brand new drugs approved to launch on the market, and drugs of breakthrough treatment, for example, by virtue of the high sales of Keytruda, the new immune checkpoint drug from American Merck Sharp & Dohme, it is expected that the global pharmaceutical industry will remain stable growth in 2026. According to sales statistics prediction about top 500 pharmaceutical companies in the global pharmaceutical industry by EvaluatePharma, the Compound Annual Growth Rate (CAGR) of the global prescription drug market will be up 6.4% from 2021 to 2026, and the market scale of orphan drugs will be doubled.

Market scale of global prescription drugs from 2012～2026



The important trend in current global drug market is the fast growth of biotechnology products, the sales volume thereof have surpassed the traditional preparations for the first time in global top 100 drugs ranking list. In the market of global prescription drugs and over-the-counter drugs, it is estimated that the proportion of sales volume of biological preparations will grow continuously from 30% in 2020 to 37% in206. Among the top 100 drugs sold worldwide, it is estimated that half of them will be biological preparations.

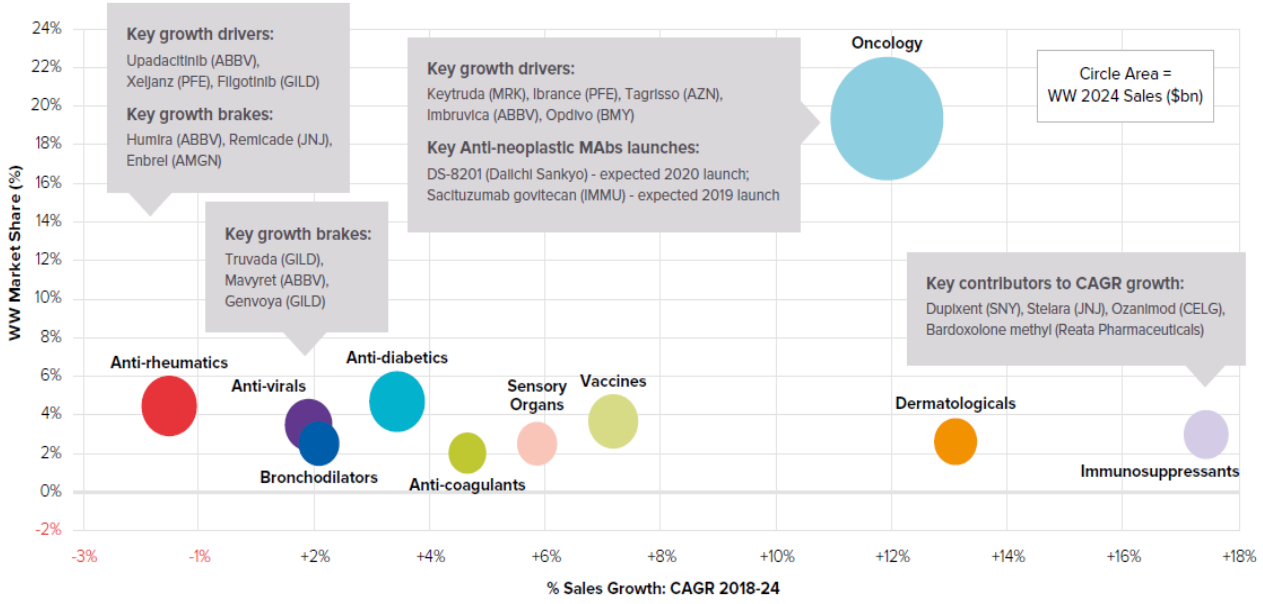
Market scale of global prescription drugs: biotechnology and traditional pharmaceutical technology



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

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

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



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

Ever since the beginning of establishment, the Company has been aiming at the global market, developing strategy according to international industry trend, and focusing on the market of cancer drugs which are of huge market demand and expected to grow strongly in the next ten years. In 2017, OBI Pharma has completed the important transformation from a company of single product line into a company of diversified cancer drugs; not only stepping into the fields of Monoclonal Antibody (mAb) and Antibody Drug Conjugate (ADC) based on the original anti-cancer vaccine in the research and development of new anti-cancer drugs taking Globo H as the target, but also carrying out multiple pre-clinical researches on another tumor carbohydrate molecules SSEA-A, continuously maintaining a leading position in the field of research and development of new anti-cancer drugs taking Globo Series carbohydrate molecules as the target. Apart from that, OBI Pharma has obtained the micromolecule chemotherapy prodrug OBI-3424 taking AKR1C3 enzyme inside the tumor as the effect target, and taken merger and acquisition of AP Biosciences, Inc. that possessing multiple immune checkpoint inhibitors, making the R&D projects of OBI on new

anti-cancer drugs more diversified, and laying a solid foundation for the development of combined therapy or Bi-Specific Antibody in the future.

4. Competition niche:

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

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

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

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

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

   (1) Favorable factor:

   - He core technology of the Company breaks through the traditional bottleneck in carbohydrate synthesis, it can resolve the difficulty that currently carbohydrate cannot be applied extensively in new drug research and development and commercial mass production.
   - The exclusive production technology of OBI can break through product life cycle, making it not easy to be imitated by other competitors, so as to protect the exclusive composition of product.
   - Active and passive immunotherapy (including ADC) with Globo Polysaccharide series as its target has high specificity for cancer, which is not easy to affect normal cell function, high product benefit, wide application range and promising market.
   - The operating research and development team has abundant experience in international new drug development, clinical trial and operating management.
   - Has multiple core products protected by patent.

   (2) Unfavorable factor and solutions:

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

     Solutions: the Company plans and executes all kinds of pre-clinical and clinical trials with prudent attitude, regularly consults with scholars and experts to ensure the quality of trial design, and amend the trial direction when appropriate to increase the success rate of trial.

- The clinical trial of breast cancer active immuno-oncology drug takes longer time and higher costs, once it is not completed within the expected time, it might need to introduce new capital investment.

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

- It is late for OBI-858 to enter into botulinum toxin market.

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

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

OBI-822 and OBI-833 and cancer immunotherapy drugs; for relevant production (development) processes, since the drugs used for clinical trial at current stage are the bulk drugs and medicines in outsourcing manufacturing, currently, the processing scale established by outsourced plant is sufficient to supply for clinical phase III trials carried out in several centers in various countries worldwide, as well as OBI-833 clinical phase II cohorts expansion test. At later stage of clinical trial, we will propose resolutions according to the clinical trial result and future market trend, and consider expanding production domestically, so as to achieve the maximum benefits in company operating strategy. OBI-999 is the micromolecule antibody drug conjugate, in respect of production (development) processes, including cell lines development and antibody mass production, they are at the stage of outsourcing manufacturing currently, regarding the current outsourcing manufacturing, the scale of process is sufficient to supply for clinical phase I and II trials. At later stage of clinical trial, we will propose resolutions according to the clinical trial result and future market trend, and consider expanding production domestically, so as to achieve the maximum benefits in company operating strategy, OBI-3424 is the drug of micromolecule, and it will be outsourced for production.

(iii) Major raw materials' supply condition

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

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

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

Unit: NT$thousand

Item \ Year	2021	2022
Revenue	18,772	4,711
Gross Income	(25,590)	(40,144)
Gross Margin (%)	(136.32)	(852.13)

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

Unit: NT$thousand; %

	2021				2022			
Item	Name	Amount	Rate (%)	Relationship with issuer	Name	Amount	Rate (%)	Relationship with issuer
1	PALL	627	48.10	N/A	Ming Chi	3,727	31.43	N/A
2	MERCK LTD.	179	13.70	N/A	Vanrx Pharmasystems	3,574	30.14	N/A
3	Uni-Onward Corp.	141	10.80	N/A	West Pharmaceutiacl	1,711	14.43	N/A
4	Ymc Taiwan Co., Ltd.	116	8.90	N/A	CINTRADE ENTERPRISE, INC.	1,494	12.60	N/A
5	Other	240	18.50	N/A	Other	1,352	11.40	N/A
	Net selling amount	1,303	100.00		Net selling amount	11,858	100.00	

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

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

Unit: NT$thousand; %

	2021				2022			
Item	Name	Amount	Rate (%)	Relationship with issuer	Name	Amount	Rate (%)	Relationship with issuer
1	Innovent Biologics, Inc. (Suzhou)	7,648	40.74	N/A	Merck Sharp & Dohme (I.A.) LLC	2,001	42.48	N/A
2	Blue Blood Biotech Corp.	6,993	37.25	N/A	CRODA	1,280	27.17	N/A
3	Merck Sharp & Dohme (I.A.) Llc	2,314	12.33	N/A	Blue Blood Biotech Corp.	1,046	22.20	N/A
4	Innovent Biologics, Inc. (Suzhou)	1,756	9.35	N/A	Krisan Biotech Co., Ltd.	300	6.37	N/A
5	Other	61	0.33	N/A	Biogate Precision Medicine Corp.	84	1.78	N/A
	Net selling amount	18,772	100.00		Net selling amount	4,711	100.00	

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

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

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

III Number of employees in the last two years

The works of legal affairs, research and development, toxicology and drug quality control of the Company are mostly outsourced for execution at early stage, in Taiwan and US, the Company has appointed professional consultant for assistance; in recent years, the product research and development has become mature gradually, and the Company has successively recruited professional talents and elites in the industry to join, not only strengthening the team, but also making the company function more complete. As at April 2023, the distribution of human resources of the Company (Including subsidiaries) is as follows:

April 30, 2023

Year		2021	2022	As at April 30 in current year
Number of employees	Personnel of director level	18	19	18
	General personnel	48	54	55
	R&D and technical personnel	173	187	194
	Total	239	260	267
Average age		41.08	41.31	41.06
Average length of service		3.69	3.93	4.04
Degree distribution ratio (%)	Doctor degree	20.50	18.46	17.60
	Master degree	50.63	48.08	49.44
	College degree	28.03	32.69	32.21
	Senior high school degree	0.84	0.77	0.75
	Total	100.00	100.00	100.00

IV Environmental protection expenditure information

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

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

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

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

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

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

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

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

the expiry of service life, if the expiry of service life of such instruments have been confirmed, scrapping procedures can be gone through immediately.

6. Power utilization improvement: select and use fluorescent lighting fixtures of high power factor to improve power utilization efficiency and illuminating brightness, and employees form a good habit of turning off lights and the power when leaving, so as to save power utilization.
7. Noise improvement: select and use instrument and equipment of high efficiency and low noise to reduce the environmental noise. Set machine room to isolate the running noise of relevant equipment.
8. The Company implements regular inspection, repair and maintenance to each working equipment, so as to ensure work safety of employees. And holds labor safety and health education and disaster prevention training every year to let employees be familiar with and comply with relevant rules. Laboratories also set laboratory safety and health management organization members to implement the promotion of laboratory safety and health management of the company.

V Labor-capital relationship

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

1. Employee benefit measures:

(1) Labor insurance: handle pursuant to labor insurance laws and decrees.

(2) National health insurance: handle pursuant to provisions of National Health Insurance Act.

(3) Group insurance: all employees can enjoy the life insurance, accident insurance, hospitalization medical insurance, cancer medical insurance etc. borne by the company in full amount.

(4) Festival bonus / recreation: issue birthday gift, marriage or funeral allowance, issue gifts etc. for three major festivals regularly every year, child care allowance etc., and hold employee tourism regularly.

(5) Employee bonus: when surplus is available upon annual settlement, taxes shall be withheld and losses in previous years shall be covered first, and then draft the distribution proportion of employee bonus in current year, after passed by Board of Directors, propose it to Shareholders' Meeting for acknowledgment.

(6) Employee subscription right: in order to attract professionals to join the work team of the Company and retain excellent employees of development potential in the future, and further take care of employees and improve their living standard to jointly create benefits for company and shareholders, after approved by Board of Directors, the employee stock option certificate will be issued pursuant to "Employee Stock Options Issuance and Exercise Provisions".

2. Further education and training measures:

(1) New employee: on the date when employee reports for duty, relevant personnel of the company will be responsible for describing personnel

regulations, company profile, working rules, environment introduction, and introduction of supervisors and colleagues.

(2) In-service employee further education measures: in order to implement lifelong learning, facilitate professional knowledge, skill and improve humanistic quality, and further improve service quality and performance, after report and being approved, all in-service full-time employees will be encouraged to participate in all kinds of in-service education and advanced study and training courses.

3. Retirement system:

The Company implements retirement system pursuant to the provisions of Labor Standards Act, regularly allocate the reserve for employee retirement to deposit in the special account in Bank of Taiwan, and appoints actuary for actuarial practice to ensure sufficient preparation of retirement pension reserve.

4. Greement between labor and capital and maintenance measures of all kinds of employees' rights and interests:

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

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

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

VI Information Security Management

Information security is one risk modern enterprises are constantly exposed to, especially for bio-tech enterprises, businesses secrets, technical patents and IP layout owned by them are all their core values, and they take information security safeguard as a material measure to avoid risks. To strengthen information security risk management, OBI has built multi-layered information security defense by following the International Information Security Management ISO/IEC 27001 and by adopting the method of Plan-Do-Check-Act (PDCA), constantly strengthens its management system and technologies and executes risk control to effectively prevent weird and changeable information security risks before occurrence and reduce operation risks. OBI has completed the backup mechanisms for key equipment, disaster backup and recovery rehearsals; facing constant and complex network threats and attacks, OBI has introduced multi-factor verification, hard-disk encryption technologies, and end detection and response mechanism (EDR), and also added CDN (Content Delivery Network) service to speed up the protection of application programs available in the Company's website, alleviate DDOS (distributed denial of service) attacks and block misuse of puppet programs, so as to enhance the information security defense and handling capacities.

(1) Information security risk management framework:

1. In order to protect the Company's valuable business secrets, R&D technologies, intellectual property patents, enhance its business and public images, and increase operational competitiveness, the Company follows the international information security management system of ISO/IEC 27001, adopts planning, execution, inspection and action (Plan-Do-Check-Act, PDCA) method, constructs multi-layer information security defense, continuously strengthens management systems and technologies, and executes risk control to effectively prevent strange and changeable information security threats in advance and reduce operational risks.
2. The "Information Security Policy" of the Company is verified and approved by the board of directors as the basis for the Company to establish information security management system and formulate relevant information security management specifications and procedures so as to ensure the confidentiality, integrity and availability of the Company's important information.
3. The Company clearly defines the information security management authority to assist the board of directors in continuously promoting the implementation of information security management for the purposes of strengthening corporate governance and improving the security of business operations.
4. Regularly execute information security risk assessment operations,. The management representative of the information security management system shall be responsible for reviewing the appropriateness of risk disposal.
5. Hold management review meetings periodically to review the execution status of the information security management system.
6. Include the information security inspection and control operations as annual audit item. The auditing unit shall perform an audit at least once a year. The company shall perform self-check every year according to the internal control system, summarize the implementation effect of internal control, submit it to the board of directors for review and confirmation, and issue a statement of internal control system based on the evaluation results.

(2) Information security policies:

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

(3) Specific management schemes:

1. Organize information security education, training and advocacy work every year and new employees shall sign a confidentiality agreement.
2. Contracted manufacturers must sign a confidentiality agreement to ensure that those who use the Company's information services or perform related information business have the responsibility and obligation to protect the Company's information assets obtained or used so as to prevent unauthorized access, change, damage or improper disclosure.
3. Require the colleagues to perform the responsibility of properly keeping and using their accounts, passwords and permissions and replace the passwords periodically.

4. Appropriate backup, standby or monitoring mechanisms have been established for important information systems or equipment and then regularly drilled to maintain their availability.
5. Establish a business continuity management mechanism, and regularly test and drill it to maintain its applicability.
6. Implement internal audit periodically every year to ensure the effectiveness of the information security management system and various kinds of information security internal control.

(4) Resources invested in information security management:

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

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

The Company didn't suffer any losses due to any major information security incident in 2022 as of the publication date of annual report. Information security threats are constantly changing, and the common information security risks include hacking, network traffic attacks, software extortion, viruses, phishing, spams, software vulnerabilities, authority control, etc. The Company always values information security risk control and protection, has built multi-layered network and computer information security safeguard measures,

and built multi-layered information security defense following the International Information Security Management ISO/IEC 27001 and by adopting the method of Plan-Do-Check-Act (PDCA), regularly executes information security risk assessment, and constantly strengthens its management system and technologies, including prior security defense, in-process emergency response and post-action recovery, to ensure the suitability and effectiveness. Replying on continuously invested information security management and technological resources, OBI constantly enhances the information security protection strength and information security resilience to realize effective prior prevention, and can respond to and dispose of any information security incident rapidly to reduce its impacts on the Company's financials and business when it occurs.

VII Important contracts

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

Agreement	Contracting Parties	Term	Major contents	Restrictions
Supply and marketing contract	Amaran Biotechnology, Inc.	January 25, 105 to January 24, 115	Entrust OEM to manufacture products	NA
Long-term Borrowing Contract	E.SUN Bank	Effective from September 26, 2016	Long-term secured borrowing for laboratory	NA
Authorization contract	PolyTherics Limited	Effective from July 11, 2017	Acquisition of technology licensing	NA
Authorization contract	OBI Pharma Australia Pty Ltd.	Effective from June 13, 2018	Authorize some patents to Australian subsidiaries for clinical trials	NA
Commissioned service contract	Company A	Effective from February 14, 2019	Development of GMP Product	NA
Technical cooperation contract	EirGenix, Inc.	Effective from August 27, 2015	Joint technical development	NA
Intellectual Property Transfer Contract	Threshold Pharmaceuticals	Effective from February 1, 2016	Transfer of intellectual property	Yes
Contract for transfer and joint development of intellectual property rights	ASCENTA PHARMACEUTICALS, LTD	Effective from February 1, 2016	Joint development of intellectual property rights	Yes
Technical cooperation contract	AP Biosciences Inc.	Effective from September 12, 2018	Joint development of antibody	NA
Commissioned service contract	Novotech (Australia) Pty Limited	Effective from December 6, 2019 to December 15, 2026	Commissioned to provide clinical trial services	NA
Technical cooperation contract	National Taiwan University	From January 01,2020 to December 30, 2021	Joint development of antibody	NA
Technical cooperation contract	AP Biosciences Inc.	Effective from August 12, 2019	Joint development of antibody	NA
Commissioned service contract	PSI CRO AG	January 06, 2020 to 01.05, 2027	Commissioned to provide clinical trial services	NA
Commissioned service contract	QPS-Qualitix Clinical Research Co., Ltd.	March 18, 2020 to March 17, 2027	Commissioned to provide clinical trial services	NA
Share exchange and cooperation contract	TONY CHOW and its representative shareholder, Amaran Biotechnology, Inc.	October 15, 2020	Share exchange and product development and production cooperation	Yes
Sale contract	Obigen Pharma Inc.	February 23, 2021	Sales of equipment	NA
Authorization contract	Obigen Pharma Inc.	February 23, 2021	Technology authorization	Yes
Commissioned service contract	Amaran Biotechnology, Inc.	April 19, 2021	Entrust OEM to manufacture products	NA
Technical cooperation contract	AlivaMab Discovery Services, LLC	May 10, 2021 to May 9, 2026	Cooperative Technologies	NA
Technical cooperation contract	Biosion Inc.	December 8, 2021 to April 23, 2041	Biosion licenses Trop2 mAb to OBI.	Yes

Agreement	Contracting Parties	Term	Major contents	Restrictions
Commissioned service contract	Protech Pharmaservices Corporation	Effective from December 12, 2021	Commissioned to provide clinical trial services	NA
Technical license agreement	Odeon Therapeutics (Hong Kong) Limited	Effective from February 22, 2022	OBI exclusively licenses the rights of OBI-833 and OBI-999 in China to Odeon HK.	Yes
Commissioned service contract	Samsung Biologics Co., Ltd.	Effective from April 26, 2022	Contract Manufacturing Service	NA
Commissioned service contract	Catalyst Clinical Research	Effective from July 01, 2022	Commissioned to provide clinical trial services	NA
Lease Agreement	Century Biotech Development Corporation	March 23, 2022 to December 22, 2030	Lease of Office/Laboratory	NA

VI. Financial Overview

I. Concise financial information in the last five years

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

1. Individual concise balance sheet - International Financial Reporting Standards

Unit: NT$thousand

Item \ Year		Financial information in the last five years					Financial information in current year as at March 31, 2023
		2018	2019	2020	2021	2022	
Current assets		3,678,055	4,577,337	2,986,360	1,462,385	3,153,748	Not applicable
Property, plant and equipment		234,296	241,259	211,646	145,668	141,594	
Intangible assets		105,950	87,967	69,010	55,806	81,952	
Other assets		491,916	973,000	1,281,246	1,342,898	1,849,576	
Total assets		4,510,217	5,879,563	4,548,262	3,006,757	5,226,870	
Current liabilities	Before distribution	111,138	193,607	227,961	205,260	545,854	
	After distribution	111,138	193,607	227,961	205,260	545,854	
Non-current liabilities		52,147	128,676	91,279	85,621	48,842	
Total liabilities	Before distribution	163,285	322,283	319,240	290,881	594,696	
	After distribution	163,285	322,283	319,240	290,881	594,696	
Equity attributable to owners of parent		4,346,932	5,557,280	4,229,022	2,715,876	4,632,174	
Share capital		1,739,907	1,881,287	1,992,794	1,992,794	2,294,394	
Capital surplus		9,530,118	11,504,987	3,684,782	3,702,222	6,932,631	
Retained earnings	Before distribution	(6,514,955)	(8,259,036)	(1,377,935)	(2,908,622)	(4,522,538)	
	After distribution	(6,514,955)	(8,259,036)	(1,377,935)	(2,908,622)	(4,522,538)	
Other equity interest		(21,417)	(22,392)	(16,788)	(24,528)	(26,323)	
Treasury share		(386,721)	-	(53,831)	(45,990)	(45,990)	
First-hand rights and interests under joint control		-	452,434	-	-	-	
Non-controlling interests		-	-	-	-	-	
Total equity	Before distribution	4,346,932	5,557,280	4,229,022	2,715,876	4,632,174	
	After distribution	4,346,932	5,557,280	4,229,022	2,715,876	4,632,174	

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

2. Consolidated concise balance sheet - International Financial Reporting Standards

Unit: NT$thousand

Item \ Year		Financial information in the last five years					Financial information in current year as at March 31, 2023
		2018	2019	2020	2021	2022	
Current assets		3,793,229	5,025,007	3,894,812	2,854,137	5,034,081	5,271,575
Property, plant and equipment		235,442	646,566	731,193	898,878	980,722	946,623
Right-of-use assets		-	219,406	187,027	250,141	194,835	184,201
Intangible assets		574,075	515,792	453,881	398,284	382,441	367,674
Other assets		106,748	79,764	72,937	85,311	41,622	45,535
Total assets		4,709,494	6,486,535	5,339,850	4,486,751	6,633,701	6,815,608
Current liabilities	Before distribution	103,817	209,625	248,488	327,224	221,138	143,148
	After distribution	103,817	209,625	248,488	327,224	221,138	143,148
Non-current liabilities		132,211	354,654	253,603	288,724	276,430	265,970
Total liabilities	Before distribution	236,028	564,279	502,091	615,948	497,568	409,118
	After distribution	236,028	564,279	502,091	615,948	497,568	409,118
Equity attributable to owners of parent		4,346,932	5,104,846	4,229,022	2,715,876	4,632,174	4,432,365
Share capital		1,739,907	1,881,287	1,992,794	1,992,794	2,294,394	2,294,394
Capital surplus		9,530,118	11,504,987	3,684,782	3,702,222	6,932,631	7,085,120
Retained earnings	Before distribution	(6,514,955)	(8,259,036)	(1,377,935)	(2,908,622)	(4,522,538)	(4,885,801)
	After distribution	(6,514,955)	(8,259,036)	(1,377,935)	(2,908,622)	(4,522,538)	(4,885,801)
Other equity interest		(21,417)	(22,392)	(16,788)	(24,528)	(26,323)	(26,561)
Treasury share		(386,721)	-	(53,831)	(45,990)	(45,990)	(34,787)
First-hand rights and interests under joint control		-	452,434	-	-	-	-
Non-controlling interests		126,534	364,976	608,737	1,154,927	1,503,959	1,974,125
Total equity	Before distribution	4,473,466	5,922,256	4,837,759	3,870,803	6,136,133	6,406,490
	After distribution	4,473,466	5,922,256	4,837,759	3,870,803	6,136,133	6,406,490

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

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

Unit: NT$thousand

Item \ Year	Financial information in the last five years					Financial information in current year as at March 31, 2023
	2018	2019	2020	2021	2022	
Net revenue	5,162	872	1,489	826,462	2,002	Not applicable
Gross profit	5,162	872	1,489	826,462	2,002	
Income from operations (loss)	(1,300,667)	(1,321,659)	(1,219,334)	(1,168,378)	(1,374,586)	
Non-operating income and expenses	78,425	(269,723)	(238,206)	(362,309)	(239,330)	
Income before tax	(1,222,242)	(1,591,382)	(1,457,540)	(1,530,687)	(1,613,916)	
Continuing operating unit Net profit for the year	(1,222,242)	(1,591,382)	(1,457,540)	(1,530,687)	(1,613,916)	
Loss from discontinued operations	-	-	-	-	-	
Net profit (loss) for the year	(1,222,242)	(1,591,382)	(1,457,540)	(1,530,687)	(1,613,916)	
Other comprehensive profit and loss for the year (net of tax)	(2,186)	(975)	5,604	(7,740)	7,987	
Total comprehensive profit and loss for the year	(1,224,428)	(1,592,357)	(1,451,936)	(1,538,427)	(1,605,929)	
Net profit belongs to the owner of the parent company	-	(1,407,026)	(1,377,935)	(1,530,687)	(1,613,916)	
Net profit belongs to the first-hand equity under joint control	-	(184,356)	(79,605)	-	-	
Total consolidated profit and loss belongs to the owner of the parent company	-	(1,408,001)	(1,372,331)	(1,538,427)	(1,605,929)	
The total consolidated profit and loss is attributed to the first-hand equity under joint control	-	(184,356)	(79,605)	-	-	
Earnings per share	(7.06)	(8.30)	(7.34)	(7.69)	(7.27)	

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

Unit: NT$thousand

Item \ Year	Financial information in the last five years					Financial information in current year as at March 31, 2023
	2018	2019	2020	2021	2022	
Net revenue	13,339	5,586	140,886	18,772	4,711	1,786
Gross profit	8,053	(6,838)	134,417	(25,590)	(40,144)	(19,228)
Income from operations (loss)	(1,427,683)	(1,576,866)	(1,465,881)	(1,716,014)	(2,122,762)	(432,181)
Non-operating income and expenses	171,881	(143,473)	(27,810)	(26,239)	205,670	9,644
Income before tax	(1,255,802)	(1,720,339)	(1,493,691)	(1,742,253)	(1,917,092)	(422,537)
Continuing operating unit Net profit for the year	(1,249,493)	(1,714,748)	(1,489,897)	(1,717,890)	(1,899,324)	(421,805)
Loss from discontinued operations	-	-	-	-	-	-
Net profit (loss) for the year	(1,249,493)	(1,714,748)	(1,489,897)	(1,717,890)	(1,899,324)	(421,805)
Other comprehensive profit and loss for the year (net of tax)	(2,287)	(975)	5,604	(7,740)	8,130	(1,155)
Total comprehensive profit and loss for the year	(1,251,780)	(1,715,723)	(1,484,293)	(1,725,630)	(1,891,194)	(422,960)
Net income attributable to shareholders of the parent	(1,222,242)	(1,407,026)	(1,377,935)	(1,530,687)	(1,613,916)	(363,263)
Net profit belongs to the first-hand equity under joint control	-	(184,356)	(79,605)	-	-	-
Net income attributable to non-controlling interests	(27,251)	(123,366)	(32,357)	(187,203)	(285,408)	(58,542)
Total comprehensive income (loss) attributable to shareholders of the parent	(1,224,428)	(1,408,001)	(1,372,331)	(1,538,427)	(1,605,929)	(364,531)
The total consolidated profit and loss is attributed to the first-hand equity under joint control	-	(184,356)	(79,605)	-	-	-
Total comprehensive income (loss) attributable to non-controlling interests	(27,352)	(123,366)	(32,357)	(187,203)	(285,265)	(58,249)
Earnings per share	(7.06)	(8.30)	(7.34)	(7.69)	(7.27)	(1.59)

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

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

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

Year	Accounting firm	Name of accountant	Audit opinion	Reason for change
2018	PwC Taiwan	Lin Yukuan Audrey Tseng	Clean opinion	Due to internal business transfer of the firm
2019	PwC Taiwan	Lin Yukuan David Teng	Clean opinion	Due to internal business transfer of the firm
2020	PwC Taiwan	David Teng Liang, Hua-Ling	Clean opinion	Due to internal business transfer of the firm
2021	PwC Taiwan	David Teng Liang, Hua-Ling	Clean opinion	NA
2022	PwC Taiwan	David Teng Liang, Hua-Ling	Clean opinion	NA

II Financial analysis in the last five years

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

Analysis item \ Year		Financial analysis in the last five years (Notes 1)					Financial information in current year as at March 31, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Proportion of liabilities in assets	3.62	5.48	7.02	9.67	11.38	Not applicable
	Proportion of long-term funds in property, plant and equipment	1,877.57	2,356.79	2,041.29	1,923.21	3,305.94	
Debt paying ability (%)	Current ratio	3,309.45	2,364.24	1,310.03	712.45	577.76	
	Liquidity ratio	3,229.38	2,305.13	1,252.51	665.51	555.63	
	Interest coverage ratio (ratio)	(1,154.24)	(619.18)	(608.85)	(857.49)	(990.96)	
Operating capacity	Receivables turnover rate (time)	10.59	1.01	1.29	517.83	1.06	
	Average cash collection days	34.47	361.39	282.95	0.70	344.34	
	Inventory turnover rate (time)	-	-	-	-	-	
	Payables turnover rate (time)	-	-	-	-	-	
	Average sales days	-	-	-	-	-	
	Property, plant and equipment turnover rate (time)	-	-	0.01	4.63	0.01	
	Total assets turnover rate (time)	-	-	-	0.22	-	
Profitability	Return on assets (%)	(25.16)	(30.59)	(27.92)	(40.48)	(39.17)	
	Return on equity (%)	(25.98)	(32.14)	(29.79)	(44.08)	(43.93)	
	Proportion of net profit before tax in paid-up capital (%)	(70.25)	(84.59)	(73.14)	(76.81)	(70.34)	
	Net profit ratio (%)	(23,677.68)	(182,497.94)	(97,887.17)	(185.21)	(80,615.18)	
	Earnings per share (NT$) retroactive adjustment	(7.06)	(8.30)	(7.34)	(7.69)	(7.27)	
Cash flow (Notes 2)	Cash flow ratio (%)	-	-	-	-	-	
	Cash flow adequacy ratio (%)	-	-	-	-	-	
	Cash reinvestment ratio (%)	-	-	-	-	-	
Degree of leverage (Notes 3)	Degree of operating leverage	-	-	-	-	-	
	Degree of financial leverage	-	-	-	-	-	

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

1. Financial structure:the decrease in proportion of liabilities to assets was mainly due to the increase in current liabilities resulting from recognition of contractual liabilities by the reinvested company Odeon; the increase in proportion of long-term funds in property, plant and equipment was mainly due to the increase in equity resulting from issue of new shares at premium by OBI.
2. Solvency:the decrease in liquidity ratio and quick ratio was mainly due to the increase in current liabilities resulting from recognition of short-term contractual liabilities by the reinvested company Odeon; additionally, the Company is currently in the product R&D stage, as a result, the interest coverage ratio was negative.
3. Operating ability and profitability: the company's products are still in the research and development stage, and have not yet generated stable operating income. However, according to the industrial characteristics, it will generate authorized income, labor income and material sales income, etc., and the authorized income is recognized once according to the contract milestone, which may not occur on average every year.

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

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

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

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

Analysis item \ Year		Financial analysis in the last five years (Notes 1)					Financial information in current year as at March 31, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Proportion of liabilities in assets	5.01	8.70	9.40	13.73	7.50	6.00
	Proportion of long-term funds in property, plant and equipment	1,922.18	922.65	666.41	433.74	627.82	678.81
Debt paying ability (%)	Current ratio	3,653.76	2,397.14	1,567.40	872.23	2,276.44	3,682.60
	Liquidity ratio	3,566.55	2,338.17	1,505.45	818.16	2,170.97	3,522.28
	Interest coverage ratio (ratio)	(750.08)	(440.23)	(356.00)	(457.73)	(479.47)	(444.24)
Operating capacity	Receivables turnover rate (time)	27.36	4.34	94.78	7.64	1.71	2.69
	Average cash collection days	13.34	84.10	3.85	47.77	213.45	135.69
	Inventory turnover rate (time)	-	2.67	1.12	5.24	2.84	3.68
	Payables turnover rate (time)	-	-	-	130.09	53.75	128.72
	Average sales days	-	136.70	325.89	69.66	128.52	99.18
	Property, plant and equipment turnover rate (time)	0.06	0.01	0.20	0.02	0.01	0.01
	Total assets turnover rate (time)	-	-	-	-	-	-
Profitability	Return on assets (%)	(25.22)	(27.88)	(25.14)	(34.90)	(34.10)	(6.26)
	Return on equity (%)	(26.21)	(29.89)	(27.69)	(39.45)	(37.96)	(6.73)
	Proportion of net profit before tax in paid-up capital (%)	(72.18)	(91.44)	(74.95)	(87.43)	(83.56)	(18.42)
	Net profit ratio (%)	(9,367.22)	(30,697.24)	(1,057.52)	(9,151.34)	(40,316.79)	(23,617.30)
	Earnings per share (NT$) retroactive adjustment	(7.06)	(8.30)	(7.34)	(7.69)	(7.27)	(1.59)
Cash flow (Notes 2)	Cash flow ratio (%)	-	-	-	-	-	-
	Cash flow adequacy ratio (%)	-	-	-	-	-	-
	Cash reinvestment ratio (%)	-	-	-	-	-	-
Degree of leverage (Notes 3)	Degree of operating leverage	-	-	-	-	-	-
	Degree of financial leverage	-	-	-	-	-	-

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

1. Financial structure:the decrease in proportion of liabilities to assets was mainly due to the increase in assets resulting from capital increase by cash of OBI Pharma Inc., AP Biosciences, Inc. and Obigen Pharma Inc.; the increase in proportion of long-term funds in property, plant and equipment was mainly due to the increase in equity resulting from issue of new shares at premium by OBI Pharma Inc., AP Biosciences, Inc. and Obigen Pharma Inc..
2. Solvency:the increase in liquidity ratio and quick ratio was mainly due to the capital increase by cash of OBI Pharma Inc., AP Biosciences, Inc. and Obigen Pharma Inc.; additionally, the Company is currently in the product R&D stage and has not yet generated profit, as a result, the interest coverage ratio was negative.
3. Operating ability and profitability: the company's products are still in the research and development stage, and have not yet generated stable operating income. However, according to the industrial characteristics, it will generate authorized income, labor income and material sales income, etc., and the authorized income is recognized once according to the contract milestone, which may not occur on average every year.

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

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

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

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

1. Financial structure
   (A) Proportion of liabilities in assets=total liabilities/total assets.
   (B) Proportion of long-term funds in property, plant and equipment=(total equity+non-current liabilities)/net amount of property, plant and equipment.
2. Debt paying ability
   (A) Current ratio=current assets/current liabilities
   (B) Liquidity ratio=(current assets-inventory-prepaid costs)/current liabilities
   (C) Interest coverage ratio=income tax and net profit before interest expense/current interest expenditure.
3. Operating capacity
   (A) Receivables (including accounts receivable and Notes receivable arising from business) turnover rate=net sales/balance of average receivables in each period (including accounts receivable and Notes receivable arising from business).
   (B) Average cash collection days=365/receivables turnover rate.
   (C) Inventory turnover rate=sales cost/average inventory.
   (D) Payables (including accounts payable and Notes payable arising from business) turnover rate=net sales/balance of average payables in each period (including accounts payable and Notes payable arising from business).
   (E) Average sales days=365/inventory turnover rate.
   (F) Property, plant and equipment turnover rate=net sales/average net amount of property, plant and equipment.
   (G) Total assets turnover rate=net sales/average total assets amount.
4. Profitability
   (A) Return on assets=[post-tax profit or loss+interest expense x (1-tax rate)]/average total assets amount.
   (B) Return on equity=post-tax profit or loss/average total equity amount.
   (C) Net profit ratio=post-tax profit or loss/net sales.
   (D) Earnings per share=(profit and loss attributable to parent company owner-special share dividend)/weighted average number of outstanding shares.
5. Cash flow
   (A) Cash flow ratio=net cash flow in operating activity/current liabilities.
   (B) Cash flow adequacy ratio=net cash flow in operating activities in the last five years/(capital expenditure+inventory increment+cash dividend) in the last five years.
   (C) Cash reinvestment ratio=(net cash flow in operating activity-cash dividend)/(gross amount of property, plant and equipment+long-term investment+other non-current assets+working capital).
6. Degree of leverage
   (A) Degree of operating leverage=(net operating income-changes in operating costs and expenses)/operating profit.
   (B) Degree of financial leverage=operating profit/(operating profit-interest expense).

(3) Individual important financial ratio analysis in the last five years - financial accounting standards of our country: The Company started to adopt International

Financial Reporting Standards as of 2013, hence the financial information in the last five years are not applicable.

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

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

The 2022 Audit Committee's Review Report as follows:

Audit Committee's Review Report

Board of Directors has prepared 2022 business report, financial statements and deficit compensation table proposals of the Company, among them, the financial statements have been audited by PwC Taiwan, and audit report has been issued. Proposals regarding the above business report, financial statements and deficit compensation table have been audited by Audit Committee, and those proposals are appropriate, it is hereby proposed for supervision pursuant to relevant provisions of Securities Exchange Act and Company Act.

Sincerely submitted to
2023 General Meeting of the Company

OBI Pharma Inc.

Convener of Audit Committee: Ming-Chin Chen

March 13, 2023

IV Financial statements and accountant's audit report in the last year: please see page 177 to page 260 this annual report for details.

V Company individual financial report audited and certified by accountant in the last year: please see page 261 to page 324 this annual report for details.

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

VII Financial situation and financial performance review analysis and risks

I Financial situation

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

Unit: NT$thousand

Item \ Year	2021	2022	Balance	
			Amount	Percentage (%)
Current assets	2,854,137	5,034,081	2,179,944	76.38
Available-for-sale financial assets - non-current	9,106	8,725	(381)	(4.18)
Property, plant and equipment	898,878	980,722	81,844	9.11
Right-of-use assets	250,141	194,835	(55,306)	(22.11)
Intangible assets	398,284	382,441	(15,843)	(3.98)
Other non-current assets	76,205	32,897	(43,308)	(56.83)
Total assets	4,486,751	6,633,701	2,146,950	47.85
Current liabilities	327,224	221,138	(106,086)	(32.42)
Non-current liabilities	288,724	276,430	(12,294)	(4.26)
Total liabilities	615,948	497,568	(118,380)	(19.22)
Share capital	1,992,794	2,294,394	301,600	15.13
Capital surplus	3,702,222	6,932,631	3,230,409	87.26
Accumulated deficit	(2,908,622)	(4,522,538)	(1,613,916)	55.49
Other equity interest	(24,528)	(26,323)	(1,795)	7.32
Treasury stock	(45,990)	(45,990)	0	0.00
First-hand rights and interests under joint control	1,154,927	1,503,959	349,032	30.22
Non-controlling interests	3,870,803	6,136,133	2,265,330	58.52

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

1. The increase in current assets was mainly due to the capital increase by cash of OBI Pharma Inc., AP Biosciences, Inc. and Obigen Pharma Inc. in 2022.
2. The decrease in right-of-use assets was mainly due to the depreciation of lease assets.
3. The decrease in other non-current assets was mainly due to the re-recognition into property, plant and equipment in 2022 from prepayment for equipment of Obigen Pharma Inc. in 2021.
4. The decrease in current liabilities was mainly due to the decrease in estimated expenses payable in 2022 compared with those at the end of last year.
5. The increase in capital surplus was mainly due to the issuance of new shares above par value of OBI, AP and Obigen Pharma Inc..
6. The increase in accumulated deficit was mainly due to the fact that the Company is currently in the R&D stage and has not yet generated stable operating revenue, so it was in deficit in 2022.
7. The increase in non-controlling interests was mainly due to the capital increase by cash of AP Pharma Inc. and Obigen Pharma Inc..

II Financial performance

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

Unit: NT$thousand

Item \ Year	2021	2022	Balance	
			Amount	Percentage (%)
Net revenue	18,772	4,711	(14,061)	(74.90)
Operating costs	(44,362)	(44,855)	(493)	1.11
Gross profit	(25,590)	(40,144)	(14,554)	56.87
Operating expenses	(1,690,424)	(2,082,618)	(392,194)	(23.20)
Operating loss	(1,716,014)	(2,122,762)	(406,748)	(23.70)
Non-operating income and expenses	(26,239)	205,670	231,909	883.83
Net loss	(1,717,890)	(1,899,324)	(181,434)	(10.56)
Total comprehensive loss for the year	(1,725,630)	(1,891,194)	(165,564)	(9.59)

Notes:
1. The balance in the net operating revenue was mainly due to the recognized milestone payments for IBI-302 phase II clinical trial done by Cinda authorized by AP Biosciences, Inc. in 2021.
2. The balance in the non-operating income and expense was mainly due to the unrealized exchange income generated from the appreciation of U.S.dollar in 2022.
3. The Company's products are still in the development stage at present, and no major sales are expected in the coming year; However, after the clinical trial data of various products are analyzed, they will apply for new drug inspection and registration as soon as possible, with a view to the early listing of products.

III Cash flow

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

Unit: NT$thousand

Item \ Year	2021	2022	Balance	
			Amount	Percentage (%)
Cash flows from operating activities (outflow)	(1,064,479)	(1,619,702)	(555,223)	52.16
Cash flows from investing activities (outflow)	82,678	(169,886)	(252,564)	(305.48)
Cash flows from financing activities (outflow)	163,748	4,009,985	3,846,237	2,348.88

Notes:
1. The increase in cash outflow from operating activities was mainly due to the increase in commissioned clinical research service fees of the Company, the bispecific anti-body cell line development and production service fees of AP Biosciences, Inc., and human resource and operation expenses of BPC and finished preparation plants of Obigen Pharma Inc..
2. The increase in cash outflow from investing activities was mainly due to the increase in cash included in the account of the subsidiary Obigen Pharma Inc.
3. The increase in cash flows from financing activities was mainly due to the capital increase by cash among OBI Pharma Inc., AP Biosciences, Inc. and Obigen Pharma Inc.

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

(iii) Cash liquidity analysis in the coming year:

Unit: NT$thousand

Opening cash balance (1)	Expected annual net cash flow from operating activity (2)	Expected annual net cash flow from other activity (3)	Number of residual (insufficient) cash (1)+(2)+(3)	Remedial measure for cash shortage	
				Investment plan	Financial plan
4,741,109	(1,800,000)	200,000	3,141,109	-	-

Analysis description:

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

   Operating activity:In 2023, the Company's main products were still in the research and development stage, so it was a net operating cash outflow.

   The net cash flow from other activities in 2023 was mainly the cash inflow from cash capital increase of Obigen and issuance of new shares, and the cash outflow from acquiring real estate, plant and equipment and intangible assets, repaying long-term loans of laboratories and leasing principal.

2. Expected remedial measure for cash shortage and liquidity analysis: not applicable.

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

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

(1) Reinvestment policy:

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

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

1. In order to smoothly carry out the clinical trial in China Mainland and USA, in November, 2012, March and April 2013, the Company had completed the registration of establishment of Hong Kong OBI Pharma Limited, OBI Pharma

(Shanghai) Limited (reinvestment of OBI Pharma Limited) and OBI Pharma USA, Inc. respectively, up to now, it is still under accumulated loss status, in the future, with completion of each product clinical trial and smooth launch of product, it will bring revenue and profit to each reinvestment business.

2. In order to strengthen the ability in research and development of new antibody drugs, the Company carries out clinical trial in Australia and applies for R&D subsidy provided by Australian Government locally. In January and June of 2018, the Company reinvested AP Biosciences Inc. and OBI Pharma Australia Pty Ltd. by issuing new shares for assignment of shares of other company and establishing wholly-owned subsidiaries respectively, despite it is unprofitable currently, with completion of product development and test in the future, it will bring revenue and profits to reinvestment businesses.

3. The Company's active immune anticancer drug products have all entered human clinical trials, and Amaran Biotechnology Inc. is the OEM manufacturer of active immune anticancer drug products of the company. In order to ensure the stable quality and safe supply of the drugs and products at this stage after going public in the future, and to prepare and strengthen the CMC production, manufacturing and development capabilities of the company according to the regulatory units before going public, it exchanges with Amaran Biotechnology Inc. shareholders by increasing capital and issuing new shares, so as to promote the sharing of technical resources such as R&D, manufacturing and marketing, and strengthen the comprehensive effect of cooperation between the two companies.

4. In order to focus the existing resources on the development of new anti-cancer drugs for immunotherapy, and to spread risks and avoid crowding out resources and affecting the existing R&D process, the company signed an agreement with Obigen Pharma, Inc. to authorize the global intellectual property rights of OBI-858 new botulinum toxin preparation, and Obigen Pharma, Inc. conducted the follow-up clinical research and development of OBI-858 cosmetic medicine indications.

5. In order to focus the existing resources on various clinical R&D projects already executed, diversify the R&D risks and avoid resource crowding to affect the existing R&D process, the Company has signed license agreements of intellectual property rights of OBI-833 (Globo H-DT active immune anti-cancer drug) and OBI-999 (Globo H antibody small molecule drug complex) with Odeon Therapeutics (Hong Kong) Limited (hereinafter referred to as “Odeon”) in China (including Hong Kong and Macao), and Odeon will engage

in the clinical R&D of the aforesaid projects in China (including Hong Kong and Macao).

VI Risk analysis and assessment

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

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

(A) Interest rate change:

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

(B) Fluctuation in exchange rate:

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

A. Technology licensing fee and royalty paid overseas due to acquiring technology licensing overseas.

B. Technology licensing fee and royalty collected overseas due to licensing technology overseas.

C. Relevant costs needed to be paid due to carrying out clinical trial overseas.

(C) Inflation:

In April 2023, the Consumer Price Index (CPI) is 105.11, rise by 0.76% comparing with the last month, and rise by 2.35% same month last year; the Producer Price Index (PPI) is 109.68, rise by 0.27% comparing with the last month, and dropped by 1.98% same month last year. In the future, the Company will pay close attention to the impact of inflation on all kinds of costs.

2. Future solutions of the Company in respond to the fluctuation in exchange rate and interest rate change:

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

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

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

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

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

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

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

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

In 2022 and as at the publication date of annual report in 2023, the Company has not engaged in high risk highly leveraged investment, granting of loans, derivative securities transaction and endorsement. In order to meet the needs of OBI Pharma (Shanghai) Limited for business turnover, the Company lent RMB 344,000 to this company in 2020, and repayment was due in the first three quarters of 2021. As of the publication date of the annual report, this Company hasn't lent any funds to others. In order to meet the needs of OBI Pharma (Shanghai) Limited for business turnover, subsidiary OBI Pharma Australia Pty Ltd. Lent AUD 70,000 to this company. OBI Pharma (Shanghai) Limited already repaid the due loans in the first

quarter of 2022. As of the publication date of the annual report, subsidiary OBI Pharma Australia Pty Ltd. hasn't lent any funds to others.

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

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

Time	Research and development plan
Short or medium term	● OBI-822 Globo clinical phase III trial inclusion and interim analysis. ● The new generation active immune anticancer drug OBI-833 phase II clinical trial inclusion. ● The active immune anticancer drug OBI-866 phase I clinical trial inclusion. ● OBI-999 cancer therapeutic drug, Globo H antibody drug conjugate phase II clinical trial inclusion ● OBI-3424 small molecule chemotherapy prodrugs phase II clinical trial inclusion. ● Trop 2 antibody small-molecule complex (Trop2 ADC) phase I clinical trial.
Medium and long term	● Complete global phase III clinical trial for active immuno-oncology drug OBI-822. ● Continue to expand anti-cancer product lines, such as Bi-Specific Antibody and immune cell therapy. ● Continuous clinical development of OBI-999, OBI-833 and OBI-3424 and complete Pivatol Trial. ● Trop2 ADC in phase II clinical trial and subsequent pivatol trial. ● Pursuit for the possibility of cooperation with international manufacturers

The Company mainly invests in the clinical trial, product development and pre-clinical research and development of each new drug product, in the future, the research and development costs will be listed gradually according to the new product development progress, and it is expected to invest research and development costs of about NT$4 billion in total from 2023 to 2025.

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

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

OBI was approved as a “Biotechnology New Drug Company” since September 2010, apart from actively applying for relevant tax preference and budget subsidy to reduce capital outflow, OBI Pharma also observed the changes of relevant biotechnology policies and laws and regulations both at home and abroad at any time, so as to master the opportunity to respond to the change of market environment. Meanwhile, under the ECFA cooperation framework between the governments across the strait, OBI-822 program of OBI Pharma and other four biotechnology companies in Taiwan had been elected as the first pilot program in cross-strait clinical trial.

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

1. Actively recruit talents with experience in global laws and regulations, and set medical regulatory department.
2. The development of new drug chooses the USA and Taiwan which with the most mature, transparent and open medical laws and regulations as the prior bases for clinical trial execution.

3. Apart from keeping close attention to the changes of laws and regulations in each country, personnel of medical regulatory department will also actively participate in the medical laws and regulations seminar held by each public association in biotechnology industry, and hire experts familiar with local medical laws and regulations in the country of executing clinical trial as the consultant, so as to actually master the change of latest laws and regulations, and reduce the adverse impact caused by the changes of laws and regulations on the developing products of the Company.

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

1. Information security risks and solutions:

The information security threats are changing with each passing day. Common information security risks include hacker attacks, network traffic attacks, software (ransomware), viruses, phishing, spam, software vulnerabilities, permission control, etc. The Company has always emphasized on information security risk control and protection, and has established multi-level network and computer-related information security protection measures. However, it is still unable to guarantee the computer system that controls or maintains the company's R&D operations and accounting and other important corporate functions can completely avoid serious network problems. The Company also follows the international information security management system of ISO/IEC 27001, adopts the Plan-Do-Check-Act (PDCA) cycle method, and constructs multi-layer in-depth information security defense. Additionally, the Company performs information security risk assessment operations, and continuously strengthens information security management systems and technologies, including mechanisms such as beforehand security protection, in-event emergency response, and post-event recovery operations to ensure their appropriateness and effectiveness. By continuing to invest in information security management and technical resources, the Company continues to improve information security protection capabilities and information security resilience, achieve effective prevention in advance, and speed up response to information security incidents when they occur, so as to reduce their impact on the Company's financial business.

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

2. Industry change risks and solution:

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

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

The consolidated total assets value of the Company is NT$6.82 billion as at the end of March 2023, among them, the current assets are NT$5.27 billion, hence the Company has prepared sufficient fund to respond to the expenditures in the OBI-822 new drug development application and the clinical experiments in each phase.

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

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

(3) Implement saving and costs rationalization

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

(4) Apply for research and development plan subsidy

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

(5) Cooperate with major pharmaceutical company through technology licensing

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

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

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

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

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

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

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

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

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

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

(xii) Litigation or non-litigation case:

1. In the last two years and as at the publication date of public prospectus, the litigation, non-litigation or administrative litigation case already concluded by the final and unappealable judgment or still under litigation, where the result thereof might have significant impact on the shareholders' equity or security price, the facts in dispute, amount of money at stake , the commencement date of litigation, major parties involved in litigation and current status of dispute shall be disclosed:

   (1) Mr.Lin (Lin○○) intentionally intersperse O8I and OBLIE on November 13, 2015 and March 23, 2016 respectively, intending to affect the price of securities in centralized trading market, and published false statements at www.inspire.com to damage the reputation of the Company, on September 7, 2017, the Company lodged a complaint to the criminal investigation bureau of National Police Agency pursuant to law. On June 4, 2019, the Taipei District Prosecutor's Office of Taiwan sued the defendant for committing the crime of blatant insult and damaging credit. On April 6, 2021, the two parties reached a settlement in Taipei District Court of Taiwan.

   (2) Since April 7, 2016, Next Media Publishing Limited (that is, Next Weekly Magazine) and its related personnel have deliberately fabricated, published and distributed false reports in its next weekly magazine, with the intention of damaging our reputation, causing great damage to our reputation and affecting our stock price. On May 3, 2016, the Company filed a civil lawsuit to claim damages.The Taipei District Court of Taiwan rejected our request on April 26, 2017, and the Company filed an appeal according to law. On April 26, 2017, the Taipei District Court in Taiwan rejected the Company’s request. Later, the Company filed an appeal in accordance with the law. However, on November 28, 2018, the Taiwan

High Court ruled that the company lost the case. The Company still appealed to Supreme Court on December 28, 2018, and the Supreme Court annulled the original judgment on October 14, 109 and sent it back to the Taiwan High Court. The two parties reached a settlement at the Taiwan High Court on September 8, 2021.

(3) Because the Shilin District Prosecutor's Office of Taiwan sued Michael N. Chang, the chairman of the Company, on January 9, 2017 for violating the prohibition of insider trading in the Securities and Exchange Law, portfolio investor, a legal person of the consortium, and the Securities and Futures Investors Protection Center (hereinafter referred to as the Insurance Center) applied to the Shilin District Court of Taiwan on May 1, 2006 to dismiss Michael N. Chang as a director, and the Insurance Center requested to withdraw the lawsuit, which was confirmed to be withdrawn on March 22, 2021.

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

(5) On April 28, 2020, Amaran Biotechnology, Inc., a subsidiary of the Company, terminated the labor relationship with Hsu〇〇, one of its employee in charge of personnel-related affairs on the ground of Paragraph 2 "Loss or Business Contraction" in Article 11 of the Labor

Standards Act. Hsu ○○ didn't agree and then filed a lawsuit to Hsinchu District Court in Taiwan on May 19, 2020 to request confirmation of the employment relationship and payment of wages until the date of reinstatement. The Taiwan Hsinchu District Court ruled on May 24, 2021 that Amaran Biotechnology, Inc. won the case, and Hsu ○○ appealed against it. However, later the two parties reached a settlement at the Taiwan High Court on August 16, 2021.

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

   (1) The Shilin District Prosecutor's Office of Taiwan sued Michael N. Chang, the chairman of the company, and Amy Huang, the general manager of the Company (resigned from December 1, 2019, the same below) for violating the prohibition of insider trading in the Securities and Exchange Law. The Shilin District Prosecutor's Office of Taiwan was acquitted on June 21, 2019, and the Shilin District Prosecutor's Office of Taiwan declared an appeal on July 11, 2019, and the High Court of Taiwan rejected the appeal and upheld the original judgment on January 26, 2021. Because the prosecutor gave up the criminal appeal on February 24, 2021, the case was also confirmed.

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

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

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

(xiii)Other important risks and solutions:

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

1. Risk of new drug development failure

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

   Solutions:

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

   (2) Use OBI-822 as adjuvant treatment after operation: currently the species diversity of neoadjuvant chemotherapy received by patients with early triple negative breast cancer before operation is great worldwide, not only there is no approved standard treatment worldwide, the selection of treatment course in each country is also different, in order to improve the

homogeneity among test population, accelerate recruitment speed and expand sales market after the drug is approved to launch on the market in the future, the global phase III trial case will include triple negative breast cancer patients who have completed adjuvant chemotherapy and the residual tumor tissues have been cut off in the operation, patients may receive adjuvant chemotherapy or radiotherapy after operation according to the judgment of physician, and then start to receive OBI-822 therapy after the end of treatment course.

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

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

   Solutions:

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

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

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

   Solutions:

   (1) The cash flow of the Company and experience of internal talents are sufficient to handle the current development demand, but in order to maintain strategic flexibility and accelerate new product and new indication development, the Company will not exclude the cooperation

with major international pharmaceutical company to carry out clinical trial, through technology licensing signing bonus and milestone payment income, or the joint sharing of trial expenses, so as to reduce the research and development costs and accelerate the speed of product development.

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

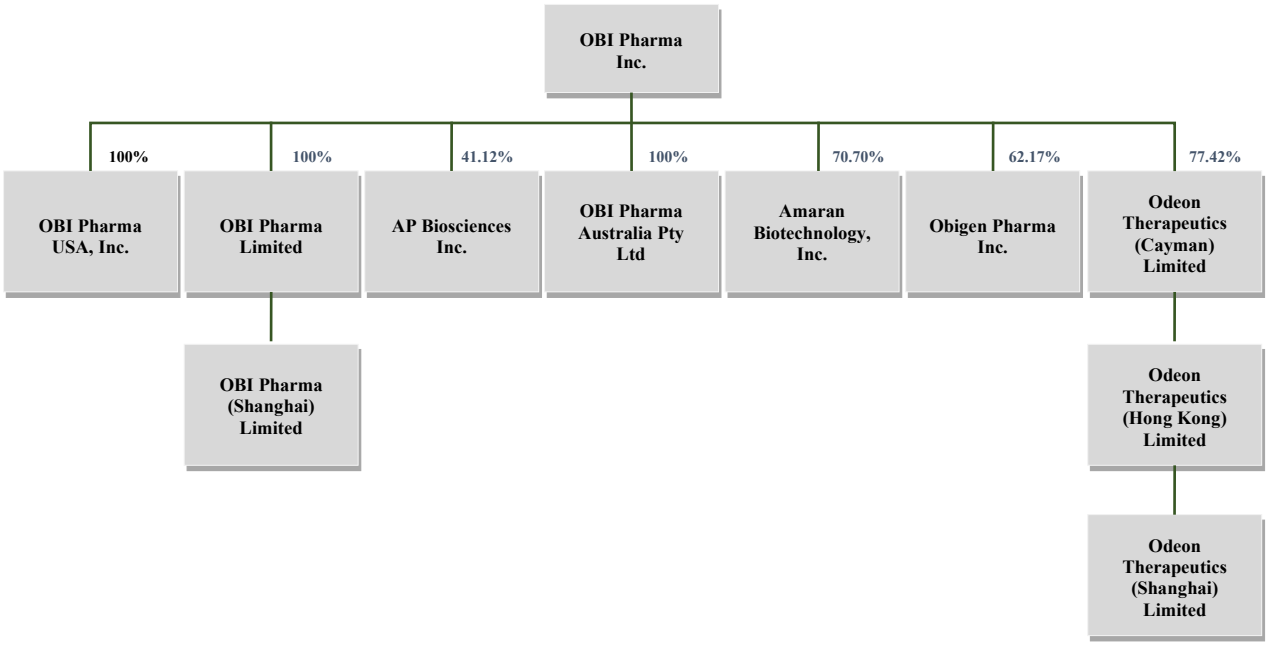
VII Other important matters: NA.

VIII Special Recorded Matters

I. Relevant information of affiliated enterprise:

(i) Consolidated business report of affiliated enterprise

1. Organizational chart of affiliated company



2. Basic information of affiliated enterprises

Date: December 31, 2022

Name of enterprise	Establishment date	Address	Paid-up capital	Main business or production item
OBI Pharma USA,Inc.	2013.04.30	Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, Delaware 19801.	USD 2,700,001	Biotechnology research and development
OBI Pharma Limited	2012.11.29	Rm. 2401, 24/F., 101 King's Road, Fortress Hill, Hong Kong	USD 2,650,000	Investment and trading business
OBI Pharma (Shanghai) Limited	2013.03.29	K, Room 1006, No. 376, Zhaojiabang Road, Shanghai	USD 2,500,000	Biotechnology research and development
AP Biosciences Inc.	2013.05.27	17F., No.3, Yuancyu St., Nangang Dist., Taipei City 11503, Taiwan (R.O.C.)	NTD 647,479,100	Biotechnology research and development
OBI Pharma Australia Pty Ltd	2018.05.25	58 Gipps Street, Collingwood VIC 3066	AUD 12,500,000	Biotechnology research and development
Amaran Biotechnology, Inc.	2010.04.28	No.19, Shengyi 5th Rd., Zhubei City, Hsinchu County 302, Taiwan (R.O.C.)	NTD 918,215,060	Wholesale of Western Manufacture and

Name of enterprise	Establishment date	Address	Paid-up capital	Main business or production item
				Pharmaceutical, Biotechnology research and development
Obigen Pharma Inc.	2020.12.10	11F.-6&7, No. 66, Shengyi 5th Rd., Zhubei City, Hsinchu County 302041, Taiwan (R.O.C.) (hsinchu science park)	NTD 760,030,000	Biotechnology research and development
Odeon Therapeutics (Cayman) Limited	2020.08.11	Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands	USD 13,500,100	Investment and trading business
Odeon Therapeutics (Hong Kong) Limited	2020.09.07	19/F Fung House 19-20 Connaught Road Central Hong Kong	USD 13,500,000	Investment and trading business
Odeon Therapeutics (Shanghai) Limited	2020.12.23	1-2/F, Building 2, Lane 500, Furronghua Road, Pudong New Area, Shanghai	USD 287,903	Biotechnology research and development

3. Same shareholder information of those presumed with control and subordinate relationship: NA.

4. Industries covered by the operating business of overall affiliated enterprises.

   (1) Industries covered by the operating business of overall affiliated enterprises and divisions are as follows:

      A. Investment and trading: OBI Pharma Limited、Odeon Therapeutics (Cayman) Limited、Odeon Therapeutics (Hong Kong) Limited

      B. Biotechnology research and development: OBI Pharma USA, Inc.、OBI Pharma (Shanghai) Limited、AP Biosciences Inc.、OBI Pharma Australia Pty Ltd、Amaran Biotechnology, Inc.、Obigen Pharma Inc.、Odeon Therapeutics (Shanghai) Limited

   (2) For details of main business or production item of each affiliated enterprise, please see the preceding Item 2. Basic information of affiliated enterprise.

5. Information of directors, supervisors and General Manager of each affiliated enterprise

Date: December 31, 2022, Unit: NT$ thousand; share; %

Name of enterprise	Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
OBI Pharma USA,Inc.	Director (Note)	OBI Pharma Inc. (legal representative:Michael N. Chang)	2,701,000	100%
	Director	OBI Pharma Inc. (legal representative:Tessie M Che)		
	Director	OBI Pharma Inc. (legal representative:Kevin Poulos)		
OBI Pharma Limited	Director	OBI Pharma Inc. (legal representative:Tsai, Cheng-En)	2,650,000	100%
OBI Pharma (Shanghai) Limited	Director	OBI Pharma Limited (legal representative:Tsai, Cheng-En)	-	100%
AP Biosciences Inc.	Chairman	OBI Pharma Inc. (legal representative:Frank Chen)	26,624,000	41.12%
	Director	OBI Pharma Inc. (legal representative:Lai, Ming-Tien)		
	Director	OBI Pharma Inc. (legal representative: Tseng, Hui-Chin)		
	Director & General Manager	He Zhenghong	280,000	0.43%
	Director	Lin, Hsin-Yu	400,000	0.62%
	Supervisor	Ting, Wan-Fang	0	0%
	Supervisor	Colin Kao	0	0%
OBI Pharma Australia Pty Ltd	Director (Note)	OBI Pharma Inc. (legal representative:Michael N. Chang)	12,500,000	100%
	Director	OBI Pharma Inc. (legal representative:Lai, Ming-Tien)		
	Director	OBI Pharma Inc. (legal representative:Julian William Edward Caples)		
Amaran Biotechnology, Inc.	Chairman	Tessie Che	759,517	0.83%
	Director	Hui Hong Investment Co., Ltd. (legal representative:Tamon Tseng)	5,468,391	5.96%
	Director (Note)	OBI Pharma Inc. (legal representative:Michael N. Chang)	64,915,252	70.70%
	Director	OBI Pharma Inc. (legal representative:Frank Chen)		
	Director	OBI Pharma Inc. (legal representative:Lai, Ming-Tien)		

Name of enterprise	Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
	Supervisor	Ting, Wan-Fang	0	0%
Obigen Pharma Inc.	Chairman	OBI Pharma Inc.(legal representative:Frank Chen)	47,250,000	62.17%
	Director	OBI Pharma Inc. (legal representative: Chen, Hsin-Ming)		
	Director	OBI Pharma Inc. (legal representative:Yun Yen)		
	Director	OBI Pharma Inc. (legal representative: Ma, Hai-Yi)		
	Director	Ruentex Investment Co., Ltd. (legal representative: Yin, Chung-Yao)	5,000,000	6.58%
	Supervisor	Colin Kao	50,000	0.07%
Odeon Therapeutics (Cayman) Limited	Director	Xiao Ting	6,000,000	77.42%
Odeon Therapeutics (Hong Kong) Limited	Director	Xiao Ting	1	100%
Odeon Therapeutics (Shanghai) Limited	Director	Xiao Ting	-	100%

Note: Director Michael N. Chang, the Legal Representative of the Company, passed away on December 29, 2022, and it is scheduled to complete reassignment in 2023.

(ii) Operation profile of each affiliated enterprise

Date: December 31, 2022; Unit: NT$thousand; and NT$ for earnings per share

Name of enterprise	Capital amount	Total assets	Total liabilities	Net value	Net revenue	Income from operations	Current profit and loss (after tax)	Earnings per share (after tax)
OBI Pharma USA,Inc.	82,917	75,258	7,683	67,575	185,654	12,165	(7,698)	(2.85)
OBI Pharma Limited	81,382	7,966	992	6,974	0	(7,847)	(5,639)	(2.13)
OBI Pharma (Shanghai) Limited	76,775	7,017	992	6,025	0	(7,794)	(5,586)	Not Applicable
AP Biosciences Inc.	647,479	1,103,178	4,519	1,098,659	0	(297,496)	(288,535)	(5.48)
OBI Pharma Australia Pty Ltd	260,375	54,392	5,998	48,394	0	(51,704)	(36,697)	(2.94)
Amaran Biotechnology, Inc.	918,215	880,571	138,882	741,689	62,498	(134,280)	(156,508)	(1.70)
Obigen Pharma Inc.	760,030	1,551,621	66,752	1,484,869	0	(219,108)	(218,206)	(2.87)
Odeon Therapeutics (Cayman) Limited	414,588	408,105	353	407,752	0	(466)	(6,979)	(0.90)

Name of enterprise	Capital amount	Total assets	Total liabilities	Net value	Net revenue	Income from operations	Current profit and loss (after tax)	Earnings per share (after tax)
Odeon Therapeutics (Hong Kong) Limited	414,585	408,326	97	408,229	0	(1,330)	(6,513)	Not Applicable
Odeon Therapeutics (Shanghai) Limited	8,842	3,864	0	3,864	0	(5,036)	(5,175)	Not Applicable

(iii) Affiliated enterprise consolidated financial statement

Pursuant to the provisions of "Affiliated Enterprise Consolidated Business Report, Affiliated Enterprise Consolidated Financial Statement and Relationship Report Preparation Standards", in 2022 [from January 1, 2022 to December 31, 2022], the Company shall be included in the company preparing affiliated enterprise consolidated financial statement, and it is the same pursuant to the provisions of Securities Issuer Financial Statement Preparation Standards and No. 10 "Related Party Disclosures" of International Accounting Standards, the Company shall be included in the company preparing parent company and subsidiary consolidated financial report, and relevant information shall be disclosed in affiliated enterprise consolidated financial statement have been disclosed in the preceding parent company and subsidiary consolidated financial report.

(iv) Relationship report: NA.

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

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

IV Other necessary supplementary explanations:

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

Commitments for listing	Handling situation of commitments
(i) Commits that Taipei Exchange may ask OBI to appoint the accountant or institution designated by Taipei Exchange when necessary, so as to carry out external professional review according to the audit scope designated by it and submit the examination result to the Center, and OBI shall bear relevant costs thereof.	There is no such circumstance yet.

Commitments for listing	Handling situation of commitments
(ii) Commits to additionally stipulate that "The Company shall not give up the capital increase to OBI Pharmaceutical Biotechnology Co., Ltd. and OBI Pharma USA Inc. in the coming years; the OBI Pharmaceutical Biotechnology Co., Ltd. shall not give up the capital increase to OBI Bio-pharmaceutical Technology (Shanghai) Co., Ltd. in the coming years; in the future, if the Company needs to give up capital increase to or dispose the said companies due to strategic alliance consideration or other reasons as agreed by Taipei Exchange, special resolution needs to be passed by Board of Directors of the Company." in the "Handling Procedures for Acquisition or Disposal of Assets". And in case of amendment to such handling procedures subsequently, significant information disclosure shall be input at mops.twse.com.tw and reported to Taipei Exchange for future reference.	1 The commitments on the left have been passed in General Meeting held on June 27, 2016. 2 According to the letter of commitment submitted upon the first application for OTC, the Company commits not to waive the capital increase to subsidiary. 3. The commitments on the left have been approved to waive quarterly declaration execution by the OTC.

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

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

OBI PHARMA, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

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.

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of OBI PHARMA, INC. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

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Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Key audit matter – Impairment assessment of intangible assets

Description

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

As of December 31, 2022, the balance of the Group's intangible assets amounted to NT$382,441 thousand. The intangible assets consist of related technologies acquired from other companies for new drug development as well as patents, patented technologies and goodwill arising from equity investments in AP Biosciences, Inc. Since the drug is still under development, no cash inflow can be generated. As of the balance sheet date, the Group determines whether the patents and patented technologies are impaired based on external and internal information. The Group would then consider to recognise an impairment loss by comparing the recoverable amount if there is an indication that they are impaired. Additionally, the Group obtained the goodwill valuation report 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 as one of the key audit matters.

How our audit addressed the matter

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

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

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

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

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

2. Performed the following procedures based on the obtained valuation report on goodwill prepared by external experts appointed by the Group:

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

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

   (3) Examined model parameters and calculations.

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

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

Key audit matter - Impairment assessment of property, plant and equipment and right-of-use assets of Contract Development and Manufacturing Organisation (CDMO) segment

~~Description~~

Refer to Note 4(17) for accounting policies on impairment assessment of non-financial assets, Note 5 for critical judgement adopted in the impairment assessment of property, plant and equipment and right-of-use assets, and Notes 6(5) and 6(6) for account details of property, plant and equipment and right-of-use assets.

The Group applied value in use in determining the recoverable amount of property, plant and equipment and right-of-use assets of CDMO segment and used it as the basis for impairment assessment. Since the total book value of the aforementioned assets amounting to NT$675,695 thousand constituted 10% of the Group's total assets, the assessment of value in use 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 property, plant and equipment and right-of-use assets of CDMO segment as one of the key audit matters.

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How our audit addressed the matter

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

1. Reviewed and assessed the reasonableness of the data used in the assessment of indications for impairment of the CDMO segment.
2. Obtained an understanding of the reasonableness of future cash flow forecast developed by management.
3. Discussed the financial operation forecast with management, and compared the forecast with historical results for reasonableness.
4. Reviewed the reasonableness of other significant assumptions used by management in determining future cash flows.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion on the parent company only financial statements of OBI PHARMA, INC. as at and for the years ended December 31, 2022 and 2021.

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

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

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

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

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Auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the

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underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

David Teng　　Eileen Liang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2023

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

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 4,741,109	72	$ 2,512,186	56
1110	Financial assets at fair value through profit or loss - current	6(2)	752	-	1,767	-
1136	Financial assets at amortised cost - current	6(4)	30,710	1	140,000	3
1170	Accounts receivable, net		2,037	-	3,465	-
1200	Other receivables		26,236	-	19,804	1
130X	Inventories		21,973	-	9,562	-
1410	Prepayments		211,264	3	167,353	4
11XX	**Total current assets**		5,034,081	76	2,854,137	64
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	8,725	-	9,106	-
1600	Property, plant and equipment, net	6(5) and 7	980,722	15	898,878	20
1755	Right-of-use assets	6(6)	194,835	3	250,141	5
1780	Intangible assets, net	6(7)	382,441	6	398,284	9
1900	Other non-current assets	8	32,897	-	76,205	2
15XX	**Total non-current assets**		1,599,620	24	1,632,614	36
1XXX	**Total assets**		$ 6,633,701	100	$ 4,486,751	100

(Continued)

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Current borrowings	6(8)	$ 15,705	-	$ -	-
2130	Current contract liabilities	6(17)	3,160	-	-	-
2170	Accounts payable		1,144	-	525	-
2200	Other payables	6(10)	146,978	2	264,790	6
2220	Other payables to related parties	7	333	-	70	-
2230	Current income tax liabilities	6(23)	558	-	336	-
2280	Current lease liabilities	7	40,349	1	52,070	1
2320	Long-term liabilities, current portion	6(9)	7,000	-	7,000	-
2399	Other current liabilities		5,911	-	2,433	-
21XX	**Total current liabilities**		221,138	3	327,224	7
	Non-current liabilities					
2500	Non-current financial liabilities at fair value through profit or loss	6(11)	46,065	1	-	-
2540	Long-term borrowings	6(9)	21,000	-	28,000	1
2570	Deferred income tax liabilities	6(23)	46,329	1	54,762	1
2580	Non-current lease liabilities	7	163,033	2	205,962	5
2600	Other non-current liabilities		3	-	-	-
25XX	**Total non-current liabilities**		276,430	4	288,724	7
2XXX	**Total liabilities**		497,568	7	615,948	14
	Equity attributable to owners of parent					
	Share capital	6(14)				
3110	Common stock		2,294,394	35	1,992,794	44
	Capital surplus	6(13)(15)(25)				
3200	Capital surplus		6,932,631	104	3,702,222	82
	Retained earnings	6(16)				
3350	Accumulated deficit		(4,522,538)	(68)	(2,908,622)	(65)
3400	Other equity interest	6(3)	(26,323)	-	(24,528)	-
3500	Treasury shares	6(14)(25)	(45,990)	(1)	(45,990)	(1)
31XX	**Equity attributable to owners of the parent**		4,632,174	70	2,715,876	60
36XX	Non-controlling interest	4(3) and 6(25)	1,503,959	23	1,154,927	26
3XXX	**Total equity**		6,136,133	93	3,870,803	86
	Significant Contingent Liabilities and Unrecognised Contract Commitments	6(7), 7 and 9				
	Significant Events after the Balance Sheet Date	11				
3X2X	**Total liabilities and equity**		$ 6,633,701	100	$ 4,486,751	100

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17)	$ 4,711	-	$ 18,772	1
5000	Operating costs		(44,855)	(2)	(44,362)	(2)
5900	Gross profit		(40,144)	(2)	(25,590)	(1)
	Operating expenses	6(5)(6)(7)(12)(13)(21)(22) and 7				
6200	Administrative expenses		(309,762)	(16)	(240,826)	(14)
6300	Research and development expenses		(1,772,856)	(93)	(1,449,598)	(83)
6000	Total operating expenses		(2,082,618)	(109)	(1,690,424)	(97)
6900	Operating loss		(2,122,762)	(111)	(1,716,014)	(98)
	Non-operating income and expenses					
7100	Interest income	6(18)	49,931	3	6,458	-
7010	Other income		4,104	-	8,846	-
7020	Other gains and losses	6(19)	155,625	8	(37,745)	(2)
7050	Finance costs	6(20) and 7	(3,990)	-	(3,798)	-
7000	Total non-operating income and expenses		205,670	11	(26,239)	(2)
7900	**Loss before tax**		(1,917,092)	(100)	(1,742,253)	(100)
7950	Income tax benefit	6(23)	17,768	1	24,363	1
8200	**Loss for the year**		($ 1,899,324)	(99)	($ 1,717,890)	(99)
	Other comprehensive income (loss) for the year, net					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8316	Unrealised valuation gains and loss from equity investment instruments measured at fair value through other comprehensive income	6(3)	($ 381)	-	$ 1,069	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		8,511	-	(8,809)	-
8300	**Other comprehensive income (loss) for the year, net**		$ 8,130	-	($ 7,740)	-
8500	**Total comprehensive loss for the year**		($ 1,891,194)	(99)	($ 1,725,630)	(99)
	Loss attributable to:					
8610	Owners of the parent		($ 1,613,916)	(84)	($ 1,530,687)	(88)
8620	Non-controlling interest		(285,408)	(15)	(187,203)	(11)
	Total		($ 1,899,324)	(99)	($ 1,717,890)	(99)
	Comprehensive loss attributable to:					
8710	Owners of the parent		($ 1,605,929)	(84)	($ 1,538,427)	(88)
8720	Non-controlling interest		(285,265)	(15)	(187,203)	(11)
	Total		($ 1,891,194)	(99)	($ 1,725,630)	(99)
	Loss per share (in dollars)	6(24)				
9750	Basic and diluted loss per share		($ 7.27)		($ 7.69)	

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

OBI PHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent											Non-controlling interest	Total equity
		Capital Reserves						Other Equity Interest						
		Share capital - common stock	Additional paid-in capital	Employee stock options	Restricted stock	Others	Accumulated deficit	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity, others	Treasury shares	Total		
Year ended December 31, 2021														
Balance at January 1, 2021		$ 1,992,794	$ 2,206,273	$ 1,196,428	$ -	$ 282,081	($ 1,377,935)	$ 2,356	($ 19,144)	$ -	($ 53,831)	$ 4,229,022	$ 608,737	$ 4,837,759
Net loss for the year		-	-	-	-	-	(1,530,687)	-	-	-	-	(1,530,687)	(187,203)	(1,717,890)
Other comprehensive income (loss) for the year		-	-	-	-	-	-	(8,809)	1,069	-	-	(7,740)	-	(7,740)
Total comprehensive income (loss) for the year		-	-	-	-	-	(1,530,687)	(8,809)	1,069	-	-	(1,538,427)	(187,203)	(1,725,630)
Increase in non-controlling interests	6(25)	-	-	-	-	-	-	-	-	-	-	-	473,370	473,370
Share-based payment transactions	6(13)(15)(22)(25)	-	-	33,993	-	16,077	-	-	-	-	-	50,070	934	51,004
Share-based payment transactions of subsidiaries	6(25)	-	-	-	-	543	-	-	-	-	-	543	2,995	3,538
Forfeiture of share options	6(13)(15)(25)	-	-	(137,527)	-	137,527	-	-	-	-	-	-	-	-
Forfeiture of share options issued by a subsidiary	6(25)	-	-	-	-	1,253	-	-	-	-	-	1,253	(1,253)	-
Changes in ownership intesrests in subsidiaries (Note)	6(25)	-	-	-	-	(35,272)	-	-	-	-	(2,403)	(37,675)	37,675	-
Disposal of Company's shares by subsidiaries recognised as treasury share transactions	6(25)	-	-	-	-	846	-	-	-	-	10,244	11,090	5,902	16,992
Subsidiary's capital increase and issuance of new shares	6(25)	-	-	-	-	-	-	-	-	-	-	-	213,770	213,770
Balance at December 31, 2021		$ 1,992,794	$ 2,206,273	$ 1,092,894	$ -	$ 403,055	($ 2,908,622)	($ 6,453)	($ 18,075)	$ -	($ 45,990)	$ 2,715,876	$ 1,154,927	$ 3,870,803
Year ended December 31, 2022														
Balance at January 1, 2022		$ 1,992,794	$ 2,206,273	$ 1,092,894	$ -	$ 403,055	($ 2,908,622)	($ 6,453)	($ 18,075)	$ -	($ 45,990)	$ 2,715,876	$ 1,154,927	$ 3,870,803
Net loss for the year		-	-	-	-	-	(1,613,916)	-	-	-	-	(1,613,916)	(285,408)	(1,899,324)
Other comprehensive income (loss) for the year		-	-	-	-	-	-	8,368	(381)	-	-	7,987	143	8,130
Total comprehensive income (loss) for the year		-	-	-	-	-	(1,613,916)	8,368	(381)	-	-	(1,605,929)	(285,265)	(1,891,194)
Issuance of shares	6(14)(15)	300,000	2,850,000	-	-	-	-	-	-	-	-	3,150,000	-	3,150,000
Increase in non-controlling interests	6(25)	-	-	-	-	-	-	-	-	-	-	-	3	3
Share-based payment transactions	6(13)(15)(22)(25)	-	9,441	73,724	-	19,563	-	-	-	-	-	102,728	45,489	148,217
Issuance of employee restricted stocks	6(14)(15)	1,600	-	-	8,960	-	-	-	-	(10,560)	-	-	-	-
Compensation cost of employee restricted stocks	6(13)(22)	-	-	-	-	-	-	-	-	778	-	778	-	778
Forfeiture of share options	6(13)(15)(25)	-	-	(86,378)	-	89,231	-	-	-	-	-	2,853	(2,853)	-
Changes in ownership intesrests in subsidiaries (Note)	6(25)	-	-	-	-	265,868	-	-	-	-	-	265,868	591,658	857,526
Balance at December 31, 2022		$ 2,294,394	$ 5,065,714	$ 1,080,240	$ 8,960	$ 777,717	($ 4,522,538)	$ 1,915	($ 18,456)	($ 9,782)	($ 45,990)	$ 4,632,174	$ 1,503,959	$ 6,136,133

Note: It refers to effect of not acquiring shares issued by subsidiaries in proportion to its interest.

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

OBI PHARMA, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 1,917,092)	($ 1,742,253)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(6)	184,825	156,820
Amortisation	6(7)	61,785	59,455
Interest expense	6(20)	3,990	3,798
Interest income	6(18)	(49,931)	(6,458)
Dividend income		-	(80)
Losses (gains) on financial assets at fair value through profit or loss	6(2)	1,015	(373)
(Gain) loss on disposal of property, plant and equipment	6(18)	(6)	15,081
Compensation cost for share-based payment transactions	6(13)	148,995	54,017
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss	6(2)	-	382,137
Accounts receivable, net		1,428	(2,014)
Inventories		(9,741)	(2,204)
Other receivables		9,977	(3,144)
Prepayments		(43,911)	(20,750)
Changes in operating liabilities			
Current contract liabilities		3,160	-
Accounts payable		619	368
Other payables		(57,645)	21,716
Other payables to related parties		263	70
Other current liabilities		3,478	535
Cash outflow generated from operations		(1,658,791)	(1,083,279)
Interest received		33,522	7,365
Dividends received		-	80
Interest paid		(3,990)	(3,798)
Income tax received		9,557	15,153
Net cash flows used in operating activities		(1,619,702)	(1,064,479)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost	6(4)	(30,710)	(140,000)
Proceeds from disposal of financial assets at amortised cost	6(4)	140,000	-
Acquisition of property, plant and equipment	6(26)	(253,797)	(219,891)
Proceeds from disposal of property, plant and equipment		54	-
Acquisition of intangible assets	6(7)	(45,907)	(3,858)
Increase in prepayments for business facilities		(853)	(21,434)
Decrease (increase) in refundable deposits		21,327	(4,790)
Cash acquired from acquisition of subsidiaries		-	472,651
Net cash flows (used in) from investing activities		(169,886)	82,678
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from exercise of employee stock options by subsidiaries	6(13)(25)	-	525
Repayment of lease principal	6(6)(27)	(52,314)	(49,071)
Increase in short-term borrowings	6(8)(27)	15,705	-
Repayment of short-term borrowings	6(8)(27)	-	(9,468)
Repayment of long-term debt	6(9)(27)	(7,000)	(9,000)
Increase in guarantee deposits received	6(27)	3	-
Proceeds from issuance of shares	6(14)	3,150,000	-
Increase in capital and issuance of new shares by the subsidiary	6(25)	857,526	213,770
Disposal of the shares of parent company held by the subsidiary	6(25)	-	16,992
Increase in financial liabilities at fair value through profit or loss by the subsidiary	4(3)	46,065	-
Net cash flows from financing activities		4,009,985	163,748
Effect due to changes in exchange rate		8,526	(8,063)
Net increase (decrease) in cash and cash equivalents		2,228,923	(826,116)
Cash and cash equivalents at beginning of year		2,512,186	3,338,302
Cash and cash equivalents at end of year		$ 4,741,109	$ 2,512,186

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

OBI PHARMA, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 13, 2023.

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") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, "Disclosure of accounting policies"	January 1, 2023
Amendments to IAS 8, "Definition of accounting estimates"	January 1, 2023
Amendments to IAS 12, "Deferred tax related to assets and liabilities arising from a single transaction"	January 1, 2023

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

(3) IFRSs issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the

Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

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

B. The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

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

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

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

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2022	Ownership (%) December 31, 2021	Description
The Company	OBI Pharma Limited	Investing and trading	100.00	100.00	
The Company	OBI Pharma USA, Inc.	Biotechnology development	100.00	100.00	
The Company	OBI Pharma Australia Pty Ltd.	Biotechnology development	100.00	100.00	
The Company	Odeon Therapeutics (Cayman) Limited	Investing and trading	77.42	-	Note 1
The Company	Amaran Biotechnology Inc.	Manufacture and wholesale of western pharmaceuticals as well as research and development of biotechnology	70.70	70.70	Note 2
The Company	Obigen Pharma, Inc.	Biotechnology development	62.17	62.17	Note 3
The Company	AP Biosciences, Inc.	Biotechnology development	41.12	54.62	Note 4
OBI Pharma Limited	OBI Pharma (Shanghai) Limited	Biotechnology development	100.00	100.00	
Odeon Therapeutics (Cayman) Limited	Odeon Therapeutics (Hong Kong) Limited	Investing and trading	100.00	-	Note 1
Odeon Therapeutics (Hong Kong) Limited	Odeon (Shanghai) Therapeutics Co. Ltd.	Biotechnology development	100.00	-	Note 1

Note 1: Subsequent to the approval by the Board of Directors of the Company and the Investment Commission of MOEA on September 28, 2020 and November 11, 2021, respectively, the Company and Odeon Therapeutics (Hong Kong) Limited (hereafter referred to as "Odeon Hong Kong") entered into an exclusive licensing 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 Hong Kong will possess the rights to conduct clinical trials, register the licenses, and sell and provide services of OBI-833 and OBI-999 in China. The agreement also includes the right of prior purchase of intellectual property of OBI-888 (Globo H monoclonal antibody), exercisable within 2 years starting from the date the agreement was signed.

The licensing 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 preferred shares from Odeon Therapeutics (Cayman) Limited (hereafter referred to as "Odeon", the parent company who owned a 100% equity interest in Odeon Hong Kong) in settlement of the payment upon signing. On March 21, 2022, Odeon issued 6,750 thousand preferred shares, of which 6,000 thousand shares were acquired by the Company, equivalent to 77.42% voting right. As such, the Company has control over Odeon hereafter. Odeon Therapetuies (Shanghai) is a subsidiary in Mainland China invested by Odeon Hong Kong, and it is primarily a main operating entity of Odeon in Mainland China.

Note 2: On March 4, 2021, the Board of Directors of Amaran Biotechnology Inc. resolved to issue 12,000 thousand new shares. The Company subscribed to the capital increase in the amount of $286,231, thereby increasing its shareholding ratio to 70.72%. On December 21, 2021, the Board of Directors of Amaran Biotechnology Inc. approved the subscription of stock options by employees for a total number of 25 thousand shares. As a result, the Company's shareholding ratio decreased to 70.70%.

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

Note 4: AP Biosciences, Inc. changed its Chinese name as approved at the shareholders' meeting on October 28, 2021, but the English name remained the same. On January 22, 2021 and June 22, 2022, the Board of Directors of AP Biosciences, Inc. resolved to issue 1,808 thousand shares and 16,000 thousand shares, respectively. However, the Company did not acquire new shares in proportion to its interest. Thus, on December 31, 2021 and December 31, 2022, the shareholding ratio decreased to 54.62% and 41.12%, respectively. However, considering that the Company was still the single largest shareholder of AP Biosciences, Inc., and the Company holds more than half of board of directors, the Company did not lose control over AP Biosciences, Inc. and was still

included in the consolidated entities.

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

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

E. Significant restrictions: None.

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

As of December 31, 2022 and 2021, the non-controlling interest amounted to $1,503,959 and $1,154,927, respectively. The information on non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest				
		December 31, 2022		December 31, 2021		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
AP Biosciences, Inc.	Taiwan	$ 759,121	58.88%	$ 353,416	45.38%	
Amaran Biotechnology, Inc.	Taiwan	245,290	29.30%	278,451	29.30%	Note
Obigen Pharma, Inc.	Taiwan	506,381	37.83%	523,060	37.83%	

Note: Shares of the Company held by subsidiaries are treated as treasury shares. Thus, the non-controlling interest as of December 31, 2022 and 2021 decreased by $19,062 and $19,062, respectively.

Summarised financial information of the subsidiaries:

Balance sheet

	AP Biosciences, Inc.	
	December 31, 2022	December 31, 2021
Current assets	$ 1,094,039	$ 563,945
Non-current assets	240,783	289,211
Current liabilities	(4,519)	(21,149)
Non-current liabilities	(46,329)	(54,762)
Total net assets	$ 1,283,974	$ 777,245

	Amaran Biotechnology Inc.	
	December 31, 2022	December 31, 2021
Current assets	$ 166,510	$ 260,693
Non-current assets	681,722	744,577
Current liabilities	(53,376)	(82,062)
Non-current liabilities	(85,506)	(90,465)
Total net assets	$ 709,350	$ 832,743

	Obigen Pharma, Inc.	
	December 31, 2022	December 31, 2021
Current assets	$ 491,173	$ 459,589
Non-current assets	1,060,448	994,201
Current liabilities	(17,064)	(12,804)
Non-current liabilities	(49,688)	(56,416)
Total net assets	$ 1,484,869	$ 1,384,570

Statement of comprehensive income

	AP Biosciences, Inc.	
	Years ended December 31,	
	2022	2021
Revenue	$ -	$ 6,993
Loss before tax	(330,704)	(229,775)
Income tax benefit	8,434	8,434
Loss for the year	(322,270)	(221,341)
Other comprehensive loss	-	-
Total comprehensive loss for the year	($ 322,270)	($ 221,341)
Comprehensive loss attributable to non-controlling interest	($ 156,175)	($ 99,842)

	Amaran Biotechnology Inc.	
	Years ended December 31,	
	2022	2021
Revenue	$ 62,498	$ 34,813
Loss before tax	(156,508)	(127,385)
Income tax benefit	-	-
Loss for the year	(156,508)	(127,385)
Other comprehensive loss	-	-
Total comprehensive loss for the year	($ 156,508)	($ 127,385)
Comprehensive loss attributable to non-controlling interest	($ 39,704)	($ 36,397)

	Obigen Pharma, Inc.	
	Years ended December 31,	
	2022	2021
Revenue	$ -	$ -
Loss before tax	(218,206)	(134,715)
Income tax benefit	-	-
Loss for the year	(218,206)	(134,715)
Other comprehensive loss	-	-
Total comprehensive loss for the year	($ 218,206)	($ 134,715)
Comprehensive loss attributable to non-controlling interest	($ 82,550)	($ 50,964)

Statements of cash flows

	AP Biosciences, Inc.	
	Years ended December 31,	
	2022	2021
Net cash used in operating activities	($ 275,972)	($ 168,684)
Net cash used in investing activities	(3,146)	(34,919)
Net cash provided by financing activities	800,000	100,000
Net increase (decrease) in cash and cash equivalents	520,882	(103,603)
Cash and cash equivalents at beginning of year	527,121	630,724
Cash and cash equivalents at end of year	$ 1,048,003	$ 527,121

	Amaran Biotechnology Inc.	
	Years ended December 31,	
	2022	2021
Net cash used in operating activities	($ 67,252)	($ 60,989)
Net cash provided by (used in) investing activities	40,590	(210,873)
Net cash provided by financing activities	13,216	288,501
Net (decrease) increase in cash and cash equivalents	(13,446)	16,639
Cash and cash equivalents at beginning of year	131,557	114,918
Cash and cash equivalents at end of year	$ 118,111	$ 131,557

	Obigen Pharma, Inc.	
	Years ended December 31,	
	2022	2021
Net cash used in operating activities	($ 117,323)	($ 96,568)
Net cash used in investing activities	(163,768)	(65,441)
Net cash provided by financing activities	300,904	252,056
Net increase in cash and cash equivalents	19,813	90,047
Cash and cash equivalents at beginning of year	407,597	317,550
Cash and cash equivalents at end of year	$ 427,410	$ 407,597

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

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

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

(d) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within "other gains and losses".

B. Translation of foreign operations

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

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

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

Otherwise, they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise, they are classified as non-current liabilities.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income. Financial assets at amortised cost or fair value through other comprehensive income are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce a measurement or recognition inconsistency.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are

recognised and derecognised using trade date accounting.

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

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

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

(9) Accounts receivable

Accounts receivable are loans that are created by the entity by selling goods or providing services to customers and are initially recognised at fair value. Accounts receivable are subsequently measured at amortised cost using the effective interest method, less impairment loss. Interest amortised using the effective interest method is recognised in profit or loss. However, short-term accounts and notes receivable without bearing interest are measured at transaction amount as the effect of discounting is immaterial.

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

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

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

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

associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(11) Impairment of financial assets

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

(12) Derecognition of financial assets

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

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

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

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives.

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

Buildings and structures	10~50 years
Machinery and equipment	3~20 years
Lab equipment	1~15 years
Office equipment	3~5 years
Leasehold improvements	1~8 years

(15) Operating leases (lessee) - right-of-use assets / lease liabilities

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

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

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

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

(16) Intangible assets

A. Trademark right

Trademark right is stated at cost and are amortised on a straight-line basis over the estimated useful life of 10 years.

B. Patent and acquired special technology

(a) Patents acquired in intellectual property right as equity are recognised at fair value at the acquisition date, and amortised on a straight-line basis over the estimated useful life of 17 years.

(b) If acquired by cash, it is recorded at acquisition cost; if acquired through business combination, it is recorded at fair value as measured at the acquisition date. The estimated useful life is 10 to 20 years, and it is amortised on a straight-line basis.

C. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 3 years.

D. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

(17) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amount of goodwill is evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(18) Borrowings

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

(19) Accounts payable

Accounts payable from purchasing raw materials, goods or service on credit, are initially recognised at fair value less any transaction costs directly attributable to the issuance and subsequently measured at amortised cost using the effective interest method. Interest amortised using the effective interest method is recognised in profit or loss. However, short-term accounts payable without bearing interest are subsequently measured at transaction amount as the effect of discounting is immaterial.

(20) Financial liabilities at fair value through profit or loss

A. Financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:
   (a) Hybrid (combined) contracts; or
   (b) They eliminate or significantly reduce a measurement or recognition inconsistency; or
   (c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

C. If the credit risk results in fair value changes in financial liabilities designated as at fair value through profit or loss, they are recognised in other comprehensive income in the circumstances other than avoiding accounting mismatch or recognising in profit or loss for loan commitments or financial guarantee contracts.

(21) Derecognition of financial liabilities

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

(22) Employee benefits

A. Short-term employee benefits

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

B. Pensions - Defined contribution plans

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

C. Employees' compensation and directors' remuneration

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

(23) Employee share-based payment

A. 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.

B. Restricted stocks:

(a) Restricted stocks issued to employees 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.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividend declaration.

(c) For restricted stocks where employees do not need to pay to acquire those stocks, the Company repurchases and retires the stock at no cost when the employees resign during the vesting period.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income

tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

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

(25) Share capital

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

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

(26) Revenue recognition

A. Revenue from licensing intellectual property

(a) The Group entered into a contract with a customer to grant a license of patents to the customer. Given the license is distinct from other promised goods or services in the contract, the Group recognises the revenue from licensing when the license is transferred to a customer either at a point in time or over time based on the nature of the license granted. The customer pays a non-refundable upfront fee upon signing of the contract, and makes milestone payments once each milestone is achieved. Revenue is recognised based on the transaction price. The nature of the Group's promise in granting a license is a promise to provide a right to access the Group's intellectual property if the Group undertakes activities that significantly affect the patents to which the customer has rights, the customer is affected by the Group's activities and those activities do not result in the transfer of a good or a service to the customer as they occur. The royalties are recognised as revenue on a straight-line basis throughout the licensing period. In case the abovementioned conditions are not met, the nature of the Group's promise

in granting a license is a promise to provide a right to use the Group's intellectual property and therefore the revenue is recognised when transferring the license to a customer at a point in time.

(b) Some contracts require a sales-based royalty in exchange for a license of intellectual property. The Group recognises revenue when the performance obligation has been satisfied and the subsequent sale occurs.

B. Sales of goods

The Group researches, designs, develops, manufactures and sells protein new drugs and adjuvants. Revenue is measured at the fair value of the consideration received or receivable taking into account of business tax, returns, rebates and discounts for the sale of goods to external customers in the ordinary course of the Group's activities. Revenue arising from the sales of goods is recognised when the Group has delivered the goods to the customer, the amount of sales revenue can be measured reliably and it is probable that the future economic benefits associated with the transaction will flow to the entity. The delivery of goods is completed when the significant risks and rewards of ownership have been transferred to the customer, the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the customer has accepted the goods based on the sales contract or there is objective evidence showing that all acceptance provisions have been satisfied.

C. Service revenue

The Group provides services including analytical method development, method validation and sample stability testing. Revenue from delivering services is recognised when the outcome of services provided can be estimated reliably.

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

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

(1) Impairment assessment of intangible assets (excluding goodwill)

In accordance with IAS 36, the Group determines whether an intangible asset (excluding goodwill)

may be impaired requiring significant judgements. The Group assesses whether there is any indication for impairment based on internal and external information, including the plan and progress of research and development project and the prospect of such technology.

(2) Impairment assessment of goodwill

The impairment assessment of goodwill relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

(3) Impairment assessment of property, plant and equipment and right-of-use assets

The Group assesses impairment based on internal and external information and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 212	$ 224
Checking accounts and demand deposits	885,856	1,097,103
Time deposits	3,855,041	1,414,859
	$ 4,741,109	$ 2,512,186

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

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

Items	December 31, 2022	December 31, 2021
Current item:		
Financial assets mandatorily measured at fair value		
Foreign listed stocks	$ 1,394	$ 1,394
Valuation adjustment	(642)	373
	$ 752	$ 1,767

A. The Group recognised a (loss) gain (including gain (loss) on disposals of investments) of ($1,015) and $20,029 on financial assets at fair value through profit or loss for the years ended December 31, 2022 and 2021, respectively.

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

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

Items	December 31, 2022	December 31, 2021
Non-current item:		
Unlisted stocks	$ 27,181	$ 27,181
Valuation adjustment	(18,456)	(18,075)
	$ 8,725	$ 9,106

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $8,725 and $9,106 as at December 31, 2022 and 2021, 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,	
	2022	2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 381)	$ 1,069

C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $8,725 and $9,106, respectively.

(4) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Current items:		
Time deposits	$ 30,710	$ 140,000

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Years ended December 31,	
	2022	2021
Interest income	$ 834	$ 58

B. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $30,710 and $140,000, respectively.

C. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Property, plant and equipment

The Group's property, plant and equipment are mainly for its own use. Details are as follows:

	Land	Buildings and structures	Machinery and equipment	Lab equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1, 2022									
Cost	$ 87,514	$ 329,282	$ 292,267	$ 338,104	$ 39,722	$ 1,170	$ 65,848	$ 368,454	$ 1,522,361
Accumulated depreciation	-	(92,193)	(182,765)	(264,747)	(31,619)	(689)	(51,470)	-	(623,483)
	$ 87,514	$ 237,089	$ 109,502	$ 73,357	$ 8,103	$ 481	$ 14,378	$ 368,454	$ 898,878
2022									
At January 1	$ 87,514	$ 237,089	$ 109,502	$ 73,357	$ 8,103	$ 481	$ 14,378	$ 368,454	$ 898,878
Additions	-	255	7,827	107,198	2,324	422	55,616	19,940	193,582
Disposals	-	-	-	-	(47)	-	-	-	(47)
Reclassifications (Note 1)	-	40,482	228,816	37,231	179	180	65,947	(352,658)	20,177
Depreciation	-	(14,786)	(39,919)	(54,170)	(3,702)	(229)	(19,109)	-	(131,915)
Net exchange differences	-	-	-	1	2	-	44	-	47
At December 31	$ 87,514	$ 263,040	$ 306,226	$ 163,617	$ 6,859	$ 854	$ 116,876	$ 35,736	$ 980,722
At December 31, 2022									
Cost	$ 87,514	$ 370,019	$ 528,910	$ 481,681	$ 41,519	$ 1,772	$ 184,060	$ 35,736	$ 1,731,211
Accumulated depreciation	-	(106,979)	(222,684)	(318,064)	(34,660)	(918)	(67,184)	-	(750,489)
	$ 87,514	$ 263,040	$ 306,226	$ 163,617	$ 6,859	$ 854	$ 116,876	$ 35,736	$ 980,722

	Land	Buildings and structures	Machinery and equipment	Lab equipment	Office equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1, 2021									
Cost	$ 87,514	$ 328,657	$ 291,907	$ 368,061	$ 34,721	$ 664	$ 73,737	$ 117,366	$ 1,302,627
Accumulated depreciation	-	(78,786)	(152,184)	(259,759)	(28,840)	(664)	(51,201)	-	(571,434)
	$ 87,514	$ 249,871	$ 139,723	$ 108,302	$ 5,881	$ -	$ 22,536	$ 117,366	$ 731,193
2021									
At January 1	$ 87,514	$ 249,871	$ 139,723	$ 108,302	$ 5,881	$ -	$ 22,536	$ 117,366	$ 731,193
Additions	-	625	660	24,033	4,869	506	2,442	240,055	273,190
Disposals	-	-	(178)	(14,903)	-	-	-	-	(15,081)
Reclassifications (Note 1)	-	-	-	3,304	225	-	357	11,033	14,919
Depreciation	-	(13,407)	(30,703)	(47,379)	(2,871)	(25)	(10,923)	-	(105,308)
Net exchange differences	-	-	-	-	(1)	-	(34)	-	(35)
At December 31	$ 87,514	$ 237,089	$ 109,502	$ 73,357	$ 8,103	$ 481	$ 14,378	$ 368,454	$ 898,878
At December 31, 2021									
Cost	$ 87,514	$ 329,282	$ 292,267	$ 338,104	$ 39,722	$ 1,170	$ 65,848	$ 368,454	$ 1,522,361
Accumulated depreciation	-	(92,193)	(182,765)	(264,747)	(31,619)	(689)	(51,470)	-	(623,483)
	$ 87,514	$ 237,089	$ 109,502	$ 73,357	$ 8,103	$ 481	$ 14,378	$ 368,454	$ 898,878

Note 1: The reclassifications resulted from a transfer from prepayments for business facilities (shown as 'other non-current asset') to property, plant and equipment and from a transfer from property, plant and equipment to inventories.

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(26).

Note 4: The Group's lab equipment, machinery and equipment, office equipment and leasehold improvements have been fully depreciated or sold and then derecognised. Therefore, for the years ended December 31, 2022 and 2021, cost and accumulated depreciation of property, plant and equipment both decreased by $4,862 and $53,294, respectively.

(6) Leasing arrangements - lessee

A. The Group leases various assets including land and office space. Rental contracts are typically made for periods of 1 to 14 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

B. Short-term leases with a lease term of 12 months or less comprise offices. Low-value assets comprise photocopiers.

C. The carrying amounts of right-of-use assets and the depreciation charge are as follows:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Land use right	$ 86,943	$ 92,527
Buildings	107,892	157,614
	$ 194,835	$ 250,141

	Years ended December 31,	
	2022	2021
	Depreciation charge	Depreciation charge
Land use right	$ 2,927	$ 2,985
Buildings	49,983	48,527
	$ 52,910	$ 51,512

D. The Group has recognised additions to right-of-use assets of $0 and $114,761 for the years ended December 31, 2022 and 2021, respectively.

E. For the year ended December 31, 2022, the Group recognised a decrease in right-of-use assets and lease liabilities both in the amount of $2,657 after remeasurement of lease liabilities due to lease modification. The Group had no such transactions for the year ended December 31, 2021.

F. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 3,549	$ 3,281
Expense on short-term lease contracts	10,802	8,607
Expense on leases of low-value assets	552	446

G. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were $67,217 (of which $52,314 represents principal of lease liabilities) and $61,405 (of which $49,071 represents principal of lease liabilities), respectively.

H. Extension options

(a) Extension options are included in the Group's lease contracts pertaining to land. These terms and conditions are the lessor's general practice and are in line with the plan and utilisation of the effective resources of the Group.

(b) Extension options are included in the Group's lease contracts pertaining to certain offices based on the terms of the industrial park. The Group shall have the priority to lease the premises if it has no significant violation of the lease. These terms and conditions are in line with the plan and utilisation of the effective resources of the Group.

(c) In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(7) Intangible assets

	Patent						Patented technology				
	OBI-858 Product development project of botulinum	OBI-833 Next-generation cancer vaccine	OBI-3424 AKR1C3 enzyme prodrug	Trop 2 monoclonal antibody	Bifunctional fusion protein for age-related mascular degeneration	Bispecific monoclonal antibody	Antibody-drug development platform	Trademarks	Software	Goodwill	Total
At January 1, 2022											
Cost	$ 42,858	$ 1,500	$ 90,693	$ -	$ 81,037	$ 271,933	$ 96,644	$ 1,815	$ 9,413	$ 61,148	$ 657,041
Accumulated amortisation	(42,144)	(1,338)	(39,300)	-	(23,293)	(108,772)	(38,658)	(412)	(4,840)	-	(258,757)
	$ 714	$ 162	$ 51,393	$ -	$ 57,744	$ 163,161	$ 57,986	$ 1,403	$ 4,573	$ 61,148	$ 398,284
2022											
At January 1	$ 714	$ 162	$ 51,393	$ -	$ 57,744	$ 163,161	$ 57,986	$ 1,403	$ 4,573	$ 61,148	$ 398,284
Additions	-	-	-	41,648	-	-	-	-	4,259	-	45,907
Reclassifications (Note)	-	-	-	-	-	-	-	-	35	-	35
Amortisation	(714)	(150)	(9,070)	(4,165)	(5,823)	(27,193)	(9,665)	(181)	(4,824)	-	(61,785)
At December 31	$ -	$ 12	$ 42,323	$ 37,483	$ 51,921	$ 135,968	$ 48,321	$ 1,222	$ 4,043	$ 61,148	$ 382,441
At December 31, 2022											
Cost	$ 42,858	$ 1,500	$ 90,693	$ 41,648	$ 81,037	$ 271,933	$ 96,644	$ 1,815	$ 8,550	$ 61,148	$ 697,826
Accumulated amortisation	(42,858)	(1,488)	(48,370)	(4,165)	(29,116)	(135,965)	(48,323)	(593)	(4,507)	-	(315,385)
	$ -	$ 12	$ 42,323	$ 37,483	$ 51,921	$ 135,968	$ 48,321	$ 1,222	$ 4,043	$ 61,148	$ 382,441

Note: The reclassifications resulted from a transfer from prepayments (shown as ‘other non-current asset’) to intangible assets.

	Patent					Patented technology				
	OBI-858 Product development project of botulinum	OBI-833 Next-generation cancer vaccine	OBI-3424 AKR1C3 enzyme prodrug	Bifunctional fusion protein for age-related mascular degeneration	Bispecific monoclonal antibody	Antibody-drug development platform	Trademarks	Software	Goodwill	Total
At January 1, 2021										
Cost	$ 42,858	$ 1,500	$ 90,693	$ 81,037	$ 271,933	$ 96,644	$ 1,815	$ 11,403	$ 61,148	$ 659,031
Accumulated amortisation	(37,858)	(1,188)	(30,231)	(17,470)	(81,579)	(28,993)	(231)	(7,600)	-	(205,150)
	$ 5,000	$ 312	$ 60,462	$ 63,567	$ 190,354	$ 67,651	$ 1,584	$ 3,803	$ 61,148	$ 453,881
2021										
At January 1	$ 5,000	$ 312	$ 60,462	$ 63,567	$ 190,354	$ 67,651	$ 1,584	$ 3,803	$ 61,148	$ 453,881
Additions	-	-	-	-	-	-	-	3,858	-	3,858
Amortisation	(4,286)	(150)	(9,069)	(5,823)	(27,193)	(9,665)	(181)	(3,088)	-	(59,455)
At December 31	$ 714	$ 162	$ 51,393	$ 57,744	$ 163,161	$ 57,986	$ 1,403	$ 4,573	$ 61,148	$ 398,284
At December 31, 2021										
Cost	$ 42,858	$ 1,500	$ 90,693	$ 81,037	$ 271,933	$ 96,644	$ 1,815	$ 9,413	$ 61,148	$ 657,041
Accumulated amortisation	(42,144)	(1,338)	(39,300)	(23,293)	(108,772)	(38,658)	(412)	(4,840)	-	(258,757)
	$ 714	$ 162	$ 51,393	$ 57,744	$ 163,161	$ 57,986	$ 1,403	$ 4,573	$ 61,148	$ 398,284

A. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2022	2021
Administrative expenses	$ 2,413	$ 2,082
Research and development expenses	59,372	57,373
	$ 61,785	$ 59,455

B. Goodwill is allocated as follows to the Group's cash-generating units:

	December 31, 2022	December 31, 2021
AP Biosciences, Inc.(Bispecific monoclonal antibody new drug segment)	$ 61,148	$ 61,148

C. 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.

D. 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.

E. Aiming to bolster the competitive edge of products and the ability to develop new drugs, on January 10, 2018, the Company issued 1,675 thousand new common stocks in exchange for 6,700 thousand common stocks of AP Biosciences, Inc., which were held by AbProtix,Inc., at a share exchange ratio of 1:4 for a 67% equity interest in AP Biosciences, Inc. The Company hired independent experts to issue a purchase price allocation report for the business combination. Based on the report, the Company recognised patent and acquired special technology, computer software, and goodwill in the amounts of $449,614, $105, and $61,148, respectively.

F. 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 includes global exclusive right, except for 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.

G. Goodwill is allocated to the Group's cash-generating units identified according to operating segment. The recoverable amount of all cash-generating units has been determined based on value in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. Cash flows beyond the five year period were extrapolated using the estimated growth rates stated below.

The recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are as follows:

	AP Biosciences, Inc.	
	Years ended December 31,	
	2022	2021
Gross margin	80%~100%	80%~100%
Growth rate	5%	5%
Discount rate	15%	15%

I. The Group has no intangible assets pledged to others.

(8) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate	Collateral
Bank borrowings			
Secured borrowings			Buildings located at No. 19, Shengyi 5th Rd., Zhubei City, Hsinchu County
	$ 15,705	1.965%	

The Group had no short-term borrowings as of December 31, 2021.

(9) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2022	December 31, 2021
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	$ 28,000	$ 35,000
Less: Current portion				(7,000)	(7,000)
				$ 21,000	$ 28,000

Note 1: The Group negotiated borrowing contract with the bank whereby the principal will be payable quarterly starting from January 2017.

Note 2: 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, 2022 and 2021, the interest rates were 1.88% and 1.33%, respectively.

(10) Other payables

	December 31, 2022	December 31, 2021
Accrued clinical trials cost	$ 43,515	$ 115,754
Accrued royalties	27,640	-
Accrued clinical materials expense	16,766	18,291
Wages and salaries payable	12,734	15,437
Accrued consulting and service fee	8,019	10,742
Payable on equipment	6,106	66,321
Outsourced research expenses payable	3,814	17,595
Others	28,384	20,650
	$ 146,978	$ 264,790

(11) Financial liabilities at fair value through profit or loss

Items	December 31, 2022
Non-current items:	
Financial liabilities designated as at fair value through profit or loss	
Hybrid instrument - convertible preferred shares	$ 46,065

A. As of December 31, 2021, the Group has no financial liabilities at fair value through profit or loss.

B. For the year ended December 31, 2022, no amount was recognised in profit or loss and other comprehensive income in relation to financial liabilities at fair value through profit or loss. For the year ended December 31, 2021, the Group has no financial liabilities at fair value through profit or loss.

C. The issuance of convertible preferred shares by the Group's subsidiary - Odeon Therapeutics (Cayman) Limited (hereafter referred to as "Odeon") amounting to $46,065 was recognised under 'financial liabilities designated as at fair value through profit or loss on initial recognition' due to their compound instrument feature.

D. For the year ended December 31, 2022, there were no changes in fair value, nor changes in fair value attributable to the changes in credit risk of the liabilities. For the year ended December 31, 2021, the Group has no financial liabilities at fair value through profit or loss.

E. The terms of the convertible preferred shares issued by Odeon are as follows:

(a) Conversion:

i. The holders of preferred shares may convert their preferred shares, at any time, into ordinary shares;

ii. All of the preferred shares will be automatically converted into ordinary shares upon the completion of the Qualified IPO (Note);

iii. The initial conversion price shall be 1:1, subject to adjustment as provided below:

a. If the number of outstanding ordinary shares proportionally changes as a result of stock dividends, stock splits, reorganisation, etc., the number of preferred shares to be converted into ordinary shares shall be adjusted proportionally;
b. When the price of new shares issued by Odeon is lower than the issue price of preferred shares, the conversion price shall be adjusted according to a specific formula.

(b) Dividends:

The holders of preferred shares shall be entitled to receive in preference a non-cumulative dividend at the rate of 8% when the dividend is declared. After dividends on preferred shares have been distributed, the holders of preferred shares also shall be entitled to receive pro rata share of dividends paid to ordinary shares on an as-converted basis.

(c) Liquidation preference:

The holders of preferred shares shall be entitled to receive in preference its original purchase price plus dividends declared but unpaid, and the residual assets are distributed in proportion to the number of ordinary shares on an as-converted basis.

(d) Redemption:

In the event of the following circumstances, the holders of preferred shares have priority over ordinary shares to request the entity to redeem shares at the original purchase price plus a simple interest of 10% per annum. The calculation period is from the original purchase date to the redemption date. Dividends declared but unpaid are calculated seperately:

i. If the Qualified IPO (Note) has not been consummated within five years since the first round of fundraising;
ii. If any contracting party fails to fulfill its obligations under the investment contract, which results in a significant adverse impact on the entity or the holders of preferred shares;
iii. If any contracting party has misconduct of misrepresentation and concealment, which results in a significant adverse impact on the entity or the holders of preferred shares;
iv. If a redemption is requested by the holders of preferred shares as a result of any of the above circumstances and the number of redeemed shares accounts for 20% and above of the outstanding preferred shares, all the holders of preferred shares have the right to exercise their redemption rights (non-mandatory) from the entity.

(e) Voting right:

The voting rights of ordinary shares converted from preferred shares are the same as ordinary shares. Each share is 1 vote.

Note: The above Qualified IPO means a first firm commitment underwritten public offering of the ordinary shares of Odeon on the New York Stock Exchange, NASDAQ, Hong Kong Exchanges and Clearing or any international stock exchange approved by the Board of Directors. The offering price per share shall be 3 times more than the share price of preferred shares, or the amount raised through the initial public offering is

USD 50 million and above.

(12) Pension

A. The Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021 were $14,826 and $12,639, respectively.

B. OBI Pharma Australia Pty Ltd. and OBI Pharma Limited were not required to set up a policy for employee pension plans. OBI Pharma (Shanghai) Limited, Odeon Therapeutics (Cayman) Limited, Odeon Therapeutics (Hong Kong) Limited and Odeon Therapeutics (Shanghai) Limited did not have any employees and thus did not recognise pension costs. For the pension plan based on local government regulations, OBI Pharma USA, Inc. recognised pension costs of $4,863 and $5,254 for the years ended December 31, 2022 and 2021, respectively.

(13) Share-based payment

A. Information on share-based payments made by the Company and the subsidiaries is as follows:

(a) The options were granted to qualified employees of the Company and the subsidiaries which the Company holds over 50% equity interest by issuing new shares of the Company when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note 1)	2013.11.27	1,821,000	1	After two years of service, employees can exercise options at a certain percentage based on the schedule	0.91
〃	2014.02.21	1,744,000	1	〃	1.14
〃	2014.03.26	575,000	1	〃	1.23
〃	2015.05.06	2,861,000	1	〃	2.35
〃	2015.08.04	75,000	1	〃	2.59
〃	2015.11.06	353,000	1	〃	2.85
〃	2015.12.15	13,000	1	〃	2.96
〃	2016.03.25	1,377,000	1	〃	3.23
〃	2017.03.09	3,145,000	1	〃	4.19
〃	2017.05.12	20,000	1	〃	4.36

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 1)	2017.08.11	20,000	1	After two years of service, employees can exercise options at a certain percentage based on the schedule	4.61
〃	2017.11.10	130,000	1	〃	4.86
〃	2018.01.19	1,685,000	1	〃	5.05
〃	2019.09.06	1,125,000	1	〃	6.68
〃	2019.11.08	385,000	1	〃	6.85
〃	2020.08.05	510,000	1	〃	7.59
〃	2021.11.05	3,859,000	1	〃	8.85
〃	2022.03.18	320,000	1	〃	9.21
〃	2022.05.06	143,000	1	〃	9.35
〃	2022.08.08	639,000	1	〃	9.60
Cash capital increase reserved for employee preemption (Note 1)	2022.03.01	2,433,100	1	Vested immediately	-
Restricted stocks to employees (Note 2)	2022.10.25	160,000	1	After 2 years of service and achieving certain performance level, restricted stocks can be vested at a certain percentage (Note 3)	-

Note 1: The above share-based payment arrangements are equity-settled.

Note 2: The restricted shares issued by the Company cannot be sold, pledged, transferred, donated, collateralized, or disposed in any other method during the vesting period. However, the rights to distribution of dividends, bonuses and capital surplus, and subscription rights to cash capital increase are not restricted.

Note 3: The employee restricted shares granted to an executive can only be vested if (1) the executive remains employed by the Company on the last date of each vesting period; (2) during the vesting period, the executive may not breach any agreement with the Company or violate the Company's work rules; and (3) executive performance metrics set up by the Company are met (that is, a performance rating of at least "Exceed" or above for the year immediately preceding the expiration of each vesting period.).

The vesting conditions of granted employee restricted shares are as follows:

a. 50% of restricted shares are vested to employees who remain employed by the Company two years from the grant date;

b. 25% of restricted shares are vested to employees who remain employed by the Company three years from the grant date;

c. 25% of restricted shares are vested to employees who remain employed by the Company four years from the grant date.

(b) The options were granted to qualified employees of the subsidiary, Amaran Biotechnology Inc., issuing new shares of the subsidiary when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2014.01.15	920	1,000	After one year of service, employees can exercise options at a certain percentage based on the schedule	1.04
〃	2014.05.02	310	1,000	〃	1.33
〃	2014.09.03	270	1,000	〃	1.67
〃	2015.02.12	255	1,000	〃	2.11
〃	2015.05.27	300	1,000	〃	2.40
〃	2015.09.09	70	1,000	〃	2.68
〃	2015.12.15	235	1,000	〃	2.95
〃	2016.03.02	2,382	1,000	〃	3.16
〃	2016.09.02	45	1,000	〃	3.67
〃	2017.01.01	179	1,000	〃	4.00
〃	2017.04.01	34	1,000	〃	4.25
〃	2017.06.01	60	1,000	〃	4.41
〃	2018.03.23	1,090	1,000	〃	5.22
〃	2018.09.18	60	1,000	〃	5.71
〃	2019.01.01	65	1,000	〃	6.00
〃	2019.03.01	65	1,000	〃	6.16
〃	2019.10.01	210	1,000	〃	6.75
〃	2020.04.01	250	1,000	〃	7.25
〃	2020.05.01	120	1,000	〃	7.33
〃	2021.07.01	110	1,000	〃	8.50
〃	2021.08.01	115	1,000	〃	8.59
〃	2021.09.01	15	1,000	〃	8.67
〃	2021.10.01	1,139	1,000	〃	8.75
〃	2022.04.01	135	1,000	〃	9.25
〃	2022.05.01	60	1,000	〃	9.33
〃	2022.06.01	15	1,000	〃	9.41

Note: The above share-based payment arrangements are equity-settled.

(c) The options were granted by the subsidiary, Obigen Pharma, Inc., to qualified employees of the subsidiary and the Company by issuing new shares of the subsidiary when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2021.12.09	1,568,000	1	After two years of service, employees can exercise options at a certain percentage based on the schedule	8.95
〃	2022.03.23	163,000	1	〃	9.22
〃	2022.10.28	269,000	1	〃	9.82
Cash capital increase reserved for employee preemption (Note)	2022.11.23	559,150	1	Vested immediately	-

Note: The above share-based payment arrangement is equity-settled.

(d) The options were granted by the subsidiary, AP Biosciences, Inc., to qualified employees of the subsidiary and the Company by issuing new shares of the subsidiary when exercised. The options are valid for 10 years. The major contents were as follows:

Type of agreement	Grant date	No. of units	Subscription share per unit	Vesting conditions	Weighted-average remaining contract period (years)
Employee stock option plan (Note)	2021.12.16	2,286,000	1	After two years of service, employees can exercise options at a certain percentage based on the schedule	8.94
〃	2022.08.23	151,000	1	〃	9.51

Note: The above share-based payment arrangement is equity-settled.

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

(a) The Company's employee stock option plan:

	Years ended December 31,			
	2022		2021	
	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	12,725,314	$ 206.34	9,954,335	$ 251.81
Options granted	1,102,000	93.13	3,859,000	108.00
Options exercised	-	-	-	-
Options forfeited or expired	(1,265,107)	181.03	(1,088,021)	272.04
Options outstanding at end of the year	12,562,207	185.16	12,725,314	206.34
Options exercisable at end of the year	7,927,119		7,801,399	
Options authorised but not granted at end of the year	-		1,141,000	

(b) Restricted stocks to employees:

	Years ended December 31,	
	2022	2021
	No. of shares	No. of shares
Stocks outstanding at January 1	-	-
Stocks granted	160,000	-
Stocks outstanding at December 31	160,000	-

(c) The employee stock option plan of subsidiary, Amaran Biotechnology Inc.:

	Years ended December 31,			
	2022		2021	
	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	4,336	$ 36.57	3,230	$ 41.58
Options granted	210	25.00	1,379	25.00
Options exercised	-	-	(25)	21.00
Options forfeited or expired	(774)	35.79	(248)	39.11
Options outstanding at end of the year	3,772	36.09	4,336	36.57
Options exercisable at end of the year	2,672		2,632	
Options authorised but not granted at end of the year	41		251	

(d) The employee stock option plan of subsidiary, Obigen Pharma, Inc.:

	Years ended December 31,			
	2022		2021	
	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	1,568,000	$ 20.00	-	$ -
Options granted	432,000	20.00	1,568,000	20.00
Options exercised	-	-	-	-
Options forfeited or expired	(317,000)	20.00	-	-
Options outstanding at end of the year	1,683,000	20.00	1,568,000	20.00
Options exercisable at end of the year	-		-	
Options authorised but not granted at end of the year	1,000,000		1,432,000	

(e) The employee stock option plan of subsidiary, AP Biosciences, Inc.:

	Years ended December 31,			
	2022		2021	
	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	2,286,000	$ 55.00	-	$ -
Options granted	151,000	27.50	2,286,000	55.00
Options exercised	-	-	-	-
Options forfeited or expired	(40,000)	27.50	-	-
Options outstanding at end of the year	2,397,000	27.50	2,286,000	55.00
Options exercisable at end of the year	-		-	
Options authorised but not granted at end of the year	-		151,000	

C. The Company and the subsidiaries, Obigen Pharma, Inc. and AP Biosciences, Inc., have no stock option exercised for the years ended December 31, 2022 and 2021. Stock options of Amaran Biotechnology Inc., were exercised during the year ended December 31, 2021 at the exercise price of $21 (in dollars), and no stock option was exercised for the year ended December 31, 2022.

D. As of December 31, 2022 and 2021, the range of exercise prices of the Company's stock options outstanding were $79~$575.3 (in dollars) and $108~$727 (in dollars), respectively. The range of exercise prices of the subsidiary's, Amaran Biotechnology Inc., stock options outstanding was $15~$70 (in dollars). The exercise prices of the subsidiary's, Obigen Pharma, Inc. stock options outstanding was $20 (in dollars). The exercise prices of the subsidiaries', AP Biosciences, Inc., stock options outstanding were $27.5 (in dollars) and $55 (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:

(a) The Company's employee stock option plan:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note 1)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2013.11.27	$ 255.6	$ 215.8	49.72%	6.375 years	0%	1.44%	$ 128.42
〃	2014.02.21	231.4	191.1	47.62%	6.375 years	0%	1.34%	114.80
〃	2014.03.26	215.0	201.0	46.54%	6.375 years	0%	1.38%	97.07
〃	2015.05.06	334.0	280.7	44.46%	6.375 years	0%	1.33%	150.18
〃	2015.08.04	283.0	242.5	43.90%	6.375 years	0%	1.21%	125.27
〃	2015.11.06	422.0	346.7	44.11%	6.375 years	0%	1.01%	186.00
〃	2015.12.15	727.0	575.3	45.44%	6.375 years	0%	0.99%	328.28
〃	2016.03.25	420.0	345.2	47.70%	6.375 years	0%	0.72%	195.43
〃	2017.03.09	326.0	313.9	50.01%	6.375 years	0%	1.11%	159.90
〃	2017.05.12	261.0	251.3	49.51%	6.375 years	0%	0.96%	126.34
〃	2017.08.11	191.0	183.9	48.61%	6.375 years	0%	0.82%	90.60
〃	2017.11.10	169.0	162.7	48.44%	6.375 years	0%	0.81%	79.91
〃	2018.01.19	170.5	164.2	48.61%	6.375 years	0%	0.88%	81.04
〃	2019.09.06	144.0	140.5	45.65%	6.375 years	0%	0.62%	64.29
〃	2019.11.08	131.0	127.8	45.03%	6.375 years	0%	0.65%	57.88
〃	2020.08.05	120.0	117.1	45.37%	6.375 years	0%	0.37%	52.76
〃	2021.11.05	108.0	105.4	45.03%	6.375 years	0%	0.45%	47.33
〃	2022.03.18	110.0	107.4	44.11%	6.375 years	0%	0.79%	48.06
〃	2022.05.06	118.5	118.5	43.61%	6.375 years	0%	1.17%	52.11
〃	2022.08.08	79.0	79.0	43.15%	6.375 years	0%	1.10%	34.33
Cash capital increase reserved for employee preemption	2022.03.01	115.0	105.0	54.48%	0.050 years	0%	0.34%	11.78
Restricted stocks to employees	2022.10.25	66.0			Note 2			66.00

Note 1: 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.

Note 2: The Company issued employee restricted shares with a par value of NT$10 (in dollars) per share, the issuance price was NT$0 (at no cost), and the fair value was measured at the closing price of the Company's share at the grant date.

(b) The employee stock option plan of subsidiary, Amaran Biotechnology Inc.:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2014.01.15	$ 27.5	15.0	48.22%	10 years	0%	1.09%	$ 18.20
〃	2014.05.02	27.5	15.0	48.22%	10 years	0%	1.09%	18.20
〃	2014.09.03	31.5	50.0	48.22%	10 years	0%	1.02%	10.79
〃	2015.02.12	31.5	50.0	48.22%	10 years	0%	1.02%	10.79
〃	2015.05.27	31.5	50.0	48.22%	10 years	0%	1.02%	10.79
〃	2015.09.09	31.5	50.0	42.87%	10 years	0%	0.93%	12.80
〃	2015.12.15	31.5	50.0	42.87%	10 years	0%	0.93%	12.80
〃	2016.03.02	31.5	50.0	42.87%	10 years	0%	0.93%	12.80
〃	2016.09.02	35.6	50.0	42.31%	10 years	0%	0.78%	15.33
〃	2017.01.01	35.6	70.0	42.31%	10 years	0%	0.78%	15.33
〃	2017.04.01	35.6	70.0	42.31%	10 years	0%	0.78%	15.33
〃	2017.06.01	35.6	70.0	42.31%	10 years	0%	0.78%	15.33
〃	2018.03.23	25.0	25.0	27.45%	10 years	0%	0.70%	4.04
〃	2018.09.18	25.0	25.0	27.45%	10 years	0%	0.70%	4.04
〃	2019.01.01	24.8	25.0	33.75%	6.25 years	0%	0.77%	8.46
〃	2019.03.01	21.9	25.0	33.51%	6.25 years	0%	0.73%	6.44
〃	2019.10.01	20.9	25.0	32.32%	6.25 years	0%	0.65%	5.59
〃	2020.04.01	24.4	25.0	38.05%	6.25 years	0%	0.44%	8.94
〃	2020.05.01	20.4	25.0	38.39%	6.25 years	0%	0.44%	6.47
〃	2021.07.01	23.0	25.0	46.15%	6.25 years	0%	0.35%	9.58
〃	2021.08.01	23.0	25.0	46.15%	6.25 years	0%	0.35%	9.58
〃	2021.09.01	23.0	25.0	46.15%	6.25 years	0%	0.35%	9.58
〃	2021.10.01	23.0	25.0	46.15%	6.25 years	0%	0.35%	9.58
〃	2022.04.01	23.7	25.0	45.62%	6.25 years	0%	0.95%	10.22
〃	2022.05.01	23.7	25.0	45.62%	6.25 years	0%	0.95%	10.22
〃	2022.06.01	23.7	25.0	45.62%	6.25 years	0%	0.95%	10.22

Note: Expected price volatility rate was estimated by using the average price volatility of similar listed and OTC companies within the appropriate period.

(c) The employee stock option plan of subsidiary, Obigen Pharma, Inc.:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2021.12.09	$ 20.7	20.0	47.29%	6.375 years	0%	0.49%	$ 9.70
〃	2022.03.23	23.9	20.0	47.20%	6.375 years	0%	0.91%	12.25
〃	2022.10.28	31.0	20.0	47.20%	6.375 years	0%	1.52%	17.59
Cash capital increase reserved for employee preemption	2022.11.23	32.1	32.0	39.90%	0.099 years	0%	1.02%	1.67

Note: Expected price volatility rate was estimated by using the average price volatility of similar listed and OTC companies within the appropriate period.

(d) The employee stock option plan of subsidiary, AP Biosciences, Inc.:

Type of agreement	Grant date	Underlying market value on measurement date (in dollars)	Exercise price per share (in dollars)	Expected volatility (Note)	Expected option life	Expected dividend yield	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock option plan	2021.12.16	$ 45.2	27.5	80.87%	6.38 years	0%	0.48%	$ 30.08
〃	2022.08.23	27.6	27.5	82.88%	6.38 years	0%	1.17%	19.75

Note: Expected price volatility rate was estimated by using the historical volatility record of similar entities.

F. For the years ended December 31, 2022 and 2021, the Group recognised compensation cost of $148,995 and $54,017, respectively.

G. On May 21, 2022, AP Biosciences, Inc. decreased the exercise price of employee stock options issued on December 16, 2021 from $55 (in dollars) to $27.5 (in dollars), in accordance with the terms of employee stock options. The modification came from capitalisation of capital surplus of AP Biosciences, Inc., and the stock options did not generate incremental fair value.

(14) Share capital

A. As of December 31, 2022, 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 $2,294,394 with a par value of $10 (in dollars) per share.

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

(Unit: shares in thousands)

	2022	2021
At January 1	198,948	198,892
Cash capital increase	30,000	-
Shares of the parent company sold by subsidiaries	-	74
Treasury shares arising from changes in shareholding ratio of subsidiaries	-	(18)
Issuance of employee restricted stock	160	-
At December 31	228,948	198,948

B. The Board of Directors during its meeting on August 8, 2022 adopted a resolution to issue employee restricted ordinary shares with the effective date set on October 25, 2022. The number

of shares issued is 160 thousand shares with a par value of NT$10 (in dollars) per share. As of December 31, 2022, the restricted shares have not been vested and cancelled.

C. 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, 2022				
Reason for reacquisition	Beginning shares	Additions	Disposal	Ending shares	Carrying amount
Shares of the parent company held by subsidiaries treated as treasury shares (Note)	331 thousand shares	-	-	331 thousand shares	$ 45,990

	Year ended December 31, 2021				
Reason for reacquisition	Beginning shares	Additions	Disposal	Ending shares	Carrying amount
Shares of the parent company held by subsidiaries treated as treasury shares (Note)	387 thousand shares	18 thousand shares	74 thousand shares	331 thousand shares	$ 45,990

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 Company's shareholding ratio to subsidiaries.

(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.

(15) 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.

	2022			
	Share premium	Employee stock options	Restricted stocks	Others
At January 1	$ 2,206,273	$1,092,894	$ -	$ 403,055
Cash capital increase	2,850,000	-	-	-
Issuance of employee restricted stocks	-	-	8,960	-
Employee stock options compensation cost	9,441	73,724	-	19,563
Expiration of employee stock options	-	(86,378)	-	89,231
Changes in ownership interests in subsidiaries	-	-	-	265,868
At December 31	$ 5,065,714	$1,080,240	$ 8,960	$ 777,717

	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

(16) Retained earnings

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 June 27, 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)

E. As resolved by the directors on March 13, 2023, the Company's proposal for 2022 deficit compensation is as follows:

	Year ended December 31, 2022
Accumulated deficit at beginning of the year	($ 2,908,622)
Net loss for 2022	(1,613,916)
Accumulated deficit at end of the year	($ 4,522,538)

As of March 13, 2023, the aforementioned proposal for 2022 deficit compensation has not yet been resolved by the shareholders.

(17) Operating revenue

Disaggregation of revenue from contracts with customers is as follows:

	Years ended December 31,	
	2022	2021
Revenue from contracts with customers	$ 4,711	$ 18,772

Disaggregation of revenue from contracts with customers is as follows:

Year ended December 31, 2022	Sales of materials	Service provision	Patent licensing	Total
Revenue from external customer contracts				
Contract revenue	$ 1,049	$ 1,660	$ 2,002	$ 4,711

Year ended December 31, 2021	Sales of materials	Service provision	Patent licensing	Total
Revenue from external customer contracts				
Contract revenue	$ 4,837	$ 5,186	$ 8,749	$ 18,772

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities			
Contract liabilities - unearned sales revenue	$ 3,160	$ -	$ -

For the years ended December 31, 2022 and 2021, the Group did not recognise revenues from the beginning balance of contract liabilities.

(18) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	$ 49,097	$ 6,400
Interest income from financial assets measured at amortised cost	834	58
	$ 49,931	$ 6,458

(19) Other gains and losses

	Years ended December 31,	
	2022	2021
Net currency exchange gains (losses)	$ 156,679	($ 42,062)
Net (losses) gains on financial assets at fair value through profit or loss	(1,015)	20,029
Gains (losses) on disposals of property, plant and equipment	6	(15,081)
Other losses	(45)	(631)
	$ 155,625	($ 37,745)

(20) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense	$ 3,990	$ 3,798

(21) Expenses by nature

	Years ended December 31,	
	2022	2021
Employee benefit expenses	$ 577,844	$ 452,499
Clinical trials cost	449,216	456,899
Outsourced research expenses	287,361	199,864
Clinical material expenses	264,435	196,976
Depreciation charges	184,825	156,820
Consulting and service fees	124,337	107,080
Amortisation charges	61,785	59,455
Royalty fees	30,710	-
Rental expenses	11,421	9,163
Other expenses	135,539	96,030
Operating costs and expenses	$ 2,127,473	$ 1,734,786

(22) Employee benefit expense

	Years ended December 31,	
	2022	2021
Wages and salaries (including directors' remuneration)	$ 359,581	$ 337,284
Share-based payment expense	148,995	54,017
Labor and health insurance fees	24,120	20,887
Pension costs	19,689	17,893
Other personnel expenses	25,459	22,418
	$ 577,844	$ 452,499

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, 2022 and 2021, the Company had an accumulated deficit; thus, no employees' compensation and directors' remuneration was recognised for the years ended December 31, 2022 and 2021.

C. Employees' compensation and directors' remuneration for 2021 were both $0 as resolved by the

shareholders on June 27, 2022, which was in agreement with those amounts recognised in the 2021 financial statements. Information about employees' compensation and directors' remuneration of the Company as resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Components of income tax benefit:

	Years ended December 31,	
	2022	2021
Current tax:		
Current tax on loss for the year	($ 5,571)	($ 5,264)
Prior year income tax overestimation	14,906	21,193
Total current tax	9,335	15,929
Deferred tax:		
Origination and reversal of temporary difference	8,433	8,434
Total deferred tax	8,433	8,434
Income tax benefit	$ 17,768	$ 24,363

B. The reconciliation between accounting income and income tax benefit:

	Years ended December 31,	
	2022	2021
Tax calculated based on loss before tax and statutory tax rate	($ 331,216)	($ 309,306)
Tax effects of items required to be added by tax regulation	7,582	187,418
Tax effects of items disallowed by tax regulation	74	50
Withholding income tax	5,571	5,264
Tax effects of unrecognised deferred tax assets	315,127	113,404
Prior year income tax underestimation	(14,906)	(21,193)
Income tax benefit	($ 17,768)	($ 24,363)

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

	Year ended December 31, 2022			
	January 1	Recognised in profit or loss	Business combination	December 31
－Deferred tax liabilities:				
Book-tax differences on business combinations	$ 54,762	($ 8,433)	$ -	$ 46,329

	Year ended December 31, 2021			
	January 1	Recognised in profit or loss	Business combination	December 31
－Deferred tax liabilities:				
Book-tax differences on business combinations	$ 63,196	($ 8,434)	$ -	$ 54,762

D. Details of the amount the Company and its subsidiaries, AP Biosciences, Inc. and Obigen Pharma, Inc. are entitled as investment tax credits and unrecognised deferred tax assets under the Act for the Development of Biotech and Pharmaceutical Industry and the Statute for Industrial Innovation are as follows:

(a) Amounts of investment tax credits and unrecognised deferred tax assets that the Company is entitled to are as follows:

	December 31, 2022		
Qualifying items	Unused amount	Unrecognised deferred tax assets	Expiry year
Research and development expense (Biotech)	$ 1,055,866	$ 1,055,866	Note

	December 31, 2021		
Qualifying items	Unused amount	Unrecognised deferred tax assets	Expiry year
Research and development expense expense (Biotech)	$ 958,393	$ 958,393	Note

(b) Amounts of investment tax credits and unrecognised deferred tax assets that the subsidiary, AP Biosciences, Inc., is entitled to are as follows:

2022			
Qualifying items	Unused amount	Unrecognised deferred tax assets	Expiry year
Research and development expense (Biotech)	$ 57,845	$ 57,845	Note

2021			
Qualifying items	Unused amount	Unrecognised deferred tax assets	Expiry year
Research and development expense (Biotech)	$ 20,991	$ 20,991	Note

(c) Amounts of investment tax credits and unrecognised deferred tax assets that the subsidiary, Obigen Pharma, Inc., is entitled to are as follows:

2022			
Qualifying items	Unused amount	Unrecognised deferred tax assets	Expiry year
Research and development expense (Biotech)	$ 17,306	$ 17,306	Note
Research and development expense (Industry Innovation)	$ 12,891	$ 12,891	2023~2024

2021			
Qualifying items	Unused amount	Unrecognised deferred tax assets	Expiry year
Research and development expense (Industry Innovation)	$ 6,139	$ 6,139	2023

Note: The unused tax credits can be offset against the current income tax payable for the next five years with a range of not more than 50% of each year's income tax payable, but the last year can be fully offset.

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets for the Company and the subsidiaries are as follows:

(a) Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company are as follows:

December 31, 2022				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
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	1,106,846	1,106,846	1,106,846	2030
2021	198,929	198,929	198,929	2031
2022	1,283,313	1,283,313	1,283,313	2032

December 31, 2021				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2012	$ 239,902	$ 239,902	$ 239,902	2022
2013	405,027	405,027	405,027	2023
2014	606,286	606,286	606,286	2024
2015	981,510	981,510	981,510	2025
2016	943,536	943,536	943,536	2026
2017	1,040,320	1,040,320	1,040,320	2027
2018	1,211,688	1,211,688	1,211,688	2028
2019	1,186,227	1,186,227	1,186,227	2029
2020	1,108,714	1,108,714	1,108,714	2030
2021	181,002	181,002	181,002	2031

(b) Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the subsidiary, AP Biosciences, Inc., are as follows:

December 31, 2022				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	$ 18,960	$ 10,300	$ 10,300	2025
2016	27,321	27,321	27,321	2026
2017	17,032	17,032	17,032	2027
2018	25,038	25,038	25,038	2028
2019	62,699	62,699	62,699	2029
2021	186,281	186,281	186,281	2031
2022	293,228	293,228	293,228	2032

December 31, 2021				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	$ 18,960	$ 10,300	$ 10,300	2025
2016	27,321	27,321	27,321	2026
2017	17,032	17,032	17,032	2027
2018	25,038	25,038	25,038	2028
2019	62,699	62,699	62,699	2029
2021	186,281	186,281	186,281	2031

(c) Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the subsidiary, Amaran Biotechnology Inc., are as follows:

December 31, 2022				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	$ 20,042	$ 20,042	$ 20,042	2023
2014	47,575	47,575	47,575	2024
2015	70,767	70,767	70,767	2025
2016	82,758	82,758	82,758	2026
2017	119,168	119,168	119,168	2027
2018	143,583	143,583	143,583	2028
2019	125,177	125,177	125,177	2029
2020	113,522	113,522	113,522	2030
2021	112,772	112,772	112,772	2031
2022	134,461	134,461	134,461	2032

December 31, 2021				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	$ 20,042	$ 20,042	$ 20,042	2023
2014	47,575	47,575	47,575	2024
2015	70,767	70,767	70,767	2025
2016	82,758	82,758	82,758	2026
2017	119,168	119,168	119,168	2027
2018	143,583	143,583	143,583	2028
2019	125,177	125,177	125,177	2029
2020	113,522	113,522	113,522	2030
2021	117,292	117,292	117,292	2031

(d) Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the subsidiary, Obigen Pharma, Inc., are as follows:

December 31, 2022				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2021	$ 134,058	$ 134,058	$ 134,058	2031
2022	216,342	216,342	216,342	2032

December 31, 2021				
Year incurred	Amount field/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2021	$ 134,667	$ 134,667	$ 134,667	2031

F. The Company's and the subsidiaries' AP Biosciences, Inc., Amaran Biotechnology Inc. and Obigen Pharma, Inc., income tax returns through 2020 have been assessed and approved by the Tax Authority.

G. The subsidiary, OBI Pharma Australia Pty Ltd., was qualified for the Research and Development Tax Incentive provided by the Australian Government, and the subsidiary received prior year income tax refund amounting to $14,906 and $21,193 in 2022 and 2021, respectively.

(24) Loss per share

	Year ended December 31, 2022		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 1,613,916)	222,127	($ 7.27)

	Year ended December 31, 2021		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 1,530,687)	198,941	($ 7.69)

Note: The potential ordinary shares have anti-dilutive effect due to net loss for the years ended December 31, 2022 and 2021, so the calculation of diluted loss per share is the same as the calculation of basic loss per share.

(25) Non-controlling interest

A. The Group's subsidiary, AP Biosciences, Inc., increased its capital by issuing new shares, and

the effective date for the cash capital increase was set on February 22, 2021. However, as the Company did not acquire shares proportionally to its interest, the Company's shareholding ratio decreased by 4.37%. The transaction resulted to an increase in non-controlling interest by $83,991 and equity attributable to owners of the parent by $16,009.

B. The Group's subsidiary, Amaran Biotechnology Inc., increased its capital by issuing new shares, and the effective date for the cash capital increase was set on May 3, 2021. However, as the Company did not acquire shares proportionally to its interest, the Company's shareholding ratio increased by 3.72%. The transaction resulted in an increase in the non-controlling interest by $67,470 and a decrease in the equity attributable to owners of the parent by $53,700.

C. For the year ended December 31, 2021, the Group's subsidiaries, AP Biosciences, Inc., Amaran Biotechnology Inc. and Obigen Pharma, Inc., recognised employee compensation cost for the Company's or each subsidiaries' employee stock options granted to their respective employees as well as the expiration of certain stock options, resulting to an increase in the non-controlling interest by $2,676 and equity attributable to owners of the parent by $2,996.

D. For the year ended December 31, 2021, employees of the subsidiary, Amaran Biotechnology Inc., exercised employee stock options, which decreased the Company's shareholding ratio, decreased the non-controlling interest by $18 and increased the equity attributable to owners of the parent by $543.

E. For the year ended December 31, 2021, the subsidiary, Amaran Biotechnology Inc., disposed shares of the Company which are treated as treasury shares by the Company. Refer to Note 6(14)C. for details. The transaction resulted to an increase in the non-controlling interest by $5,902 and equity attributable to owners of the parent by $11,090.

F. Details of the Company's transactions with Obigen Pharma, Inc. are provided in Note 4(3)B. Obigen Pharma, Inc. increased its capital by issuing 75,853 thousand new shares. There are 47,250 thousand new shares as payment for the above transaction. As such, the Group increased non-controlling interest amounting to $473,370 in the first quarter of 2021. Obigen Pharma, Inc. has collected all the remaining proceeds in the second quarter of 2021. The transaction resulted in an increase in the non-controlling interest by $100,000.

G. For the year ended December 31, 2022, the Group's subsidiaries, AP Biosciences, Inc., Amaran Biotechnology Inc. and Obigen Pharma, Inc., recognised employee compensation cost for the Company's or each subsidiaries' employee stock options granted to their respective employees as well as the expiration of certain stock options. Further, some subsidiaries granted their employee stock options to the Company's employees. These resulted to an increase in the non-controlling interest by $42,636 and equity attributable to owners of the parent by $9,444.

H. Details of the Company's transactions with Odeon are provided in Note 4(3)B. The Group increased non-controlling interest by $3 for the year ended December 31, 2022 as a result of acquisition of Odeon.

I. The Group's subsidiary, AP Biosciences, Inc., increased its capital by issuing new shares, and

the effective date for the cash capital increase was set on October 4, 2022. However, as the Company did not acquire shares proportionally to its interest, the Company's shareholding ratio decreased by 13.5%. The transaction resulted to an increase in non-controlling interest by $534,132 and equity attributable to owners of the parent by $265,868.

J. The Group's subsidiary, Obigen Pharma, Inc., increased its capital by issuing new shares, and the effective date for the cash capital increase was set on February 13, 2023. As of December 31, 2022, Obigen Pharma, Inc. has received partial proceeds, resulting in an increase in the non-controlling by $57,526.

L. The changes in non-controlling interests in the subsidiaries, AP Biosciences, Inc., Amaran Biotechnology Inc. and Obigen Pharma, Inc., and effects on the equity attributable to owners of the parent for the years ended December 31, 2022 and 2021 are shown below:

Effect of not participating in capital increase proportionally to its interest:

	Years ended December 31,	
	2022	2021
Cash	$ 857,526	$ 113,770
Increase in the carrying amount of non-controlling interest	(591,658)	(151,445)
Treasury shares - recognition of changes in ownership interests in subsidiaries	-	2,403
Capital surplus - recognition of changes in ownership interest in subsidiaries	$ 265,868	($ 35,272)

Effect of share-based payment transactions:

	Years ended December 31,	
	2022	2021
Cash	$ -	$ 525
Employee compensation cost	52,080	5,147
Increase in the carrying amount of non-controlling interest	(42,636)	(2,676)
Capital surplus - others	$ 9,444	$ 2,996

Effect of shares of the Company held by the subsidiary treated as treasury shares:

	Years ended December 31,	
	2022	2021
Recognised as treasury share	$ -	$ 16,992
Increase in the carrying amount of non-controlling interest	-	(5,902)
Treasury shares	-	(10,244)
Capital surplus - transactions of treasury shares	$ -	$ 846

(26) Supplemental cash flow information

Investing activities with partial cash payments:

	Years ended December 31,	
	2022	2021
Acquisition of property, plant and equipment	$ 193,582	$ 273,190
Add: Opening balance of payable	66,321	13,022
Less: Ending balance of payable	(6,106)	(66,321)
Cash paid during the year	$ 253,797	$ 219,891

(27) Changes in liabilities from financing activities

	Lease liabilities	Short-term borrowings	Long-term borrowings	Guarantee deposits received	Liabilities from financing activities - gross
At January 1, 2022	$ 258,032	$ -	$ 35,000	$ -	$ 293,032
Changes in cash flow from financing activities	(52,314)	15,705	(7,000)	3	(43,606)
Impact of changes in foreign exchange rate	321	-	-	-	321
Changes in other non-cash items	(2,657)	-	-	-	(2,657)
At December 31, 2022	$ 203,382	$ 15,705	$ 28,000	$ 3	$ 247,090

	Lease liabilities	Short-term borrowings	Long-term borrowings	Liabilities from financing activities - gross
At January 1, 2021	$ 192,485	$ 9,468	$ 44,000	$ 245,953
Changes in cash flow from financing activities	(49,071)	(9,468)	(9,000)	(67,539)
Impact of changes in foreign exchange rate	(143)	-	-	(143)
Changes in other non-cash items	114,761	-	-	114,761
At December 31, 2021	$ 258,032	$ -	$ 35,000	$ 293,032

7. RELATED PARTY TRANSACTIONS

(1) Name of related party and relationship

Name of related party	Relationship with the Group
Tanvex Biologics Corporation (Note)	Other related party
Ruentex Xu-Zhan Development Co., Ltd.	Other related party
Ruentex Construction Co., Ltd.	Other related party

Note: The Company re-elected directors during the shareholders' meeting on June 27, 2022. Therefore, the entity was no longer a related party of the Group since then. However, the Company re-elected the Chairman of the Board on December 30, 2022, and the new Chairman is also the Chairman of of Tanvex Biologics Corporation, which in turn became a related party. Related details were disclosed for the whole year.

(2) Significant related party transactions

A. Research and development expenses - manufacture of clinical materials

	Years ended December 31,	
	2022	2021
Tanvex Biologics Corporation	$ 52,996	$ 2,323

The Group commissioned Tanvex Biologics Corporation to carry out clone selection services and development as well as manufacture of the clinical candidate of the bispecific monoclonal antibody development platform. The total contract price was $7,250 and US$4,959 thousand, respectively, and the expenditures on consumables and other experiments are charged additionally. The aforementioned research and development expenses of $52,996 included consumables and other related expenses.

B. Other payables

	December 31, 2022	December 31, 2021
Ruentex Xu-Zhan Development Co., Ltd.	$ -	$ 70
Tanvex Biologics Corporation	333	-
	$ 333	$ 70

Other payables represent allocation of utilities expense and consulting.

C. Lease transactions (lessee)

(a) The Group leases office buildings from Ruentex Xu-Zhan Development Co., Ltd.. Rental contracts are made for periods from 2015 to 2025. The rentals are determined based on mutual agreements, and are paid monthly. The Group paid rental deposits for the above lease amounting to $5,121.

(b) Lease liability

i. Outstanding balance:

	December 31, 2022	December 31, 2021
Ruentex Xu-Zhan Development Co., Ltd.	$ 43,405	$ 56,279

ii. Interest expense:

	Years ended December 31,	
	2022	2021
Ruentex Xu-Zhan Development Co., Ltd.	$ 811	$ 1,004

D. The subsidiary, Obigen Pharma, Inc., commissioned Ruentex Construction Co., Ltd. to construct plants in Hsinchu Biomedical Science Park in July 2021, and the total contract price was $90,092 (tax included). In addition, there was an additional construction cost of $22,886 (tax included) and $8,423 (tax included) in November 2021 and March 2022, respectively. As of December 31 2022, all costs were all cleared and fully paid.

(3) Key management compensation

	Years ended December 31,	
	2022	2021
Salaries and other short-term employee benefits	$ 103,895	$ 108,842
Share-based payments	63,603	38,186
	$ 167,498	$ 147,028

8. PLEDGED ASSETS

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

Pledged asset	Book value December 31, 2022	Book value December 31, 2021	Purpose
Land	$ 87,514	$ 87,514	Long-term borrowings (Note 1)
Buildings and structures	13,121	13,420	Long-term borrowings (Note 1)
Buildings and structures	249,920	-	Short-term borrowings (Note 2)
Other non-current assets (refundable deposits and time deposits)	31,997	53,324	Duty paid after customer release, deposits for clinical trial agreement, rental deposit and letters of credit, etc.
	$ 382,552	$ 154,258	

Note 1: The Company has entered into a mortgage contract with E. SUN Bank in 2016. The contract requires a property as collateral and the credit line is $100 million. Refer to Note 6(9) for details.

Note 2: The subsidiary, Amaran Biotechnology Inc., entered into a loan agreement with Mega International Commercial Bank for a total credit facility of $100 million, and pledged properties as collateral with line of credit guarantee to Mega International Commercial Bank. 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) The Company purchased patent named "OBI-822" (formerly named "OPT-822"), therapeutically metastatic breast cancer vaccines on December 29, 2003. The amount of payment was determined based on whether the milestones in the agreement are achieved or not. As of December 31, 2022, the remaining unpaid amount was US$9 million.

(2) Pursuant to the government grants for OBI-822, 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 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.

(3) 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 $45,598 had been paid as of December 31, 2022.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

(1) Refer to Note 6(16) for details on the proposal for 2022 deficit compensation.

(2) On March 9, 2023, the Board of Directors of Obigen Pharma, Inc. resolved to lease offices and laboratories in Taipei Bioinnovation Park from Century Development Corporation. The lease term is 7 years and 9 months, and the amount of right-of-use assets estimated by monthly rent was about $60,081.

(3) On October 28, 2022, the Board of Directors of Obigen Pharma, Inc. resolved to issue 30,000 thousand new shares, and the effective date for cash capital increase was set on February 13, 2023. The total proceeds from shares issued of $960,000 have been collected.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern through maintaining an optimal capital structure to reduce the cost of capital, and to provide returns for shareholders after the Company turns around from loss to profit. In order to maintain or adjust the capital structure, the Group may increase capital by cash and sell assets to pay off or improve operating capital, adjust the amount of dividends paid to shareholders or capital reduction, etc. The Group monitors capital on the basis of the Debt/Equity ratio. The ratio is calculated by the "Net debt" divided by the "Total equity". The "Net debt" is the "Total liability" less cash and cash equivalents, and the "Total equity" is the same as the consolidated balance sheet.

During 2022, the Group's strategy, which was unchanged from 2021, was to maintain the gearing ratio within reasonable security range. The ratios are as follows:

	December 31, 2022	December 31, 2021
Total liability	$ 497,568	$ 615,948
Less: Cash and cash equivalents	(4,741,109)	(2,512,186)
Net debt	($ 4,243,541)	($ 1,896,238)
Total equity	$ 6,136,133	$ 3,870,803

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss	$ 752	$ 1,767
Financial assets at fair value through other comprehensive income	$ 8,725	$ 9,106
Financial assets at amortised cost		
Cash and cash equivalents	$ 4,741,109	$ 2,512,186
Financial assets at amortised cost	30,710	140,000
Accounts receivable	2,037	3,465
Other receivables	26,236	19,804
Other financial assets (guarantee deposits paid)	31,997	53,324
	$ 4,832,089	$ 2,728,779
Financial liabilities		
Financial liabilities at fair value through profit or loss	$ 46,065	$ -
Financial liabilities at amortised cost		
Short-term borrowings	$ 15,705	$ -
Accounts payable	1,144	525
Other payables (including related parties)	147,311	264,860
Long-term borrowings (including current portion)	28,000	35,000
Other non-current liabilities (guarantee deposits received)	3	-
	$ 192,163	$ 300,385
Lease liabilities	$ 203,382	$ 258,032

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD, RMB and AUD. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.

iii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

iv. The Group's businesses involve some non-functional currency operations (the Company's functional currency: NTD; the subsidiaries' functional currencies: USD and RMB). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2022					
				Sensitivity Analysis		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 56,002	30.710	$ 1,719,821	1%	$ 17,198	$ -
RMB:USD	2,001	0.144	8,820	1%	88	-
USD:RMB	176	6.967	5,405	1%	54	-
Financial assets						
Non-monetary items						
USD:NTD	14,428	30.710	443,070	-	-	-
RMB:USD	2,243	0.144	9,889	-	-	-
AUD:NTD	2,323	20.830	48,395	-	-	-
Financial liabilities						
Monetary items						
USD:NTD	2,884	30.710	88,568	1%	886	-

	December 31, 2021					
				Sensitivity Analysis		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets						
Monetary items						
USD:NTD	$ 40,887	27.680	$ 1,131,752	1%	$ 11,318	$ -
USD:RMB	314	6.372	8,692	1%	87	-
Financial assets						
Non-monetary items						
USD:NTD	2,422	27.680	67,046	-	-	-
RMB:USD	2,630	0.157	11,426	-	-	-
AUD:NTD	2,249	20.080	45,162	-	-	-
Financial liabilities						
Monetary items						
USD:NTD	4,317	27.680	119,495	1%	1,195	-

v. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021 amounted to $156,679 and ($42,062), respectively.

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares and open-end funds issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $4 and $14, respectively 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, 2022 and 2021 would have increased/decreased by $87 and $91, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. The Group's borrowings were calculated by floating rate and stated at New Taiwan Dollars for the years ended December 31, 2022 and 2021.

ii. At December 31, 2022 and 2021, if interest rates had been 1% higher or lower with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have been $227 and $313 lower or higher, respectively, mainly as a result of changes in interest expense on floating rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages its credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with stable credit rating are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. Under IFRS 9, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

v. The Group classifies customer's accounts receivable, contract assets and rent receivable in accordance with customer types. The Group applies the simplified approach using loss rate methodology to estimate expected credit loss under the provision matrix basis.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. When estimating the allowance for uncollectible accounts for receivables, the Group incorporates forward-looking information in the adjustment of the loss rate, which is calculated based on historical data from specific periods and current information. As of December 31, 2022 and 2021, the expected loss rate of the Group's accounts receivable that are not past due is immaterial.

viii. For investments in debt instruments at amortised cost, the credit rating levels are presented below:

	December 31, 2022			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost				
Domestic bank	$ 30,710	$ -	$ -	$ 30,710

	December 31, 2021			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortised cost				
Domestic bank	$ 140,000	$ -	$ -	$ 140,000

The debt instruments at amortised cost held by the Group are investment in certificates of deposit and the credit risk is well-managed without issues noted.

(c) Liquidity risk

i. Cash flow forecasting is performed by Group treasury to monitor rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational and R&D needs. Such forecasting is in compliance with internal R&D project schedule targets.

ii. Group treasury invests surplus cash in interest bearing current deposits, time deposits, and foreign currency deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

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

	December 31, 2022				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities:					
Short-term borrowings	$ 15,787	$ -	$ -	$ -	$ -
Accounts payable	1,144	-	-	-	-
Other payables (including related parties)	147,311	-	-	-	69,098
Financial liabilities at fair value through profit or loss	-	-	-	-	-
Long-term borrowings (including current portion)	7,455	7,324	7,192	7,060	-
Lease liabilities (including current portion)	43,256	27,410	23,375	22,533	114,282

	December 31, 2021				
	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 5 years	Over 5 years
Non-derivative financial liabilities:					
Accounts payable	$ 525	$ -	$ -	$ -	$ -
Other payables (including related parties)	264,860	-	-	-	-
Long-term borrowings (including current portion)	7,415	7,322	7,229	14,178	-
Lease liabilities (including current portion)	55,542	43,112	27,321	34,461	123,210

iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

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

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

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in financial assets at fair value through other comprehensive income and financial liabilities at fair value through profit or loss is included in Level 3.

B. The carrying amount of financial instruments not measured at fair value including cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, other financial assets (guarantee deposits paid), accounts payable, other payables (including those to related parties), financial liabilities at fair value through profit or loss and other non-current liabilities (guarantee deposits received) is a reasonable approximation to their fair value; the interest rate on long-term and short-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, 2022			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Foreign listed stocks	$ 752	$ -	$ -	$ 752
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	8,725	8,725
	$ 752	$ -	$ 8,725	$ 9,477
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Hybrid instrument	$ -	$ -	$ 46,065	$ 46,065

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Foreign listed stocks	$ 1,767	$ -	$ -	$ 1,767
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	9,106	9,106
	$ 1,767	$ -	$ 9,106	$ 10,873

D. The methods and assumptions the Group used to measure fair value are as follows:

The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed stocks	Open-end fund
Market quoted price	Closing price	Net asset value

E. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price.

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

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 8,725	Market comparable companies	Price to book ratio multiple	1.13~4.32 (1.68)	The higher the mulitple, the higher the fair value
			Discount for lack of marketability	14.50%~ 73.24% (33%)	The higher the discount for lack of marketability, the lower the fair value
Hybrid instrument:					
Convertible preferred shares	$ 46,065	Most recent non-active market price	Not applicable	-	Not applicable

	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

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

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Price to book ratio multiple	±10%	$ -	$ -	$ 873	($ 873)
	Discount for lack of marketability	±10%	$ -	$ -	$ 428	($ 428)

			December 31, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	Price to book ratio multiple	±10%	$ -	$ -	$ 910	($ 910)
	Discount for lack of marketability	±10%	$ -	$ -	$ 374	($ 374)

H. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	Year ended December 31, 2022		
	Equity securities	Hybrid instrument	Total
Opening net book amount	$ 9,106	$ -	$ 9,106
Loss recognised in other comprehensive income	(381)	-	(381)
Acquired during the year	-	46,065	46,065
Closing net book amount	$ 8,725	$ 46,065	$ 54,790

	Year ended December 31, 2021		
	Equity securities	Hybrid instrument	Total
Opening net book amount	$ 8,037	$ -	$ 8,037
Profit recognised in other comprehensive income	1,069	-	1,069
Closing net book amount	$ 9,106	$ -	$ 9,106

I. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level

1 and Level 3.

(4) Impact of COVID-19

Based on the Group's assessment, the COVID-19 pandemic has no significant impact on the Group.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): 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: 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: Refer to table 4.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 6.

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

(4) Major shareholders information

Refer to table 7.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has four reportable segments, which are anti-cancer new drug segment, bispecific

monoclonal antibody new drug segment, botulinum toxin new drug segment and CDMO segment. The segments are identified in the functional perspective such as the territory of the research and development of new drugs and CDMO (Contract Development and Manufacturing Organization).

(2) Measurement of segment information

All operating segments of the Group apply the same accounting policies.

(3) Segment information

The segment income or loss after tax reported to the chief operating decision-maker is measured in a manner consistent with revenues and expenses in the statement of comprehensive income. For the years ended December 31, 2022 and 2021, the segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Anti-cancer new drug	Bispecific monoclonal antibody new drug	Botulinum toxin new drug	CDMO	Reconciliation and elimination	Total
Year ended December 31, 2022						
Revenue from external customers	$ 2,002	$ -	$ -	$ 2,709	$ -	$ 4,711
Inter-segment revenue	-	-	-	59,789	(59,789)	-
Total segment revenue	$ 2,002	$ -	$ -	$ 62,498	($ 59,789)	$ 4,711
Segment loss	($ 1,208,988)	($ 288,535)	($ 218,206)	($ 156,508)	($ 27,087)	($ 1,899,324)
Segment loss, including:						
Depreciation	$ 63,592	$ 6,911	$ 59,581	$ 61,975	($ 7,234)	$ 184,825
Amortisation	16,217	1,765	41,235	1,635	933	61,785
Finance costs	1,872	-	960	1,259	(101)	3,990
Interest income	45,853	2,584	731	763	-	49,931

	Anti-cancer new drug	Bispecific monoclonal antibody new drug	Botulinum toxin new drug	CDMO	Reconciliation and elimination	Total
Year ended December 31, 2021						
Revenue from external customers	$ 1,756	$ 6,993	$ -	$ 10,023	$ -	$ 18,772
Inter-segment revenue	-	-	-	24,790	(24,790)	-
Total segment revenue	$ 1,756	$ 6,993	$ -	$ 34,813	($ 24,790)	$ 18,772
Segment loss	($ 1,229,605)	($ 187,606)	($ 134,715)	($ 127,385)	($ 38,579)	($ 1,717,890)
Segment loss, including:						
Depreciation	$ 74,814	$ 7,873	$ 33,101	$ 49,901	($ 8,869)	$ 156,820
Amortisation	15,495	985	35,041	806	7,128	59,455
Finance costs	2,287	-	500	1,033	(22)	3,798
Interest income	4,644	212	842	760	-	6,458

(4) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Years ended December 31,			
	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 3,432	$ 1,556,642	$ 4,131	$ 1,559,728
Others	1,279	2,256	14,641	10,456
	$ 4,711	$ 1,558,898	$ 18,772	$ 1,570,184

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets and other non-current assets (excluding guarantee deposits paid), and are classified based on their geographic location.

(5) Important customer information

In 2022 and 2021, the Group's revenues to a single customer accounting for more than 10% of consolidated operating income is as follows:

	2022		2021	
	Revenue	Division	Revenue	Division
Company B	$ 2,002	Anti-cancer new drug	$ 1,756	Anti-cancer new drug
Company C	1,279	CDMO	7,648	CDMO
Company E	1,047	CDMO	2,314	CDMO
Company D	-	Bispecific monoclonal antibody new drug	6,993	Bispecific monoclonal antibody new drug

OBI PHARMA, INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

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.

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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, 2022 and 2021, 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, 2022 and 2021, 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 Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the 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 2022 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.

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Key audit matters for the Company's 2022 parent company only financial statements are stated as follows:

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

Description

Refer to Note 4(14) for accounting policies on impairment assessment of non-financial assets, Note 5 for critical judgements adopted in the impairment assessment of intangible assets, and Note 6(6) 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, 2022, the balance of the Company's intangible assets amounted to NT$81,952 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$158,277 thousand (shown as investments accounted for under equity method). Since the drug is still under development, no stable cash inflow can be generated. The Company assesses whether there is any indication of impairment of the patents and patented technologies 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. Additionally, the Company obtained the goodwill valuation report 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 as one of the key audit matters.

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.

2. Performed the following procedures based on the obtained valuation report on goodwill by external experts appointed by the Company:

(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 investments in AP Biosciences, Inc.

Key audit matters - Impairment assessment of investments accounted for using the equity method

Description

Refer to Note 4(10) for accounting policies on investments accounted for using the equity method, Note 5 for critical judgement adopted in the impairment assessment of investments accounted for using the equity method, and Note 6(3) for details of investments accounted for using the equity method.

The Company's investee, Amaran Biotechnoloy Inc. (Amaran), had significant amounts of property, plant and equipment and right-of-use assets. As of the balance sheet date, Amaran assesses whether there is any indication of impairment based on the external and internal information. If there is an indication that these assets may be impaired, these assets are tested for impairment based on their fair values or recoverable amounts. As the amount of investments accounted for using the equity method is significant, the assessment of fair value and recoverable amount involves management's subjective judgement, and the key assumptions used in the impairment assessment have a significant impact on the impairment assessment result, we considered the impairment assessment of investments accounted for using the equity method as one of the key audit matters.

How our audit addressed the matter

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

1. Reviewed and assessed the reasonableness of the data used in the assessment of impairment indication of property, plant and equipment and right-of-use assets.
2. Obtained an understanding of the reasonableness of future cash flow forecast developed by management.
3. Discussed financial operation forecast with management, and compared the forecast with historical results for reasonableness.
4. Reviewed the reasonableness of other significant assumptions used by management in determining future cash flows.

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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error

and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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

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and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

David Teng Eileen Liang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 13, 2023

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 report of independent accountants 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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 3,008,359	58	$ 1,345,684	45
1170	Accounts receivable, net		2,037	-	1,741	-
1200	Other receivables		22,555	-	18,429	1
1210	Other receivables due from related parties		-	-	170	-
1410	Prepayments	7	120,797	2	96,361	3
11XX	**Total current assets**		3,153,748	60	1,462,385	49
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)	8,725	-	9,106	-
1550	Investments accounted for under equity method	6(3) and 7	1,770,409	34	1,214,914	40
1600	Property, plant and equipment	6(4), 7 and 8	141,594	3	145,668	5
1755	Right-of-use assets	6(5)	50,823	1	87,065	3
1780	Intangible assets	6(6)	81,952	2	55,806	2
1900	Other non-current assets	7 and 8	19,619	-	31,813	1
15XX	**Total non-current assets**		2,073,122	40	1,544,372	51
1XXX	**Total assets**		$ 5,226,870	100	$ 3,006,757	100

(Continued)

OBI PHARMA, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(14) and 7	$ 368,520	7	$ -	-
2200	Other payables	6(8)	95,684	2	147,614	5
2220	Other payables to related parties	7	36,109	1	13,232	1
2280	Current lease liabilities	7	29,779	-	35,843	1
2320	Long-term liabilities, current portion	6(7)	7,000	-	7,000	-
2399	Other current liabilities	7	8,762	-	1,571	-
21XX	**Total current liabilities**		545,854	10	205,260	7
	Non-current liabilities					
2540	Long-term borrowings	6(7)	21,000	-	28,000	1
2580	Non-current lease liabilities	7	27,842	1	57,621	2
25XX	**Total non-current liabilities**		48,842	1	85,621	3
2XXX	**Total liabilities**		594,696	11	290,881	10
	Equity					
	Share capital	6(11)				
3110	Common stock		2,294,394	44	1,992,794	66
	Capital Surplus	6(10)(12)				
3200	Capital surplus		6,932,631	133	3,702,222	123
	Accumulated deficit	6(13)				
3350	Accumulated deficit		(4,522,538)	(87)	(2,908,622)	(97)
3400	Other equity interest	6(2)	(26,323)	-	(24,528)	(1)
3500	Treasury stocks	6(11)	(45,990)	(1)	(45,990)	(1)
3XXX	**Total equity**		4,632,174	89	2,715,876	90
	Significant Contingent Liabilities and Unrecognised Contract Commitments	6(6) and 9				
	Significant Events after the Balance Sheet Date	11				
3X2X	**Total liabilities and equity**		$ 5,226,870	100	$ 3,006,757	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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for loss per share amounts)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(14)	$ 2,002	-	$ 826,462	54
5000	Operating costs		-	-	-	-
5900	Gross profit		2,002	-	826,462	54
5910	Unrealised loss from sales	6(3)	-	-	(824,706)	(54)
5920	Realised profit from sales	6(3)	41,235	3	35,040	3
5950	Net operating margin		43,237	3	36,796	3
	Operating expenses	6(4)(5)(6)(9)(10)(18)(19) and 7				
6200	Administrative expenses		(138,247)	(9)	(123,068)	(8)
6300	Research and development expenses		(1,279,576)	(79)	(1,082,106)	(71)
6000	Total operating expenses		(1,417,823)	(88)	(1,205,174)	(79)
6900	Operating loss		(1,374,586)	(85)	(1,168,378)	(76)
	Non-operating income and expenses					
7100	Interest income	6(15)	45,752	3	4,625	-
7010	Other income	7	7,178	-	18,552	1
7020	Other gains and losses	6(16) and 7	156,943	10	(12,233)	(1)
7050	Finance costs	6(17) and 7	(1,627)	-	(1,783)	-
7070	Share of loss of associates and joint ventures accounted for under equity method, net	6(3)	(447,576)	(28)	(371,470)	(24)
7000	Total non-operating income and expenses		(239,330)	(15)	(362,309)	(24)
7900	**Loss before tax**		(1,613,916)	(100)	(1,530,687)	(100)
7950	Income tax expense	6(20)	-	-	-	-
8200	**Loss for the year**		($ 1,613,916)	(100)	($ 1,530,687)	(100)
	Other comprehensive income (loss) 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)	($ 381)	-	$ 1,069	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		8,368	-	(8,809)	(1)
8300	**Other comprehensive income (loss) for the year, net**		$ 7,987	-	($ 7,740)	(1)
8500	**Total comprehensive loss for the year**		($ 1,605,929)	(100)	($ 1,538,427)	(101)
	Loss per share (in dollars)	6(21)				
9750	Basic and diluted loss per share		($ 7.27)		($ 7.69)	

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, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

			Capital Reserves					Other Equity Interest				
	Notes	Share capital - common stock	Additional paid-in capital	Employee stock warrants	Restricted stock	Others	Accumulated deficit	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity, others	Treasury shares	Total equity
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(10)(12)(19)	-	-	33,993	-	16,077	-	-	-	-	-	50,070
Share-based payment transactions of subsidiaries	6(12)	-	-	-	-	543	-	-	-	-	-	543
Forfeiture of share options	6(10)(12)	-	-	(137,527)	-	137,527	-	-	-	-	-	-
Forfeiture of share options issued by a subsidiary	6(12)	-	-	-	-	1,253	-	-	-	-	-	1,253
Changes in ownership interests in subsidiaries (Note)	6(3)(12)	-	-	-	-	(35,272)	-	-	-	-	(2,403)	(37,675)
Disposal Company's share by subsidiaries recognised as treasury share transactions	6(12)	-	-	-	-	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
Year ended December 31, 2022												
Balance at January 1, 2022		$ 1,992,794	$ 2,206,273	$ 1,092,894	$ -	$ 403,055	($ 2,908,622)	($ 6,453)	($ 18,075)	$ -	($ 45,990)	$ 2,715,876
Net loss for the year		-	-	-	-	-	(1,613,916)	-	-	-	-	(1,613,916)
Other comprehensive income (loss) for the year		-	-	-	-	-	-	8,368	(381)	-	-	7,987
Total comprehensive income (loss) for the year		-	-	-	-	-	(1,613,916)	8,368	(381)	-	-	(1,605,929)
Issuance of shares	6(11)	300,000	2,850,000	-	-	-	-	-	-	-	-	3,150,000
Share-based payment transactions	6(10)(12)(19)	-	9,441	73,724	-	19,563	-	-	-	-	-	102,728
Issuance of employee restricted stocks	6(11)(12)	1,600	-	-	8,960	-	-	-	-	(10,560)	-	-
Compensation cost of employee restricted stocks	6(10)(19)	-	-	-	-	-	-	-	-	778	-	778
Forfeiture of share options	6(10)(12)	-	-	(86,378)	-	89,231	-	-	-	-	-	2,853
Changes in ownership interests in subsidiaries (Note)	6(3)(12)	-	-	-	-	265,868	-	-	-	-	-	265,868
Balance at December 31, 2022		$ 2,294,394	$ 5,065,714	$ 1,080,240	$ 8,960	$ 777,717	($ 4,522,538)	$ 1,915	($ 18,456)	($ 9,782)	($ 45,990)	$ 4,632,174

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, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 1,613,916)	($ 1,530,687)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(4)(5)(18)	55,130	66,430
Amortisation	6(6)(18)	16,217	15,495
Interest expense	6(17)	1,627	1,783
Interest income	6(15)	(45,752)	(4,625)
Dividend income		-	(80)
Gains on disposals of property, plant and equipment	6(16)	(7,281)	(8,870)
Compensation cost for share-based payment	6(10)(18)	82,550	34,027
Share of loss of subsidiaries, associates and joint ventures accounted for under equity method	6(3)	447,576	371,470
Unrealised (gain) loss on intercompany transactions	6(3)	(41,235)	789,666
Acquisition of subsidiaries equity interest in non-cash payment	6(22)	-	(870,154)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		-	382,159
Accounts receivable, net		(296)	(290)
Other receivables		11,427	(4,504)
Other receivables due from related parties		170	1,625
Prepayments		(24,436)	34,759
Changes in operating liabilities			
Other payables		(51,766)	3,151
Other payables-related parties		22,877	(30,925)
Other current liabilities		7,191	174
Cash outflow generated from operations		(1,139,917)	(749,396)
Interest received		30,198	5,579
Dividends received		-	80
Interest paid		(1,627)	(1,783)
Net cash flows used in operating activities		(1,111,346)	(745,520)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of investments accounted for under equity method	6(3)(22)	(288,037)	(300,301)
Acquisition of property, plant and equipment	6(22)	(14,978)	(17,774)
Proceeds from disposal of property, plant and equipment		48	370
Acquisition of intangible assets	6(6)	(42,328)	(2,291)
Decrease in prepayments for business facilities		-	1,391
Decrease in refundable deposits		12,159	627
Net cash flows used in investing activities		(333,136)	(317,978)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long-term debt	6(7)(23)	(7,000)	(9,000)
Repayment of lease principal	6(5)(23)	(35,843)	(36,774)
Proceeds from cash capital increase	6(11)	3,150,000	-
Net cash flows from (used in) financing activities		3,107,157	(45,774)
Net increase (decrease) in cash and cash equivalents		1,662,675	(1,109,272)
Cash and cash equivalents at beginning of year		1,345,684	2,454,956
Cash and cash equivalents at end of year		$ 3,008,359	$ 1,345,684

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, 2022 AND 2021

(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 13, 2023.

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") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 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.

(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 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024

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

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 that came into effect 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) 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.

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

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

(8) 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.

(9) Derecognition of financial assets

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

(10) 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.

(11) 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

(12) 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.

(13) 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 years.

(14) 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.

(15) 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.

(16) 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.

(17) 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.

(18) Employee share-based payment

A. 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 recognized 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-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.

B. Restricted stocks:

(a) Restricted stocks issued to employees 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.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Company recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividend declararion.

(c) For restricted stocks where employees do not need to pay to acquire those stocks, the Company repurchases and retires the stock at no cost when the employees resign during the vesting period.

(19) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.

C. Deferred income tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

D. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred income tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

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

(20) 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.

(21) 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.

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 investments accounted for using equity method

A. The Company assesses impairment of tangible assets based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets based on how assets are utilised and industrial characteristics.

B. 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, 2022	December 31, 2021
Cash on hand	$ 100	$ 100
Checking accounts and demand deposits	104,832	349,104
Time deposits	2,903,427	996,480
	$ 3,008,359	$ 1,345,684

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 other comprehensive income

Items	December 31, 2022	December 31, 2021
Non-current item:		
Unlisted stocks	$ 27,181	$ 27,181
Valuation adjustment	(18,456)	(18,075)
	$ 8,725	$ 9,106

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 $8,725 and $9,106 as at December 31, 2022 and 2021, 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,	
	2022	2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 381)	$ 1,069

C. As at December 31, 2022 and 2021, 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 $8,725 and $9,106, respectively.

(3) Investments accounted for using equity method

	Years ended December 31,	
	2022	2021
At January 1	$ 1,214,914	$ 1,156,711
Addition of investments accounted for under equity method	656,557	1,245,301
Realised (unrealised) gain on intercompany transactions	48,469	(798,072)
Shares of the parent company held and disposed by subsidiaries treated as treasury shares	-	8,687
Share of profit or loss of investments accounted for under equity method	(447,576)	(371,470)
Changes in ownership interests in subsidiaries	265,868	(35,272)
Changes in capital surplus	23,809	17,838
Changes in other equity items	8,368	(8,809)
At December 31	$ 1,770,409	$ 1,214,914

	December 31, 2022	December 31, 2021
AP Biosciences, Inc.	$ 586,000	$ 484,977
Amaran Biotechnology Inc. (Note)	464,059	554,291
Odeon Therapeutics (Cayman) Limited	368,520	-
Obigen Pharma, Inc.	228,885	63,438
OBI Pharma USA, Inc.	67,575	54,716
OBI Pharma Australia Pty Ltd.	48,395	45,162
OBI Pharma Limited	6,975	12,330
	$ 1,770,409	$ 1,214,914

Note: Includes 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 2022 consolidated financial statements.

B. 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.

C. Subsequent to the approval by the Board of Directors of the Company and the Investment Commission of MOEA on September 28, 2020 and November 11, 2021, respectively, the Company and Odeon Therapeutics (Hong Kong) Limited (hereafter referred to as "Odeon Hong

Kong") entered into an exclusive licensing 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. According to the agreement, Odeon Hong Kong will possess the rights to conduct clinical trials, register the licenses, and sell and provide services of OBI-833 and OBI-999 in China. The agreement also includes the right of prior purchase of intellectual property of OBI-888 (Globo H monoclonal antibody), exercisable within 2 years starting from the date the agreement was signed.

The licensing 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 preferred shares from Odeon Therapeutics (Cayman) Limited (hereafter referred to as "Odeon", the parent company who owned a 100% equity interest in Odeon Hong Kong) in settlement of the payment upon signing. On March 21, 2022, Odeon issued 6,750 thousand preferred shares, of which 6,000 thousand shares were acquired by the Company, equivalent to 77.42% voting right. As such, the Company has control over Odeon hereafter.

D. Realised and unrealised net sales through downstream transactions and unrealised gain on disposal of property, plant and equipment amounting to $41,235 and $789,666, $7,234 and $8,406 for the years ended December 31, 2022 and 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".

(4) Property, plant and equipment

	Land	Buildings and structures	Lab equipment	Office equipment	Leasehold improvements	Total
At January 1, 2022						
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
2022						
At January 1	$ 87,514	$ 13,420	$ 33,099	$ 5,194	$ 6,441	$ 145,668
Additions	-	-	14,814	-	-	14,814
Depreciation	-	(299)	(14,116)	(1,796)	(2,677)	(18,888)
At December 31	$ 87,514	$ 13,121	$ 33,797	$ 3,398	$ 3,764	$ 141,594
At December 31, 2022						
Cost	$ 87,514	$ 26,818	$ 271,542	$ 26,470	$ 45,520	$ 457,864
Accumulated depreciation	-	(13,697)	(237,745)	(23,072)	(41,756)	(316,270)
	$ 87,514	$ 13,121	$ 33,797	$ 3,398	$ 3,764	$ 141,594

	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

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(22) for details.

Note 4: The Company's lab equipment and leasehold improvements have been fully depreciated or sold and then derecognised. Therefore, for the years ended December 31, 2022 and 2021, cost and accumulated depreciation of property, plant and equipment both decreased by $4,839 and $49,565, respectively.

(5) Leasing arrangements - lessee

A. The Company leases various assets including office space. 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, 2022	December 31, 2021
	Carrying amount	Carrying amount
Buildings	$ 50,823	$ 87,065

	Years ended December 31,	
	2022	2021
	Depreciation charge	Depreciation charge
Buildings	$ 36,242	$ 37,916

D. For the years ended December 31, 2022 and 2021, the additions to 'right-of-use assets' were $0 and $44,851, respectively.

E. Information on profit or loss in relation to lease contracts is as follows:

	Years ended December 31,	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,156	$ 1,263
Expense on short-term lease contracts	3,661	802
Expense on leases of low-value assets	370	370

F. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases arising from right-of-use assets were $41,030 (of which $35,843 represents principal of lease liabilities) and $39,209 (of which $36,774 represents principal of lease liabilities), respectively.

(6) Intangible assets

	Patent					
	OBI-858 Product development project of botulinum	OBI-833 Next-generation cancer vaccine	OBI-3424 AKR1C3 enzyme prodrug	Trop2 monoclonal antibody	Software	Total
At January 1, 2022						
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
2022						
At January 1	$ 714	$ 162	$ 51,393	$ -	$ 3,537	$ 55,806
Additions	-	-	-	41,648	680	42,328
Reclassifications	-	-	-	-	35	35
Amortisation	(714)	(150)	(9,070)	(4,165)	(2,118)	(16,217)
At December 31	$ -	$ 12	$ 42,323	$ 37,483	$ 2,134	$ 81,952
At December 31, 2022						
Cost	$ 42,858	$ 1,500	$ 90,693	$ 41,648	$ 8,130	$ 184,829
Accumulated amortisation	(42,858)	(1,488)	(48,370)	(4,165)	(5,996)	(102,877)
	$ -	$ 12	$ 42,323	$ 37,483	$ 2,134	$ 81,952

	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

A. Details of amortisation on intangible assets are as follows:

	Years ended December 31,	
	2022	2021
Administrative expenses	$ 516	$ 805
Research and development expenses	15,701	14,690
	$ 16,217	$ 15,495

B. 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.

C. 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.

D. 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 includes global exclusive right, except for 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.

E. The Company has no intangible assets pledged to others.

(7) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2022	December 31, 2021
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	$ 28,000	$ 35,000
Less: Current portion				(7,000)	(7,000)
				$ 21,000	$ 28,000

Note 1: The Company negotiated a borrowing contract with the bank whereby the principal will be payable quarterly starting from January 2017.

Note 2: 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, 2022 and 2021, the interest rate was 1.88% and 1.33%, respectively.

(8) Other payables

	December 31, 2022	December 31, 2021
Accrued clinical trials cost	$ 37,552	$ 109,457
Accured royalties	27,640	-
Accrued clinical material expense	13,844	16,822
Wages and salaries payable	4,529	4,674
Outsourced research expense payable	3,056	4,511
Accrued consulting and service fee	1,804	1,936
Payable on equipment	-	164
Others	7,259	10,050
	$ 95,684	$ 147,614

(9) 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, 2022 and 2021 were $8,259 and $7,873, respectively.

(10) 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 1)	2013.11.27	1,821,000	1	After two years of service, employees can exercise options monthly at a certain percentage based on the schedule	0.91
〃	2014.02.21	1,744,000	1	〃	1.14
〃	2014.03.26	575,000	1	〃	1.23
〃	2015.05.06	2,861,000	1	〃	2.35
〃	2015.08.04	75,000	1	〃	2.59
〃	2015.11.06	353,000	1	〃	2.85
〃	2015.12.15	13,000	1	〃	2.96
〃	2016.03.25	1,377,000	1	〃	3.23

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 1)	2017.03.09	3,145,000	1	After two years of service, employees can exercise options monthly at a certain percentage based on the schedule	4.19
〃	2017.05.12	20,000	1	〃	4.36
〃	2017.08.11	20,000	1	〃	4.61
〃	2017.11.10	130,000	1	〃	4.86
〃	2018.01.19	1,685,000	1	〃	5.05
〃	2019.09.06	1,125,000	1	〃	6.68
〃	2019.11.08	385,000	1	〃	6.85
〃	2020.08.05	510,000	1	〃	7.59
〃	2021.11.05	3,859,000	1	〃	8.85
〃	2022.03.18	320,000	1	〃	9.21
〃	2022.05.06	143,000	1	〃	9.35
〃	2022.08.08	539,000	1	〃	9.60
Cash capital increase reserved for employee preemption (Note 1)	2022.03.01	2,433,100	1	Vested immediately	-
Restricted stocks to employees (Note 2)	2022.10.25	160,000	1	After 2 years of service and achieving certain performance level, restricted stocks can be vested at a certain percentage (Note 3)	-

Note 1: The above share-based payment arrangements are equity-settled.

Note 2: The restricted shares issued by the Company cannot be sold, pledged, transferred, donated, collateralized, or disposed in any other method during the vesting period. However, the rights to distribution of dividends, bonuses and capital surplus, and subscription rights to cash capital increase are not restricted.

Note 3: The employee restricted shares granted to an executive can only be vested if (1) the executive remains employed by the Company on the last date of each vesting period; (2) during the vesting period, the executive may not breach any agreement with the Company or violate the Company's work rules; and (3) executive performance metrics set up by the Company are met (that is, a performance rating of at least "Exceed" or above for the year immediately preceding the expiration of each vesting period.).

The vesting conditions of granted employee restricted shares are as follows:

a. 50% of restricted shares are vested to employees who remain employed by the Company two years from the grant date;

b. 25% of restricted shares are vested to employees who remain employed by the Company three years from the grant date;

c. 25% of restricted shares are vested to employees who remain employed by the Company four years from the grant date.

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

(a) Employee stock option plan

	Years ended December 31,			
	2022		2021	
	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	12,725,314	$ 206.34	9,954,335	$ 251.81
Options granted	1,102,000	93.13	3,859,000	108.00
Options exercised	-	-	-	-
Options forfeited or expired	(1,265,107)	181.03	(1,088,021)	272.04
Options outstanding at end of the year	12,562,207	185.16	12,725,314	206.34
Options exercisable at end of the year	7,927,119		7,801,399	
Options authorised but not granted at end of the year	-		1,141,000	

(b) Restricted stocks to employees

	Years ended December 31,	
	2022	2021
	No. of shares	No. of shares
Stocks outstanding at January 1	-	-
Stocks granted	160,000	-
Stocks outstanding at December 31	160,000	-

C. No stock options were exercised for the years ended December 31, 2022 and 2021.

D. As of December 31, 2022 and 2021, the range of exercise prices of the Company's stock options outstanding were $79~$575.3 (in dollars) and $108~$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	2013.11.27	255.6	215.8	49.72%	6.375 years	0%	1.44%	128.42
〃	2014.02.21	231.4	191.1	47.62%	6.375 years	0%	1.34%	114.80
〃	2014.03.26	215.0	201.0	46.54%	6.375 years	0%	1.38%	97.07
〃	2015.05.06	334.0	280.7	44.46%	6.375 years	0%	1.33%	150.18
〃	2015.08.04	283.0	242.5	43.90%	6.375 years	0%	1.21%	125.27
〃	2015.11.06	422.0	346.7	44.11%	6.375 years	0%	1.01%	186.00
〃	2015.12.15	727.0	575.3	45.44%	6.375 years	0%	0.99%	328.28
〃	2016.03.25	420.0	345.2	47.70%	6.375 years	0%	0.72%	195.43
〃	2017.03.09	326.0	313.9	50.01%	6.375 years	0%	1.11%	159.90
〃	2017.05.12	261.0	251.3	49.51%	6.375 years	0%	0.96%	126.34
〃	2017.08.11	191.0	183.9	48.61%	6.375 years	0%	0.82%	90.60
〃	2017.11.10	169.0	162.7	48.44%	6.375 years	0%	0.81%	79.91
〃	2018.01.19	170.5	164.2	48.61%	6.375 years	0%	0.88%	81.04
〃	2019.09.06	144.0	140.5	45.65%	6.375 years	0%	0.62%	64.29
〃	2019.11.08	131.0	127.8	45.03%	6.375 years	0%	0.65%	57.88
〃	2020.08.05	120.0	117.1	45.37%	6.375 years	0%	0.37%	52.76
〃	2021.11.05	108.0	105.4	45.03%	6.375 years	0%	0.45%	47.33
〃	2022.03.18	110.0	107.4	44.11%	6.375 years	0%	0.79%	48.06
〃	2022.05.06	118.5	118.5	43.61%	6.375 years	0%	1.17%	52.11
〃	2022.08.08	79.0	79.0	43.15%	6.375 years	0%	1.10%	34.33
Cash capital increase reserved for employee preemption	2022.03.01	115.0	105.0	54.48%	0.050 years	0%	0.34%	11.78
Restricted stocks to employees	2022.10.25	66.0			Note 2			66.00

Note 1: 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.

Note 2: The Company issued employee restricted shares with a par value of NT$10 (in dollars) per share, the issuance price was NT$0 (at no cost), and the fair value was measured at the closing price of the Company's shares at the grant date.

F. For the years ended December 31, 2022 and 2021, the Company recognised compensation cost of $82,094 and $34,027, respectively.

G. For the year ended December 31, 2022, the Company's subsidiary, Obigen Pharma, Inc., had a cash capital increase and the Company's employees received employee stock options from the subsidiary, and the Company recognised employee stock option plan compensation cost of $456.

(11) Share capital

A. As of December 31, 2022, 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 $2,294,394 with a par value of $10 (in dollars) per share.

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

(Unit: shares in thousands)

	2022	2021
At January 1	198,948	198,892
Cash capital increase	30,000	-
Shares of the parent company sold by subsidiaries	-	74
Treasury shares arising from changes in shareholding ratio of subsidiaries	-	(18)
Isssuance of employee restricted stock	160	-
At December 31	229,108	198,948

B. The Board of Directors during its meeting on August 8, 2022 adopted a resolution to issue employee restricted ordinary shares with the effective date set on October 25, 2022. The number of shares issued is 160 thousand shares with a par value of NT$10 (in dollars) per share. As of December 31, 2022, the restricted shares have not been vested and cancelled.

C. 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, 2022				
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)	331 thousand shares	-	-	331 thousand shares	$45,990

	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

Note: Shares of the parent company held by subsidiaries are treated as treasury shares 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.

(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.

(12) 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.

	2022			
	Share premium	Employee stock options	Restricted stocks	Others
At January 1	$ 2,206,273	$ 1,092,894	$ -	$ 403,055
Cash capital increase	2,850,000	-	-	-
Issuance of employee restricted stocks	-	-	8,960	-
Employee stock options compensation cost	9,441	73,724	-	19,563
Expiration of employee stock options	-	(86,378)	-	89,231
Changes in ownership interests in subsidiaries	-	-	-	265,868
At December 31	$ 5,065,714	$ 1,080,240	$ 8,960	$ 777,717

	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

(13) 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 June 27, 2022, the Company's proposal for 2021 deficit 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)

E. As resolved by the directors on March 13, 2023, the Company's proposal for 2022 deficit compensation is as follows:

	Year ended December 31, 2022
Accumulated deficit at beginning of the year	($ 2,908,622)
Net loss for 2022	(1,613,916)
Accumulated deficit at end of the year	($ 4,522,538)

As of March 13, 2023, the aforementioned proposal for 2022 deficit compensation has not yet been resolved by the shareholders.

(14) Operating revenue

	Years ended December 31,	
	2022	2021
Revenue from contracts with customers	$ 2,002	$ 826,462

The Company recognises the revenue from licensing at a point in time, and the related information is as follows:

Year ended December 31, 2022	Patent technology licensing
Revenue from external customer contracts	
Contract revenue	$ 2,002

Year ended December 31, 2021	Patent technology licensing
Revenue from external customer contracts	
Contract revenue	$ 826,462

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 from 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(3)D.

The Company has recognised the following revenue-related contract liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities:			
Contract liabilities - unearned sales revenue	$ 368,520	$ -	$ -

For the years ended December 31, 2022 and 2021, the Company did not recognise revenues from the beginning balance of contract liabilities.

(15) Interest income

	Years ended December 31,	
	2022	2021
Interest income from bank deposits	$ 45,752	$ 4,625

(16) Other gains and losses

	Years ended December 31,	
	2022	2021
Net currency exchange gains (losses)	$ 149,662	($ 40,642)
Gains on financial assets at fair value through profit or loss	-	19,656
Gain on disposal of property, plant and equipment	7,281	8,870
Other losses	-	(117)
	$ 156,943	($ 12,233)

(17) Finance costs

	Years ended December 31,	
	2022	2021
Interest expense	$ 1,627	$ 1,783

(18) Expenses by nature

	Years ended December 31,	
	2022	2021
Clinical trials cost	$ 395,467	$ 362,985
Clinical material expenses	275,550	196,639
Employee benefit expenses	270,860	212,501
Consulting and service fees	225,283	217,546
Outsourced research expense	94,984	81,220
Depreciation charges	55,130	66,430
Royalty expense	30,710	-
Amortisation charges	16,217	15,495
Rental expenses	4,088	1,278
Other expenses	49,534	51,080
Operating expenses	$ 1,417,823	$ 1,205,174

(19) Employee benefit expense

	Years ended December 31,	
	2022	2021
Wages and salaries	$ 152,925	$ 144,917
Share-based payment expense	82,550	34,027
Labor and health insurance fees	13,180	12,632
Pension costs	8,259	7,873
Directors' remuneration	4,623	4,338
Other personnel expenses	9,323	8,714
	$ 270,860	$ 212,501

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, 2022 and 2021, the Company had an accumulated deficit; thus, no employees' compensation and directors' and supervisors' remuneration was recognised for the years ended December 31, 2022 and 2021. Information about employees' compensation and directors' 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.

(20) Income tax

A. The reconciliation between accounting income and income tax expense:

	Years ended December 31,	
	2022	2021
Tax calculated based on loss before tax and statutory tax rate	($ 322,783)	($ 306,137)
Tax effects of items required to be added by tax regulation	7,582	187,418
Tax effects of items disallowed by tax regulation	74	50
Tax effects of unrecognised deferred tax assets	315,127	118,669
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 Pharmaceutical Industry are as follows:

December 31, 2022		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets
Research and development expense	$ 1,055,866	$ 1,055,866

December 31, 2021		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets
Research and development expense	$ 958,393	$ 958,393

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, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
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	1,106,846	1,106,846	1,106,846	2030
2021	198,929	198,929	198,929	2031
2022	1,283,313	1,283,313	1,283,313	2032

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

D. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority.

(21) Loss per share

	Year ended December 31, 2022		
	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	($ 1,613,916)	222,127	($ 7.27)

	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)

Note: The potential ordinary shares have anti-dilutive effect due to net loss for the years ended December 31, 2022 and 2021, so the calculation of diluted loss per share is the same as the calculation of basic loss per share.

(22) Supplemental cash flow information

Investing activities with partial cash payments

	Years ended December 31,	
	2022	2021
Acquisition of property, plant and equipment	$ 14,814	17,938
Add: Opening balance of payable	164	-
Less: Ending balance of payable	-	(164)
	$ 14,978	$ 17,774

	Years ended December 31,	
	2022	2021
Acquisition of investments accounted for under equity method	$ 656,557	$ 1,245,301
Less: Acquisition of subsidiary equity interest in non-cash payment (Note)	(368,520)	(870,154)
Less: Acquisition of subsidiary equity interest using property, plant and equipment as a consideration	-	(74,846)
	$ 288,037	$ 300,301

Note: For the year ended December 31, 2022, the amount represents the upfront payment of USD 1.2 million, and the Company received preferred shares issued by Odeon as consideration based on the contract. On March 21, 2022, Odeon issued 6,750 thousand preferred shares, and the Company acquired 6,000 thousand shares, constituting 77.42% voting rights. For the year ended December 31, 2021, the amount includes 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.

(23) Changes in liabilities from financing activities

	Lease liabilities	Long-term borrowings	Liabilities from financing activities - gross
At January 1, 2022	$ 93,464	$ 35,000	$ 128,464
Changes in cash flow from financing activities	(35,843)	(7,000)	(42,843)
At December 31, 2022	$ 57,621	$ 28,000	$ 85,621

	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

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.	Subsidiary
Obigen Pharma, Inc. (Note 2)	Subsidiary
OBI Pharma Limited	Subsidiary
Odeon Therapeutics (Cayman) Limited	Subsidiary
Odeon Therapeutics (Hong Kong) Limited	Second-tier subsidiary
Ruentex Xu-Zhan Development Co., Ltd.	Other related party
Tanvex Biologics Corporation (Note 3)	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: Refer to Note 6(14) for details.

Note 3: The Company re-elected directors during the shareholders' meeting on June 27, 2022. Therefore, the entity was no longer a related party of the Company since then. However, the Company re-elected the Chairman of the Board on December 30, 2022, and the new Chairman is also the Chairman of Tanvex Biologics Corporation, which in turn became a related party. Related details were disclosed for the whole year.

(2) Significant related party transactions

A. Non-operating income

	Years ended December 31,	
	2022	2021
Other income:		
Subsidiary		
-Obigen Pharma, Inc.	$ 2,311	$ 8,517
Rental income:		
Subsidiary		
-Obigen Pharma, Inc.	857	857
Total	$ 3,168	$ 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,	
	2022	2021
Subsidiaries		
-OBI Pharma USA, Inc.	$ 185,653	$ 161,053
-Amaran Biotechnology Inc.	59,788	23,384
-Obigen Pharma, Inc.	540	810
-AP Biosciences, Inc.	105	210
Other related party		
-Tanvex Biologics Corporation	5,136	2,323
	$ 251,222	$ 187,780

(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, OBI-833 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 $5,136 included consumables and other related expenses.

C. Prepayments

	December 31, 2022	December 31, 2021
Subsidiaries		
-Amaran Biotechnology Inc.	$ 6,659	$ -

The above represents prepayments for service expenses.

D. Other payables

	December 31, 2022	December 31, 2021
Subsidiaries		
-OBI Pharma USA, Inc.	$ 18,585	$ 11,190
-Amaran Biotechnology Inc.	17,507	1,862
-AP Biosciences, Inc.	17	16
-Obigen Pharma, Inc.	-	94
Others		
-Tanvex Biologics Corporation	-	70
	$ 36,109	$ 13,232

Other payables arise from research and development expenditures.

E. Contract liabilities

	December 31, 2022	December 31, 2021
Subsidiaries		
-Odeon Therapeutics (Cayman) Limited	$ 368,520	$ -

The above represents upfront payment.

F. Other current liabilities

	December 31, 2022	December 31, 2021
Second-tier subsidiary		
-Odeon Therapeutics (Hong Kong) Limited	$ 3,970	$ -

The above represents receipts under custody.

G. Property transactions

(a) Disposal of property, plant and equipment

	Year ended December 31, 2022		Year ended December 31, 2021	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Subsidiary				
-Obigen Pharma, Inc.	$ 48	$ 48	$ 370	$ 370

(b) Acquisition of investments accounted for under equity method

	Year ended December 31, 2022			
	Accounts	No. of shares (shares in thousands)	Objects	Consideration
Subsidiaries				
-Obigen Pharma, Inc.	Investments accounted for under equity method	7,813	Shares	$ 250,000
-OBI Pharma Australia Pty Ltd	〃	1,850	Shares	38,036

	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

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, 2022	December 31, 2021
Other related party -Ruentex Xu-Zhan Development Co., Ltd.	$ 43,405	$ 56,279

ii. Interest expense:

	Years ended December 31,	
	2022	2021
Other related party -Ruentex Xu-Zhan Development Co., Ltd.	$ 811	$ 1,004

(3) Key management compensation

	Years ended December 31,	
	2022	2021
Salaries and other short-term employee benefits	$ 36,061	$ 29,002
Share-based payments	35,706	22,229
	$ 71,767	$ 51,231

8. PLEDGED ASSETS

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

	Book value		
Pledged asset	December 31, 2022	December 31, 2021	Purpose
Land	$ 87,514	$ 87,514	Long-term borrowings (Note)
Buildings and structures	13,121	13,420	Long-term borrowings (Note)
Other non-current assets (refundable deposits)	19,619	31,778	Duty paid after customer release and rental deposit, etc.
	$ 120,254	$ 132,712	

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(7) for details.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

Aside from the commitments described in Note 6(6) Intangible assets, others are as follows:

(1) The Company purchased patent named "OBI-822" (formerly named "OPT-822"), therapeutically metastatic breast cancer vaccines on December 29, 2003. The amount of payment was determined based on whether the milestones in the agreement are achieved or not. As of December 31, 2022, the

remaining unpaid amount was US$9 million.

(2) Pursuant to the government grants for OBI-822, 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 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.

(3) 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 $45,598 had been paid as of December 31, 2022.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Refer to Note 6(13) for details on the proposal for 2022 deficit compensation.

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 2022, the Company's strategy, which was unchanged from 2021, was to maintain the gearing ratio within reasonable security range. The ratios are as follows:

	December 31, 2022	December 31, 2021
Total liability	$ 594,696	$ 290,881
Less: Cash and cash equivalents	(3,008,359)	(1,345,684)
Net debt	($ 2,413,663)	($ 1,054,803)
Total equity	$ 4,632,174	$ 2,715,876

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through other comprehensive income	$ 8,725	$ 9,106
Financial assets at amortised cost/loans and receivables		
Cash and cash equivalents	3,008,359	1,345,684
Accounts receivable	2,037	1,741
Other receivables (including related parties)	22,555	18,599
Other financial assets (refundable deposits)	19,619	31,778
	$ 3,052,570	$ 1,397,802
Financial liabilities		
Financial liabilities at amortised cost		
Other payables (including related parties)	$ 131,793	$ 160,846
Long-term borrowings (including current portion)	28,000	35,000
	$ 159,793	$ 195,846
Lease liabilities	$ 57,621	$ 93,464

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, 2022					
				Sensitivity Analysis		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets						
Monetary items						
USD:NTD	$ 52,872	30.710	$1,623,699	1%	$ 16,237	$ -
Financial assets						
Non-monetary items						
USD:NTD	14,428	30.710	443,070	-	-	-
AUD:NTD	2,323	20.830	48,395	-	-	-
Financial liabilities						
Monetary items						
USD:NTD	2,847	30.710	87,431	1%	874	-

	December 31, 2021					
				Sensitivity Analysis		
(Foreign currency: functional currency)	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
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	-

v. The total exchange gain (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, 2022 and 2021 amounted to $149,662 and ($40,642), 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. Other components of equity for the years ended December 31, 2022 and 2021 would have increased / decreased by $87 and $91, 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, 2022 and 2021.

ii. At December 31, 2022 and 2021, if interest rates had been 1% higher or lower with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have been $200 and $313 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, 2022 and 2021, 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, 2022				
	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)	$ 131,793	$ -	$ -	$ -	$ -
Long-term borrowings (including current portion)	7,455	7,324	7,192	7,060	-
Lease liabilities (including current portion)	30,461	16,144	12,108	-	-

	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	-

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, 2022			
	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 8,725	$ 8,725

	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

D. 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.

E. 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, 2022	Valuation technique	Significant unobservable input	Range (median)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 8,725	Market comparable companies	Price to book ratio multiple	1.13~4.32 (1.68)	The higher the mulitple, the higher the fair value
			Discount for lack of marketability	14.50%~ 73.24% (33%)	The higher the discount for lack of marketability, the lower the fair value

	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

F. 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, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±10%	$ -	$ -	$ 873	($ 873)
	Discount for lack of marketability	±10%	$ -	$ -	$ 428	($ 428)

			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)

G. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	Equity securities	
	Years ended December 31,	
	2022	2021
Opening net book amount	$ 9,106	$ 8,037
Profit (loss) recognised in other comprehensive income	(381)	1,069
Closing net book amount	$ 8,725	$ 9,106

H. As of December 31, 2022 and 2021, 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. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: 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): 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: 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: Refer to table 4.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Refer to table 6.

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

(4) Major shareholders information

Refer to table 7.

14. SEGMENT INFORMATION

Pursuant to Article 22 of Regulations Governing the Preparation of Financial Reports by Securities Issuers, segment information is not required in the parent company only financial statements.

OBI PHARMA, INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash on hand		$ 100
Checking accounts		18,710
Demand deposits - NTD		65,402
- Foreign currencies	USD 656 thousand, exchange rate 30.71	20,150
- Foreign currencies	RMB 129 thousand, exchange rate 4.408	570
Time deposits - Foreign currencies	USD 52,150 thousand, exchange rate 30.71, interest rate 4%~5.05%, mature between January ~ February 2023	1,601,527
- NTD	Interest rate 1.1%~1.28%, mature between January ~ February 2023	1,301,900
		$ 3,008,359

OBI PHARMA, INC.
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2022
(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
AP Biosciences, Inc. (Note 1)	13,312,000	$ 484,977	13,312,000	$ -	-	$ -	($ 166,095)	$ 267,118	26,624,000	41.12%	$ 586,000	$ 586,000	None
Amaran Biotechnology Inc.	64,915,252	554,291	-	-	-	-	(95,791)	5,559	64,915,252	70.70%	464,059	464,059	"
Odeon Therapeutics (Cayman) Limited (Note 2)	-	-	6,000,000	368,520	-	-	-	-	6,000,000	77.42%	368,520	368,520	"
Obigen Pharma, Inc. (Note 3)	47,250,000	63,438	7,812,500	298,470	-	-	(135,656)	2,633	55,062,500	62.17%	228,885	228,885	"
OBI Pharma USA, Inc.	2,701,000	54,716	-	-	-	-	(7,698)	20,557	2,701,000	100.00%	67,575	67,575	"
OBI Pharma Australia Pty Ltd.	10,650,000	45,162	1,850,000	38,036	-	-	(36,697)	1,894	12,500,000	100.00%	48,395	48,395	"
OBI Pharma Limited	2,650,000	12,330	-	-	-	-	(5,639)	284	2,650,000	100.00%	6,975	6,975	"
		$ 1,214,914		$ 705,026		$ -	($ 447,576)	$ 297,761			$ 1,770,409	$ 1,770,409	

Note 1:Additions pertain to capitalisation of capital surplus

Note 2:Additions included the long-term equity investment accounted for using equity method acquired in exchange of patent licensing of $368,520.

Note 3:Additions included realised gain on sales and gain on disposals of property, plant and equipment of $48,470 and cash capital increase of $250,000. The effective date for cash capital increase was set on February 13, 2023, and thus the shareholding ratio did not change on December 31, 2022.

OBI PHARMA, INC.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars)

Item	Administrative Expense	Research and Development Expense	Note
Wages and salaries and directors' remuneration	$ 79,049	$ 161,049	
Clinical material expenses	-	275,550	
Consulting and service fees	15,970	209,313	
Clinical trials cost	-	395,467	
Depreciation charges	14,893	40,237	
Outsourced research expense	-	94,984	
Other expenses	28,335	102,976	Balance of individual accounts has not exceeded 5% of total account balance
	$ 138,247	$ 1,279,576	

OBI PHARMA, INC.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTISATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

Function / Nature	Years ended December 31,					
	2022			2021		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit expense						
Wages and salaries	$ -	$ 235,475	$ 235,475	$ -	$ 178,944	$ 178,944
Labour and health insurance fees	-	13,180	13,180	-	12,632	12,632
Pension costs	-	8,259	8,259	-	7,873	7,873
Directors' remuneration	-	4,623	4,623	-	4,338	4,338
Other personnel expenses	-	9,323	9,323	-	8,714	8,714
	$ -	$ 270,860	$ 270,860	$ -	$ 212,501	$ 212,501
Depreciation	$ -	$ 55,130	$ 55,130	$ -	$ 66,430	$ 66,430
Amortisation	$ -	$ 16,217	$ 16,217	$ -	$ 15,495	$ 15,495

Note:

A. As at December 31, 2022 and 2021, the Company had 133 and 131 employees, including 4 and 4 non-employee directors, respectively.

B. As at December 31, 2022 and 2021, the amounts of employee stock options expensed as employee salaries were $82,550 and $34,027, 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 $2,064 ((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 $1,639 ((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 was $1,825 (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 was $1,409 (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, was $1,185 (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)).

Average employees salaries, excluding the expenses from employee stock options, in previous year was $1,141 (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 was 29.52% ((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, was 3.86% ((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.