

**GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS AND  
REVIEW REPORT OF INDEPENDENT  
ACCOUNTANTS  
SEPTEMBER 30, 2014 AND 2013**

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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.

## REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To GlycoNex Incorporation

We have reviewed the accompanying consolidated balance sheets of GlycoNex Incorporation and its subsidiary as of September 30, 2014 and 2013, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the nine-month periods then ended, expressed in thousands of New Taiwan dollars. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express a conclusion on these financial statements based on our reviews.

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 36, "Engagements to Review Financial Statements" in the Republic of China. A review consists principally of inquiries of company personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

As explained in Note 4(3), we did not review the financial statements of certain insignificant consolidated subsidiaries, which statements reflect total assets of NT\$27,628 thousand and NT\$0, constituting 1% and 0% of the consolidated total assets, and total liabilities of NT\$16 thousand and NT\$0, both constituting 0% of the consolidated total liabilities as of September 30, 2014 and 2013, respectively, and total comprehensive loss of NT\$7,647 thousand, NT\$0, NT\$7,612 thousand and NT\$0, constituting 60% and 0%, (53%) and 0% of the consolidated total comprehensive income (loss) for the three-month and nine-month periods then ended, respectively. These amounts and the information disclosed in Note 13 were based solely on the unreviewed financial statements of these companies.

Based on our reviews, except for the effect of such adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and the information disclosed in Note 13 been reviewed by independent accountants, we are not aware of any material modifications that should be made to the financial statements referred to above for them to be in conformity with the "Rules Governing the Preparation of Financial Statements by Securities Issuers" and IAS 34, "Interim Financial Reporting" as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan  
November 13, 2014

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The accompanying 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 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.

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

(THE BALANCE SHEETS AS OF SEPTEMBER 30, 2014 AND 2013 ARE UNAUDITED BUT REVIEWED)

ASSETS	Notes	September 30, 2014		December 31, 2013		September 30, 2013	
		Amount	%	Amount	%	Amount	%
<b>Current Assets</b>							
Cash and cash equivalents	6(1)	\$ 1,860,890	81	\$ 1,777,720	76	\$ 1,847,633	77
Financial assets at fair value through	6(2)						
profit or loss-current		216,938	10	166,600	7	136,288	6
Accounts receivable, net		124	-	172	-	-	-
Other receivables		1,084	-	567	-	724	-
Current income tax assets		1,885	-	714	-	351	-
Prepayments		1,345	-	743	-	1,094	-
Other current assets		807	-	973	-	644	-
<b>Total Current Assets</b>		<u>2,083,073</u>	<u>91</u>	<u>1,947,489</u>	<u>83</u>	<u>1,986,734</u>	<u>83</u>
<b>Non-current Assets</b>							
Financial assets at fair value through	6(2)						
profit or loss-non-current		-	-	84	-	682	-
Available-for-sale financial	6(3)						
assets-non-current		93,298	4	45,768	2	49,828	2
Property, plant and equipment	6(4) and 8	75,343	3	67,069	3	68,596	3
Intangible assets	6(5)(21)	23,482	1	23,482	1	23,482	1
Deferred income tax assets		8,836	-	8,836	-	6,735	-
Prepayments for equipment		11,531	1	190	-	-	-
Other financial assets-non-current	八	-	-	250,000	11	250,000	11
Other non-current assets		2,574	-	1,871	-	1,584	-
<b>Total Non-current Assets</b>		<u>215,064</u>	<u>9</u>	<u>397,300</u>	<u>17</u>	<u>400,907</u>	<u>17</u>
<b>Total Assets</b>		<u>\$ 2,298,137</u>	<u>100</u>	<u>\$ 2,344,789</u>	<u>100</u>	<u>\$ 2,387,641</u>	<u>100</u>

(Continued)

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

(THE BALANCE SHEETS AS OF SEPTEMBER 30, 2014 AND 2013 ARE UNAUDITED BUT REVIEWED)

LIABILITIES AND EQUITY	Notes	September 30, 2014		December 31, 2013		September 30, 2013	
		Amount	%	Amount	%	Amount	%
<b>Current Liabilities</b>							
Notes payable		\$ 1,313	-	\$ 1,120	-	\$ 5,477	-
Other payables	6(6)	16,050	1	10,822	-	56,864	3
Other current liabilities	6(7)	168	-	242	-	1,227	-
<b>Total Current Liabilities</b>		17,531	1	12,184	-	63,568	3
<b>Non-current Liabilities</b>							
Bonds payable	6(8)	-	-	15,250	1	122,934	5
Other non-current liabilities		3,504	-	3,561	-	3,753	-
<b>Total Non-current Liabilities</b>		3,504	-	18,811	1	126,687	5
<b>Total Liabilities</b>		21,035	1	30,995	1	190,255	8
<b>Equity Attributable to Owners of Parent</b>							
<b>Share Capital</b>							
	6(8)(10)						
Common stock		769,935	34	685,447	29	666,157	28
Certificate of bond conversion		-	-	12,703	1	19,290	1
<b>Capital Surplus</b>							
	6(8)(11)						
Capital surplus		1,534,022	67	1,606,413	69	1,511,740	63
<b>Retained Earnings</b>							
	6(12)(20)						
Legal reserve		-	-	2,506	-	2,506	-
Unappropriated retained earnings		( 34,563)	( 2)	( 18,308)	( 1)	( 30,965)	( 1)
<b>Other Equity Interest</b>							
	6(13)						
Other equity		45,262	2	25,033	1	28,658	1
<b>Treasury stock</b>							
		( 37,554)	( 2)	-	-	-	-
<b>Total Equity</b>		2,277,102	99	2,313,794	99	2,197,386	92
<b>Significant contingent liabilities and unrecognized contract commitments</b>							
	9						
<b>Total Liabilities and Equity</b>		\$ 2,298,137	100	\$ 2,344,789	100	\$ 2,387,641	100

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

See report of independent accountants dated November 13, 2014.

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS,  
EXCEPT LOSS PER SHARE AMOUNTS)  
(UNAUDITED BUT REVIEWED)

Items	Notes	For the three-month periods ended September 30				For the nine-month periods ended September 30			
		2014		2013		2014		2013	
		Amount	%	Amount	%	Amount	%	Amount	%
<b>Operating revenue</b>	6(14)(21)	\$ 119	100	\$ 3,402	100	\$ 471	100	\$ 9,842	100
<b>Operating costs</b>	6(18)(19)	( 31)	( 26)	( 477)	( 14)	( 31)	( 6)	( 1,144)	( 11)
<b>Gross profit</b>		<u>88</u>	<u>74</u>	<u>2,925</u>	<u>86</u>	<u>440</u>	<u>94</u>	<u>8,698</u>	<u>89</u>
<b>Operating expenses</b>	6(18)(19)								
Selling expenses		( 802)	( 674)	( 757)	( 22)	( 2,469)	( 524)	( 2,557)	( 26)
General and administrative expenses		( 6,581)	( 5530)	( 5,967)	( 176)	( 19,151)	( 4066)	( 17,837)	( 181)
Research and development expenses		( 9,469)	( 7957)	( 8,376)	( 246)	( 28,870)	( 6130)	( 26,432)	( 269)
<b>Total operating expenses</b>		<u>( 16,852)</u>	<u>( 14161)</u>	<u>( 15,100)</u>	<u>( 444)</u>	<u>( 50,490)</u>	<u>( 10720)</u>	<u>( 46,826)</u>	<u>( 476)</u>
<b>Operating loss</b>		<u>( 16,764)</u>	<u>( 14087)</u>	<u>( 12,175)</u>	<u>( 358)</u>	<u>( 50,050)</u>	<u>( 10626)</u>	<u>( 38,128)</u>	<u>( 387)</u>
<b>Non-operating income and expenses</b>									
Other income	6(15)	3,912	3287	1,701	50	11,940	2535	4,075	41
Other gains and losses	6(16)	3,131	2631	390	11	3,578	760	3,071	31
Finance costs	6(17)	-	-	( 1,037)	( 30)	( 31)	( 7)	( 1,037)	( 10)
<b>Total non-operating income and expenses</b>		<u>7,043</u>	<u>5918</u>	<u>1,054</u>	<u>31</u>	<u>15,487</u>	<u>3288</u>	<u>6,109</u>	<u>62</u>
<b>Loss before income tax</b>		<u>( 9,721)</u>	<u>( 8169)</u>	<u>( 11,121)</u>	<u>( 327)</u>	<u>( 34,563)</u>	<u>( 7338)</u>	<u>( 32,019)</u>	<u>( 325)</u>
Income tax expense	6(20)	-	-	-	-	-	-	( 1,904)	( 20)
<b>Net loss</b>		<u>(\$ 9,721)</u>	<u>( 8169)</u>	<u>(\$ 11,121)</u>	<u>( 327)</u>	<u>(\$ 34,563)</u>	<u>( 7338)</u>	<u>(\$ 33,923)</u>	<u>( 345)</u>
<b>Other comprehensive income (loss)</b>	6(13)								
Unrealized gain (loss) on valuation of available-for-sale financial assets		\$ 22,456	18871	\$ 1,407	41	\$ 20,229	4295	(\$ 946)	( 9)
<b>Total other comprehensive income (loss) for the period</b>		<u>\$ 22,456</u>	<u>18871</u>	<u>\$ 1,407</u>	<u>41</u>	<u>\$ 20,229</u>	<u>4295</u>	<u>(\$ 946)</u>	<u>( 9)</u>
<b>Total comprehensive income (loss) for the period</b>		<u>\$ 12,735</u>	<u>10702</u>	<u>(\$ 9,714)</u>	<u>( 286)</u>	<u>(\$ 14,334)</u>	<u>( 3043)</u>	<u>(\$ 34,869)</u>	<u>( 354)</u>
<b>Loss attributable to owners of parent</b>		<u>(\$ 9,721)</u>	<u>( 8169)</u>	<u>(\$ 11,121)</u>	<u>( 327)</u>	<u>(\$ 34,563)</u>	<u>( 7338)</u>	<u>(\$ 33,923)</u>	<u>( 345)</u>
<b>Comprehensive income (loss) attributable to owners of parent</b>		<u>\$ 12,735</u>	<u>10702</u>	<u>(\$ 9,714)</u>	<u>( 286)</u>	<u>(\$ 14,334)</u>	<u>( 3043)</u>	<u>(\$ 34,869)</u>	<u>( 354)</u>
<b>Loss per share (in dollars)</b>									
Basic loss per share	6(22)	<u>(\$ 0.13)</u>	<u>( \$ 0.13)</u>	<u>(\$ 0.17)</u>	<u>( \$ 0.17)</u>	<u>(\$ 0.45)</u>	<u>( \$ 0.45)</u>	<u>(\$ 0.57)</u>	<u>( \$ 0.57)</u>
Diluted loss per share	6(22)	<u>(\$ 0.13)</u>	<u>( \$ 0.13)</u>	<u>(\$ 0.17)</u>	<u>( \$ 0.17)</u>	<u>(\$ 0.45)</u>	<u>( \$ 0.45)</u>	<u>(\$ 0.57)</u>	<u>( \$ 0.57)</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated November 13, 2014.

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(UNAUDITED BUT REVIEWED)

	Notes	Share capital		Capital reserve		Retained earnings			Other Equity		Total equity
		Common stock	Certificate of bond conversion	Capital surplus – issued at premium	Capital surplus – stock warrant	Legal reserve	Special reserve	Unappropriated retained earnings	Unrealized gain or loss on available-for-sale financial assets	Treasury stock	
<b>For the nine-month period ended September 30, 2013</b>											
Balance at January 1, 2013		\$ 472,436	\$ -	\$ 370,062	\$ -	\$ 1,370	\$ 1,020	\$ 10,161	\$ 29,604	\$ -	\$ 884,653
Cash capital increase	6(10)	112,500	-	785,121	-	-	-	-	-	-	897,621
Cash capital increase-private placement	6(10)	27,600	-	248,400	-	-	-	-	-	-	276,000
Issue stock warrants of convertible bonds	6(8)	-	-	-	11,972	-	-	-	-	-	11,972
Exercise conversion of convertible bonds	6(8)	-	19,290	150,264	( 6,836)	-	-	-	-	-	162,718
Appropriations and distribution of 2012 retained earnings											
Legal reserve		-	-	-	-	1,136	-	( 1,136)	-	-	-
Reversal of special reserve		-	-	-	-	( 1,020)	1,020	-	-	-	-
Cash dividends		-	-	-	-	-	-	( 709)	-	-	( 709)
Stock dividends	6(10)	6,378	-	-	-	-	-	( 6,378)	-	-	-
Capital surplus transferred to common stock	6(10)	47,243	-	( 47,243)	-	-	-	-	-	-	-
Comprehensive loss											
Net loss for the period		-	-	-	-	-	-	( 33,923)	-	-	( 33,923)
Other comprehensive loss for the period	6(3)	-	-	-	-	-	-	-	( 946)	-	( 946)
Balance at September 30, 2013		<u>\$ 666,157</u>	<u>\$ 19,290</u>	<u>\$ 1,506,604</u>	<u>\$ 5,136</u>	<u>\$ 2,506</u>	<u>\$ -</u>	<u>( \$ 30,965)</u>	<u>\$ 28,658</u>	<u>\$ -</u>	<u>\$ 2,197,386</u>
<b>For the nine-month period ended September 30, 2014</b>											
Balance at January 1, 2014		\$ 685,447	\$ 12,703	\$ 1,605,778	\$ 635	\$ 2,506	\$ -	( \$ 18,308)	\$ 25,033	\$ -	\$ 2,313,794
Exercise conversion of convertible bonds	6(8)(10)	14,494	( 12,703)	14,040	( 635)	-	-	-	-	-	15,196
Appropriations and distribution of 2013 retained earnings											
Capital surplus used to offset accumulated deficit		-	-	( 15,802)	-	-	-	15,802	-	-	-
Legal reserve used to offset accumulated deficit		-	-	-	-	( 2,506)	-	2,506	-	-	-
Capital surplus transferred to common stock	6(10)	69,994	-	( 69,994)	-	-	-	-	-	-	-
Redemption of treasury shares		-	-	-	-	-	-	-	-	( 37,554)	( 37,554)
Comprehensive loss											
Net loss for the period		-	-	-	-	-	-	( 34,563)	-	-	( 34,563)
Other comprehensive income for the period	6(3)	-	-	-	-	-	-	-	20,229	-	20,229
Balance at September 30, 2014		<u>\$ 769,935</u>	<u>\$ -</u>	<u>\$ 1,534,022</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>( \$ 34,563)</u>	<u>\$ 45,262</u>	<u>( \$ 37,554)</u>	<u>\$ 2,277,102</u>

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated November 13, 2014.

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

(UNAUDITED BUT REVIEWED)

	Notes	For the nine-month periods ended September 30,	
		2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before income tax		(\$ 34,563 )	(\$ 32,019 )
Adjustments to reconcile loss before tax to net cash used in operating activities			
Income and expenses having no effect on cash flows			
Gain on disposal of property, plant and equipment, net	6(16)	( 2 )	-
Gain on disposal of investments	6(16)	( 589 )	( 144 )
Depreciation and amortization	6(18)	7,497	6,589
Amortization of discount on bonds payable	6(17)	31	782
Net gain on financial assets at fair value through profit or loss	6(2)	( 338 )	( 980 )
Interest income	6(15)	( 11,906 )	( 4,075 )
Deferred revenue transferred to revenue	6(7)	-	( 9,457 )
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss-current		( 49,411 )	( 70,000 )
Accounts receivable, net		48	-
Other receivables		( 330 )	646
Current income tax assets		( 1,171 )	( 77 )
Prepayments		( 602 )	( 403 )
Other current assets		166	73
Net changes in liabilities relating to operating activities			
Notes payable		165	4,765
Other payables		88	38,944
Other current liabilities		( 74 )	( 52 )
Other non-current liabilities		( 57 )	( 62 )
Cash used in operations		( 91,048 )	( 65,470 )
Interest received		11,719	3,506
Income tax paid		-	( 1,282 )
Net cash used in operating activities		( 79,329 )	( 63,246 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of available-for-sale financial assets-non-current		( 27,300 )	-
Proceeds from disposal of available-for-sale financial assets-non-current		-	272
Acquisition of equipment	6(23)	( 13,818 )	( 3,376 )
Proceeds from disposal of property, plant and equipment		2	-
Increase in intangible assets		( 1,470 )	-
Decrease (increase) in other financial assets-non-current		250,000	( 250,000 )
Increase in prepayments for equipment		( 11,429 )	-
Increase in other non-current assets		-	( 154 )
Net cash provided by (used in) investing activities		195,985	( 253,258 )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Issuance of convertible bonds	6(8)	-	300,000
Cost of convertible bonds issuance		-	( 2,946 )
Payment of cash dividends	6(12)	-	( 709 )
Cash capital increase		-	900,000
Cash capital increase-private placement	6(10)	-	276,000
Cost of capital increase		-	( 2,379 )
Redemption of treasury shares	6(23)	( 33,486 )	-
Net cash (used in) provided by financing activities		( 33,486 )	1,469,966
Net increase in cash and cash equivalents		83,170	1,153,462
Cash and cash equivalents at beginning of the period		1,777,720	694,171
Cash and cash equivalents at end of the period		\$ 1,860,890	\$ 1,847,633

The accompanying notes are an integral part of these consolidated financial statements.  
See report of independent accountants dated November 13, 2014.