

**GLYCONEX INCORPORATION AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS AND
REVIEW REPORT OF INDEPENDENT
ACCOUNTANTS
SEPTEMBER 30, 2015 AND 2014**

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, 2015 and 2014, and the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, as well as the statements 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 conducted 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 2014 financial statements of certain insignificant consolidated subsidiaries, which statements reflect total assets of NT\$27,628 thousand, constituting 1% of the consolidated total assets, and total liabilities of NT\$16 thousand, constituting 0% of the consolidated total liabilities as of September 30, 2014, and total comprehensive loss of NT\$7,647 thousand and NT\$7,612 thousand, constituting 60% and (53%) 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 subsidiaries.

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 International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan
November 11, 2015

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 review 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, 2015 AND 2014 WERE REVIEWED, NOT AUDITED)

ASSETS	Notes	September 30, 2015		December 31, 2014		September 30, 2014	
		Amount	%	Amount	%	Amount	%
Current Assets							
Cash and cash equivalents	6(1)	\$ 455,732	21	\$ 1,697,747	74	\$ 1,860,890	81
Financial assets at fair value through profit or loss-current	6(2)	146,926	7	217,273	10	216,938	10
Accounts receivable, net		3,099	-	5,967	-	124	-
Other receivables		5,991	-	5,368	-	1,084	-
Current income tax assets		2,578	-	2,303	-	1,885	-
Prepayments		10,778	-	1,374	-	1,345	-
Other current financial assets	6(3)	653,600	30	-	-	-	-
Other current assets		85	-	910	-	807	-
Total Current Assets		<u>1,278,789</u>	<u>58</u>	<u>1,930,942</u>	<u>84</u>	<u>2,083,073</u>	<u>91</u>
Non-current Assets							
Available-for-sale financial assets-non-current	6(4)	72,581	3	102,877	4	93,298	4
Property, plant and equipment, net	6(5) and 8	715,744	33	89,814	4	75,343	3
Intangible assets	6(6)(21)	71,454	3	79,987	4	23,482	1
Deferred income tax assets		6,366	-	6,366	-	8,836	-
Prepayments for equipment		65,237	3	92,428	4	11,531	1
Other non-current assets		1,325	-	2,223	-	2,574	-
Total Non-current Assets		<u>932,707</u>	<u>42</u>	<u>373,695</u>	<u>16</u>	<u>215,064</u>	<u>9</u>
Total Assets		<u>\$ 2,211,496</u>	<u>100</u>	<u>\$ 2,304,637</u>	<u>100</u>	<u>\$ 2,298,137</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, 2015 AND 2014 WERE REVIEWED, NOT AUDITED)

LIABILITIES AND EQUITY	Notes	September 30, 2015		December 31, 2014		September 30, 2014	
		Amount	%	Amount	%	Amount	%
Current Liabilities							
Notes payable		\$ 7,500	-	\$ 12,590	1	\$ 1,313	-
Other payables	6(7)(21)	25,372	1	32,356	1	16,050	1
Other current liabilities		189	-	175	-	168	-
Total Current Liabilities		<u>33,061</u>	<u>1</u>	<u>45,121</u>	<u>2</u>	<u>17,531</u>	<u>1</u>
Non-current Liabilities							
Deferred income tax liabilities		3,735	-	7,371	-	-	-
Other non-current liabilities	6(8)(21)	35,835	2	33,580	2	3,504	-
Total Non-current Liabilities		<u>39,570</u>	<u>2</u>	<u>40,951</u>	<u>2</u>	<u>3,504</u>	<u>-</u>
Total Liabilities		<u>72,631</u>	<u>3</u>	<u>86,072</u>	<u>4</u>	<u>21,035</u>	<u>1</u>
Equity Attributable to Owners of							
Parent							
Share Capital							
	6(10)						
Common stock		769,935	35	769,935	33	769,935	34
Capital Surplus							
	6(11)						
Capital surplus		1,492,622	67	1,534,022	67	1,534,022	67
Retained Earnings							
	6(12)(20)						
Accumulated deficit		(53,039)	(2)	(41,400)	(2)	(34,563)	(2)
Other Equity Interest							
	6(13)						
Other equity		21,600	1	48,261	2	45,262	2
Treasury stock							
	6(10)						
		(92,253)	(4)	(92,253)	(4)	(37,554)	(2)
Total Equity		<u>2,138,865</u>	<u>97</u>	<u>2,218,565</u>	<u>96</u>	<u>2,277,102</u>	<u>99</u>
Significant contingent liabilities and unrecognised contract commitments							
	9						
Total Liabilities and Equity		<u>\$ 2,211,496</u>	<u>100</u>	<u>\$ 2,304,637</u>	<u>100</u>	<u>\$ 2,298,137</u>	<u>100</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated November 11, 2015.

GLYCONEX INCORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSS PER SHARE AMOUNTS)
(UNAUDITED)

Items	Notes	Three-month periods ended September 30				Nine-month periods ended September 30			
		2015		2014 (Adjusted)		2015		2014 (Adjusted)	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating revenue	6(14)	\$ -	-	\$ 119	100	\$ 5,566	100	\$ 471	100
Operating costs	6(9)(18)(19)	-	-	(31)	(26)	(797)	(14)	(31)	(6)
Gross profit		-	-	88	74	4,769	86	440	94
Operating expenses	6(9)(18)(19)								
Selling expenses		(395)	-	(802)	(674)	(2,000)	(36)	(2,469)	(524)
General and administrative expenses		(8,158)	-	(6,581)	(5,530)	(21,041)	(378)	(19,151)	(4,066)
Research and development expenses		(15,967)	-	(9,469)	(7,957)	(45,248)	(813)	(28,870)	(6,130)
Total operating expenses		(24,520)	-	(16,852)	(14,161)	(68,289)	(1,227)	(50,490)	(10,720)
Operating loss		(24,520)	-	(16,764)	(14,087)	(63,520)	(1,141)	(50,050)	(10,626)
Non-operating income and expenses									
Other income	6(15)	3,374	-	3,912	3,287	11,248	202	11,940	2,535
Other gains and losses	6(16)	1,123	-	3,131	2,631	(135)	(3)	3,578	760
Finance costs	6(17)	(211)	-	-	-	(632)	(11)	(31)	(7)
Total non-operating income and expenses		4,286	-	7,043	5,918	10,481	188	15,487	3,288
Loss before income tax		(20,234)	-	(9,721)	(8,169)	(53,039)	(953)	(34,563)	(7,338)
Income tax expense		-	-	-	-	-	-	-	-
Net loss		<u>(\$ 20,234)</u>	-	<u>(\$ 9,721)</u>	<u>(8,169)</u>	<u>(\$ 53,039)</u>	<u>(953)</u>	<u>(\$ 34,563)</u>	<u>(7,338)</u>
Other comprehensive loss	6(4)(10)(13) (20)								
Items that may be subsequently reclassified to profit or loss									
Unrealised loss on valuation of available-for-sale financial assets		(\$ 10,781)	-	\$ 22,456	18,871	(\$ 30,297)	(544)	\$ 20,229	4,295
Income tax related to components of other comprehensive income that will be reclassified to profit or loss		1,294	-	-	-	3,636	65	-	-
Total other comprehensive loss for the period		<u>(\$ 9,487)</u>	-	<u>\$ 22,456</u>	<u>18,871</u>	<u>(\$ 26,661)</u>	<u>(479)</u>	<u>\$ 20,229</u>	<u>4,295</u>
Total comprehensive loss for the period		<u>(\$ 29,721)</u>	-	<u>\$ 12,735</u>	<u>10,702</u>	<u>(\$ 79,700)</u>	<u>(1,432)</u>	<u>(\$ 14,334)</u>	<u>(3,043)</u>
Net loss attributable to:									
Owners of the parent		<u>(\$ 20,234)</u>	-	<u>(\$ 9,721)</u>	<u>(8,169)</u>	<u>(\$ 53,039)</u>	<u>(953)</u>	<u>(\$ 34,563)</u>	<u>(7,338)</u>
Total comprehensive loss attributable to:									
Owners of the parent		<u>(\$ 29,721)</u>	-	<u>\$ 12,735</u>	<u>10,702</u>	<u>(\$ 79,700)</u>	<u>(1,432)</u>	<u>(\$ 14,334)</u>	<u>(3,043)</u>
Loss per share (in dollars)	6(22)								
Basic loss per share		<u>(\$ 0.27)</u>		<u>(\$ 0.13)</u>		<u>(\$ 0.70)</u>		<u>(\$ 0.45)</u>	
Diluted loss per share		<u>(\$ 0.27)</u>		<u>(\$ 0.13)</u>		<u>(\$ 0.70)</u>		<u>(\$ 0.45)</u>	

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated November 11, 2015.

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

	Notes	Share capital		Capital reserve		Retained earnings		Unrealised gain or loss on available-for-sale financial assets	Treasury stock	Total equity
		Common stock	Certificate of bond conversion	Capital surplus – issued at premium	Capital surplus – stock warrant	Legal reserve	Accumulated deficit			
For the nine-month period ended September 30, 2014										
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(10)	14,494	(12,703)	14,040	(635)	-	-	-	-	15,196
Appropriation 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 loss for the period		-	-	-	-	-	-	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>(\$ 34,563)</u>	<u>\$ 45,262</u>	<u>(\$ 37,554)</u>	<u>\$ 2,277,102</u>
For the nine-month period ended September 30, 2015										
Balance at January 1, 2015		\$ 769,935	\$ -	\$ 1,534,022	\$ -	\$ -	(\$ 41,400)	\$ 48,261	(\$ 92,253)	\$ 2,218,565
Capital surplus used to offset accumulated deficit		-	-	(41,400)	-	-	41,400	-	-	-
Comprehensive loss										
Net loss for the period		-	-	-	-	-	(53,039)	-	-	(53,039)
Other comprehensive loss for the period		-	-	-	-	-	-	(26,661)	-	(26,661)
Balance at September 30, 2015		<u>\$ 769,935</u>	<u>\$ -</u>	<u>\$ 1,492,622</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(\$ 53,039)</u>	<u>\$ 21,600</u>	<u>(\$ 92,253)</u>	<u>\$ 2,138,865</u>

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated November 11, 2015.

GLYCONEX INCORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

(UNAUDITED)

	Notes	For the nine-month periods ended September 30,	
		2015	2014
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before income tax		(\$ 53,039)	(\$ 34,563)
Adjustments to reconcile loss before tax to net cash provided by (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)	(866)	(589)
Depreciation and amortization	6(18)	21,684	7,497
Amortisation of discount on bonds payable	6(17)	-	31
Net loss (gain) on financial assets at fair value through profit or loss	6(2)(16)	347	(338)
Interest income	6(15)	(9,760)	(11,906)
Interest expense	6(17)	632	-
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		70,866	(49,411)
Accounts receivable, net		2,868	48
Other receivables		(763)	(330)
Current income tax assets		(275)	(1,171)
Prepayments		(9,404)	(602)
Other current assets		825	166
Net changes in liabilities relating to operating activities			
Notes payable		6,612	165
Other payables		339	88
Other current liabilities		14	(74)
Other non-current liabilities		(65)	(57)
Cash generated by (used in) operations		30,015	(91,048)
Interest received		9,902	11,719
Net cash provided by (used in) operating activities		39,917	(79,329)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in other current financial assets		(653,600)	-
Acquisition of available-for-sale financial assets-non-current	6(23)	-	(27,300)
Acquisition of equipment		(586,738)	(13,818)
Increase in prepayments for equipment		(41,844)	(11,429)
Proceeds from disposal of property, plant and equipment		-	2
Increase in deferred assets		(160)	(1,470)
Decrease in other financial assets - non-current		-	250,000
Net cash (used in) provided by investing activities		(1,282,342)	195,985
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in deposits received		410	-
Redemption of treasury shares		-	(33,486)
Net cash (used in) provided by financing activities		410	(33,486)
Net (decrease) increase in cash and cash equivalents		(1,242,015)	83,170
Cash and cash equivalents at beginning of the period		1,697,747	1,777,720
Cash and cash equivalents at end of the period		\$ 455,732	\$ 1,860,890

The accompanying notes are an integral part of these consolidated financial statements.
See report of independent accountants dated November 11, 2015.