

**GLYCONEX INCORPORATION AND  
SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS AND  
REVIEW REPORT OF INDEPENDENT  
ACCOUNTANTS  
SEPTEMBER 30, 2020 AND 2019**

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For the convenience of readers and for information purpose only, the auditors' review 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' review report and financial statements shall prevail.

REVIEW REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

To GlycoNex Incorporation

***Introduction***

We have reviewed the accompanying consolidated balance sheets of GlycoNex Incorporation and its subsidiary (the “Group”) as at September 30, 2020 and 2019, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and of cash flows for the nine months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

***Scope of Review***

We conducted our reviews in accordance with the Statement of Auditing Standards No. 65, “Review of Financial Information Performed by the Independent Auditor of the Entity” in the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



資誠

### *Conclusion*

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at September 30, 2020 and 2019, and of its consolidated financial performance for the three months and nine months then ended, and its consolidated cash flows for the nine months then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and International Accounting Standard 34, “Interim Financial Reporting” as endorsed by the Financial Supervisory Commission.

PricewaterhouseCoopers, Taiwan

November 9, 2020

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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.

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2020, DECEMBER 31, 2019 AND SEPTEMBER 30, 2019**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(THE CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2020 AND 2019**  
**ARE REVIEWED, NOT AUDITED IN CONFORMITY WITH R.O.C GAAS )**

ASSETS	Notes	September 30, 2020		December 31, 2019		September 30, 2019		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	
<b>Current assets</b>								
1100	Cash and cash equivalents	6(1)	\$ 285,013	18	\$ 118,742	9	\$ 77,520	6
1136	Financial assets at amortised cost -	6(3)						
	current		236,352	15	61,700	5	116,795	9
1170	Accounts receivable, net		54	-	-	-	25	-
1200	Other receivables		117	-	106	-	166	-
1220	Current income tax assets		175	-	245	-	224	-
1410	Prepayments	6(4)	20,774	1	5,592	-	3,668	-
1470	Other current assets		-	-	20	-	61	-
11XX	<b>Total current assets</b>		<u>542,485</u>	<u>34</u>	<u>186,405</u>	<u>14</u>	<u>198,459</u>	<u>15</u>
<b>Non-current assets</b>								
1517	Financial assets at fair value	6(5)						
	through other comprehensive							
	income - non-current		11,861	1	13,171	1	14,342	1
1600	Property, plant and equipment	6(6)	1,061,849	65	1,090,989	82	1,101,073	81
1760	Investment property, net	6(8)	-	-	34,396	3	34,749	2
1780	Intangible assets	6(9)(27)	-	-	5,159	-	7,756	1
1840	Deferred income tax assets		1,340	-	1,339	-	1,829	-
1900	Other non-current assets		971	-	755	-	795	-
15XX	<b>Total non-current assets</b>		<u>1,076,021</u>	<u>66</u>	<u>1,145,809</u>	<u>86</u>	<u>1,160,544</u>	<u>85</u>
1XXX	<b>Total assets</b>		<u>\$ 1,618,506</u>	<u>100</u>	<u>\$ 1,332,214</u>	<u>100</u>	<u>\$ 1,359,003</u>	<u>100</u>

(Continued)

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED BALANCE SHEETS**  
**SEPTEMBER 30, 2020, DECEMBER 31, 2019 AND SEPTEMBER 30, 2019**  
**(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)**  
**(THE CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2020 AND 2019**  
**ARE REVIEWED, NOT AUDITED IN CONFORMITY WITH R.O.C GAAS )**

LIABILITIES AND EQUITY		Notes	September 30, 2020		December 31, 2019		September 30, 2019	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>								
2130	Contract liabilities - current	6(19)	\$ 413	-	\$ 117	-	\$ 94	-
2150	Notes payable		-	-	2,203	-	2,466	-
2200	Other payables	6(10)	19,697	1	17,751	1	18,427	1
2230	Current income tax liabilities		19	-	24	-	-	-
2300	Other current liabilities		2,528	-	1,444	-	430	-
21XX	<b>Total current liabilities</b>		<u>22,657</u>	<u>1</u>	<u>21,539</u>	<u>1</u>	<u>21,417</u>	<u>1</u>
<b>Non-current liabilities</b>								
2500	Financial liabilities at fair value through profit or loss- non-current	6(2)	-	-	-	-	-	-
2530	Corporate bonds payable	6(11)	-	-	-	-	-	-
2600	Other non-current liabilities	6(12)(13)	8,951	1	9,820	1	9,209	1
25XX	<b>Total non-current liabilities</b>		<u>8,951</u>	<u>1</u>	<u>9,820</u>	<u>1</u>	<u>9,209</u>	<u>1</u>
2XXX	<b>Total liabilities</b>		<u>31,608</u>	<u>2</u>	<u>31,359</u>	<u>2</u>	<u>30,626</u>	<u>2</u>
<b>Equity attributable to owners of parent</b>								
Share capital		6(14)(15)						
3110	Common stock		959,131	59	761,610	57	764,245	56
3130	Certificates of bond-to-stock conversion	6(11)	15,947	1	-	-	-	-
3140	Advance receipts for share capital		-	-	14,314	1	-	-
Capital reserve		6(16)						
3200	Capital surplus		724,050	45	782,240	59	785,440	57
Accumulated deficit		6(17)						
3350	Accumulated deficit		( 111,953)	( 7)	( 251,564)	( 19)	( 207,094)	( 15)
Other equity interest		6(18)						
3400	Other equity interest		( 277)	-	( 5,745)	-	( 6,361)	-
3500	Treasury stocks	6(15)	-	-	-	-	( 7,853)	-
3XXX	<b>Total equity</b>		<u>1,586,898</u>	<u>98</u>	<u>1,300,855</u>	<u>98</u>	<u>1,328,377</u>	<u>98</u>
Significant contingent liabilities and unrecognised contract commitments		9						
Significant events after the reporting period		11						
3X2X	<b>Total liabilities and equity</b>		<u>\$ 1,618,506</u>	<u>100</u>	<u>\$ 1,332,214</u>	<u>100</u>	<u>\$ 1,359,003</u>	<u>100</u>

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

**GLYCONEX INCORPORATION AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
**THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSS PER SHARE AMOUNTS)  
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended September 30				Nine months ended September 30				
		2020		2019		2020		2019		
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%	
4000	Operating revenue	6(19)	\$ 136	100	\$ -	-	\$ 296	100	\$ 490	100
5000	Operating costs	6(24)(25)	( 81)	( 60)	-	-	( 229)	( 78)	( 393)	( 80)
5950	Gross profit, net		55	40	-	-	67	22	97	20
	Operating expenses	6(24)(25)								
6100	Selling expenses		( 1,270)	( 934)	( 596)	-	( 3,763)	( 1271)	( 1,596)	( 326)
6200	General and administrative expenses		( 11,169)	( 8212)	( 12,045)	-	( 40,672)	( 13741)	( 37,495)	( 7652)
6300	Research and development expenses		( 38,953)	( 28642)	( 68,172)	-	( 116,471)	( 39348)	( 185,438)	( 37845)
6000	Total operating expenses		( 51,392)	( 37788)	( 80,813)	-	( 160,906)	( 54360)	( 224,529)	( 45823)
6900	Operating loss		( 51,337)	( 37748)	( 80,813)	-	( 160,839)	( 54338)	( 224,432)	( 45803)
	Non-operating income and expenses									
7100	Interest income	6(3)(20)	786	578	600	-	2,282	771	2,167	442
7010	Other income	6(7)(21)	4,839	3558	5,634	-	14,974	5059	16,900	3449
7020	Other gains and losses	6(2)(22)	32,872	24171	( 1,660)	-	31,018	10479	( 1,696)	( 346)
7050	Finance costs	6(23)	( 235)	( 173)	-	-	( 2,475)	( 836)	-	-
7000	Total non-operating income and expenses		38,262	28134	4,574	-	45,799	15473	17,371	3545
7900	Loss before income tax		( 13,075)	( 9614)	( 76,239)	-	( 115,040)	( 38865)	( 207,061)	( 42258)
7950	Income tax expense	6(26)	-	-	-	-	-	-	( 33)	( 6)
8200	Net loss		( \$ 13,075)	( 9614)	( \$ 76,239)	-	( \$ 115,040)	( 38865)	( \$ 207,094)	( 42264)
	Other comprehensive income (loss)									
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8316	Unrealised (losses) gains on financial assets measured at fair value through other comprehensive income	6(5)(18)	( \$ 4,473)	( 3289)	( \$ 141)	-	\$ 8,899	3007	\$ 219	45
8300	Total other comprehensive income (loss) for the period		( \$ 4,473)	( 3289)	( \$ 141)	-	\$ 8,899	3007	\$ 219	45
8500	Total comprehensive loss for the period		( \$ 17,548)	( 12903)	( \$ 76,380)	-	( \$ 106,141)	( 35858)	( \$ 206,875)	( 42219)
	Loss attributable to:									
8610	Owners of the parent		( \$ 13,075)	( 9614)	( \$ 76,239)	-	( \$ 115,040)	( 38865)	( \$ 207,094)	( 42264)
	Comprehensive loss attributable to:									
8710	Owners of the parent		( \$ 17,548)	( 12903)	( \$ 76,380)	-	( \$ 106,141)	( 35858)	( \$ 206,875)	( 42219)
	Loss per share (in dollars)	6(28)								
9750	Basic loss per share		( \$ 0.15)	( 1.00)	( \$ 1.38)	( \$ 1.38)	( \$ 2.73)			
9850	Diluted loss per share		( \$ 0.15)	( 1.00)	( \$ 1.38)	( \$ 1.38)	( \$ 2.73)			

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(REVIEWED, NOT AUDITED )

		Equity attributable to owners of the parent												
		Capital				Capital Reserves				Other Equity Interest				
		Notes	Common stock	Certificates of bond conversion	Advance receipts for share capital	Capital reserve	Stock warrants	Restricted stocks to employees	Others	Accumulated deficit	Unrealised gains or losses from financial assets measured at fair value through other comprehensive income	Unearned compensation of restricted stock to employees	Treasury stocks	Total equity
<u>Nine months ended September 30, 2019</u>														
			\$ 765,035	\$ -	\$ -	\$ 1,094,934	\$ -	\$ 8,903	\$ -	(\$ 317,218)	(\$ 3,972)	(\$ 7,378)	(\$ 7,853)	\$ 1,532,451
			-	-	-	-	-	-	-	( 207,094)	-	-	-	( 207,094)
			-	-	-	-	-	-	-	-	219	-	-	219
	6(18)		-	-	-	-	-	-	-	-	219	-	-	219
			-	-	-	-	-	-	-	( 207,094)	219	-	-	( 206,875)
	6(17)		-	-	-	( 317,218)	-	-	-	317,218	-	-	-	-
	6(14)		-	-	-	2,198	-	( 2,198)	-	-	-	-	-	-
	6(14)		( 790)	-	-	-	-	( 1,179)	-	-	-	1,969	-	-
	6(14)		-	-	-	-	-	-	-	-	2,801	-	-	2,801
			\$ 764,245	\$ -	\$ -	\$ 779,914	\$ -	\$ 5,526	\$ -	(\$ 207,094)	(\$ 3,753)	(\$ 2,608)	(\$ 7,853)	\$ 1,328,377
<u>Nine months ended September 30, 2020</u>														
			\$ 761,610	\$ -	\$ 14,314	\$ 777,874	\$ -	\$ 4,366	\$ -	(\$ 251,564)	(\$ 4,924)	(\$ 821)	\$ -	\$ 1,300,855
			-	-	-	-	-	-	-	( 115,040)	-	-	-	( 115,040)
	6(18)		-	-	-	-	-	-	-	-	8,899	-	-	8,899
			-	-	-	-	-	-	-	( 115,040)	8,899	-	-	( 106,141)
	6(15)		50,000	-	( 14,314)	48,850	-	-	-	-	-	-	-	84,536
	6(14)		-	-	-	284	-	-	9	-	-	-	-	293
	6(17)		-	-	-	( 251,564)	-	-	-	251,564	-	-	-	-
	6(11)		-	-	-	-	6,661	-	-	-	-	-	-	6,661
	6(11)		141,841	15,947	-	140,238	( 6,661)	-	-	-	-	-	-	291,365
	6(14)		7,500	-	-	-	-	6,668	-	-	-	( 14,168)	-	-
	6(5)(18)		-	-	-	-	-	-	-	3,087	( 3,087)	-	-	-
	6(14)		-	-	-	3,813	-	( 3,813)	-	-	-	-	-	-
	6(14)		( 1,820)	-	-	-	-	( 2,675)	-	-	-	4,495	-	-
	6(14)		-	-	-	-	-	-	-	-	9,329	-	-	9,329
			\$ 959,131	\$ 15,947	\$ -	\$ 719,495	\$ -	\$ 4,546	\$ 9	(\$ 111,953)	\$ 888	(\$ 1,165)	\$ -	\$ 1,586,898

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
NINE MONTHS ENDED SEPTEMBER 30, 2020 AND 2019  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(REVIEWED, NOT AUDITED)

	Notes	Nine months ended September 30	
		2020	2019
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Loss before tax		(\$ 115,040 )	(\$ 207,061 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(8)(24)	30,959	32,254
Amortization	6(9)(24)	5,625	9,201
Net loss (gain) on financial liabilities (assets) at fair value through profit or loss	6(2)(22)	690	( 2 )
Gain on disposal of investment property	6(22)	( 31,997 )	-
Interest income	6(20)	( 2,282 )	( 2,167 )
Interest expense	6(23)	2,475	-
Compensation costs of restricted stocks to employees	6(14)	9,329	2,801
Compensation costs of common stock for cash	6(14)	293	-
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		-	122
Accounts receivable, net		( 54 )	3
Other receivables		53	( 26 )
Prepayments		( 15,182 )	8,854
Other current assets		20	288
Other non-current assets		( 216 )	( 155 )
Changes in operating liabilities			
Contract liabilities - current		296	33
Notes payable		( 2,105 )	565
Other payables		1,652	2,878
Other current liabilities		1,084	( 1,005 )
Other non-current liabilities		( 98 )	( 89 )
Cash outflow generated from operations		( 114,498 )	( 153,506 )
Interest paid		( 1,001 )	-
Interest received		2,218	2,130
Income taxes refund		65	66
Net cash flows used in operating activities		( 113,216 )	( 151,310 )
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Increase in financial assets measured at amortised cost – current		( 174,652 )	( 25,595 )
Proceeds from disposal of financial asset at fair value through other comprehensive income - non-current	6(5)	10,208	-
Acquisition of property, plant and equipment	6(29)	( 1,167 )	( 1,497 )
Proceeds from disposal of investment properties		65,472	-
Net cash flows used in investing activities		( 100,139 )	( 27,092 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Issuance of convertible bonds	6(11)	300,000	-
Redemption of bonds	6(11)	( 200 )	-
Cost of convertible bonds		( 3,939 )	-
Issuance of common stock for cash	6(15)	85,686	-
Cost of common stock for cash (shown as deduction of “capital reserve”)		( 1,150 )	-
Decrease in deposits received		( 771 )	( 247 )
Net cash flows provided by (used in) financing activities		379,626	( 247 )
Net increase (decrease) in cash and cash equivalents		166,271	( 178,649 )
Cash and cash equivalents at beginning of period		118,742	256,169
Cash and cash equivalents at end of period		<u>\$ 285,013</u>	<u>\$ 77,520</u>

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