

**GLYCONEX INCORPORATION AND  
SUBSIDIARY  
CONSOLIDATED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REVIEW REPORT  
JUNE 30, 2021 AND 2020**

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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.

INDEPENDENT AUDITORS' REVIEW REPORT 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 June 30, 2021 and 2020, and the related consolidated statements of comprehensive income for the three months and six months then ended, as well as the consolidated statements of changes in equity and of cash flows for the six 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.

### ***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 June 30, 2021 and 2020, and of its consolidated financial performance for the three months and six months then ended, and its consolidated cash flows for the six 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

August 12, 2021

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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 independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(THE CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2021 AND 2020  
ARE REVIEWED, NOT AUDITED IN CONFORMITY WITH R.O.C GAAS )

ASSETS			June 30, 2021		December 31, 2020		June 30, 2020	
Notes			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current assets								
1100	Cash and cash equivalents	6(1)	\$ 74,482	5	\$ 152,740	10	\$ 249,449	15
1136	Financial assets at amortised cost -	6(3)						
	current		328,258	22	326,216	21	225,015	14
1170	Accounts receivable, net		244	-	16	-	101	-
1200	Other receivables		97	-	235	-	375	-
1220	Current income tax assets		124	-	193	-	151	-
1410	Prepayments	6(4)	19,123	2	19,605	1	24,322	2
1470	Other current assets		83	-	155	-	240	-
11XX	Total current assets		422,411	29	499,160	32	499,653	31
Non-current assets								
1517	Financial assets at fair value	6(5)						
	through other comprehensive							
	income - non-current		16,687	1	19,983	1	22,623	1
1600	Property, plant and equipment	6(6) and 8	1,035,918	70	1,054,652	67	1,071,371	66
1760	Investment property, net	6(8)	-	-	-	-	33,689	2
1780	Intangible assets	6(9)(27)	-	-	-	-	-	-
1840	Deferred income tax assets		-	-	-	-	1,340	-
1900	Other non-current assets		1,030	-	249	-	1,142	-
15XX	Total non-current assets		1,053,635	71	1,074,884	68	1,130,165	69
1XXX	Total assets		\$ 1,476,046	100	\$ 1,574,044	100	\$ 1,629,818	100

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GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS  
JUNE 30, 2021, DECEMBER 31, 2020 AND JUNE 30, 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(THE CONSOLIDATED BALANCE SHEETS AS OF JUNE 30, 2021 AND 2020  
ARE REVIEWED, NOT AUDITED IN CONFORMITY WITH R.O.C GAAS )

LIABILITIES AND EQUITY		Notes	June 30, 2021		December 31, 2020		June 30, 2020	
			AMOUNT	%	AMOUNT	%	AMOUNT	%
Current liabilities								
2130	Contract liabilities - current	6(19)	\$ 46	-	\$ 295	-	\$ 407	-
2150	Notes payable		-	-	900	-	-	-
2200	Other payables	6(10)	17,683	1	22,815	2	16,048	1
2230	Current income tax liabilities		-	-	-	-	19	-
2300	Other current liabilities		1,434	-	1,563	-	1,408	-
21XX	Total current liabilities		19,163	1	25,573	2	17,882	1
Non-current liabilities								
2500	Financial liabilities at fair value through profit or loss - non-current	6(2)	-	-	-	-	287	-
2530	Corporate bonds payable	6(11)	-	-	-	-	102,877	6
2600	Other non-current liabilities	6(12)	8,790	1	8,894	-	8,985	1
25XX	Total non-current liabilities		8,790	1	8,894	-	112,149	7
2XXX	Total liabilities		27,953	2	34,467	2	130,031	8
Equity attributable to owners of parent								
Share capital		6(15)						
3110	Common stock		974,818	66	975,078	62	817,290	50
3130	Certificates of bond-to-stock conversion		-	-	-	-	102,000	6
Capital surplus		6(16)						
3200	Capital surplus		723,630	49	724,073	46	676,734	41
Accumulated deficit		6(17)						
3350	Accumulated deficit		( 245,096)	( 17)	( 159,996)	( 10)	( 100,940)	( 6)
Other equity interest		6(18)						
3400	Other equity interest		( 5,259)	-	422	-	4,703	1
3XXX	Total equity		1,448,093	98	1,539,577	98	1,499,787	92
Significant contingent liabilities and unrecognised contract commitments		9						
Significant events after the reporting period		11						
3X2X	Total liabilities and equity		\$ 1,476,046	100	\$ 1,574,044	100	\$ 1,629,818	100

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
SIX MONTHS ENDED JUNE 30, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT LOSS PER SHARE AMOUNTS)  
(REVIEWED, NOT AUDITED)

Items	Notes	Three months ended June 30				Six months ended June 30			
		2021		2020		2021		2020	
		AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19)	\$ 337	100	\$ 63	100	\$ 854	100	\$ 160	100
5000 Operating costs	6(24)(25)	( 233)	( 69)	( 106)	( 168)	( 440)	( 52)	( 148)	( 93)
5950 Gross profit (loss)		104	31	( 43)	( 68)	414	48	12	7
Operating expenses	6(24)(25)								
6100 Selling expenses		( 1,081)	( 321)	( 1,164)	( 1848)	( 2,182)	( 255)	( 2,493)	( 1558)
6200 General and administrative expenses		( 13,657)	( 4052)	( 16,953)	( 26909)	( 26,037)	( 3049)	( 29,503)	( 18439)
6300 Research and development expenses		( 31,778)	( 9430)	( 40,999)	( 65078)	( 67,294)	( 7880)	( 77,518)	( 48449)
6000 Total operating expenses		( 46,516)	( 13803)	( 59,116)	( 93835)	( 95,513)	( 11184)	( 109,514)	( 68446)
6900 Operating loss		( 46,412)	( 13772)	( 59,159)	( 93903)	( 95,099)	( 11136)	( 109,502)	( 68439)
Non-operating income and expenses									
7100 Interest income	6(3)(20)	710	211	801	1271	1,445	169	1,496	935
7010 Other income	6(7)(21)	4,729	1403	5,116	8121	9,242	1082	10,135	6335
7020 Other gains and losses	6(2)(22)	( 410)	( 122)	( 604)	( 959)	( 698)	( 81)	( 1,854)	( 1159)
7050 Finance costs	6(23)	-	-	( 1,460)	( 2317)	-	-	( 2,240)	( 1400)
7000 Total non-operating income and expenses		5,029	1492	3,853	6116	9,989	1170	7,537	4711
7900 Loss before income tax		( 41,383)	( 12280)	( 55,306)	( 87787)	( 85,110)	( 9966)	( 101,965)	( 63728)
7950 Income tax expense	6(26)	-	-	-	-	-	-	-	-
8200 Net loss		( \$ 41,383)	( 12280)	( \$ 55,306)	( 87787)	( \$ 85,110)	( 9966)	( \$ 101,965)	( 63728)
Other comprehensive income (loss)									
Components of other comprehensive income (loss) that will not be reclassified to profit or loss									
8316 Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(5)(18)	( \$ 1,679)	( 498)	\$ 17,387	27598	( \$ 2,679)	( 314)	\$ 13,372	8357
8300 Total other comprehensive income (loss) for the period		( \$ 1,679)	( 498)	\$ 17,387	27598	( \$ 2,679)	( 314)	\$ 13,372	8357
8500 Total comprehensive loss for the period		( \$ 43,062)	( 12778)	( \$ 37,919)	( 60189)	( \$ 87,789)	( 10280)	( \$ 88,593)	( 55371)
Loss attributable to:									
8610 Owners of the parent		( \$ 41,383)	( 12280)	( \$ 55,306)	( 87787)	( \$ 85,110)	( 9966)	( \$ 101,965)	( 63728)
Comprehensive loss attributable to:									
8710 Owners of the parent		( \$ 43,062)	( 12778)	( \$ 37,919)	( 60189)	( \$ 87,789)	( 10280)	( \$ 88,593)	( 55371)
Loss per share (in dollars)	6(28)								
9750 Basic loss per share		( \$ 0.43)		( \$ 0.68)		( \$ 0.88)		( \$ 1.26)	
9850 Diluted loss per share		( \$ 0.43)		( \$ 0.68)		( \$ 0.88)		( \$ 1.26)	

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

GLXCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
SIX MONTHS ENDED JUNE 30, 2021 AND 2020  
(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-to-stock conversion	Advance receipts for share capital	Additional paid in capital	Stock warrants	Restricted stocks to employees	Others	Accumulated deficit	Unrealised gains or losses on financial assets measured at fair value through other comprehensive income	Unearned compensation of restricted stock to employees	Total equity
Six months ended June 30, 2020												
Balance at January 1, 2020		\$ 761,610	\$ -	\$ 14,314	\$ 777,874	\$ -	\$ 4,366	\$ -	(\$ 251,564 )	(\$ 4,924 )	(\$ 821 )	\$ 1,300,855
Net loss for the period	6(18)	-	-	-	-	-	-	-	( 101,965 )	-	-	( 101,965 )
Other comprehensive income for the period		-	-	-	-	-	-	-	-	-	-	-
Total comprehensive (loss) income		-	-	-	-	-	-	-	-	13,372	-	13,372
Issuance of common stock for cash	6(15)	50,000	-	-	-	-	-	-	( 101,965 )	13,372	-	( 88,593 )
Compensation costs of common stock for cash	6(14)	-	-	( 14,314 )	48,850	-	-	-	-	-	-	-
Capital reserve used to offset against accumulated deficit	6(17)	-	-	-	284	-	-	9	-	-	-	84,556
Issuance of convertible bonds	6(11)	-	-	-	( 251,564 )	-	-	-	251,564	-	-	293
Conversion of convertible bonds	6(11)	-	-	-	-	6,661	-	-	-	-	-	-
Issuance of restricted stocks to employees	6(14)	-	102,000	-	90,621	( 4,360 )	-	-	-	-	-	6,661
Disposal of financial assets at fair value through other comprehensive income - non-current	6(5)(18)	7,500	-	-	-	-	6,668	-	-	-	( 14,168 )	188,261
Vesting of restricted stocks to employees	6(14)	-	-	-	-	-	-	-	1,025	( 1,025 )	-	-
Retirement of restricted stocks to employees	6(14)	( 1,820 )	-	-	3,813	-	( 3,813 )	-	-	-	-	-
Compensation costs of restricted stocks to employees	6(14)	-	-	-	-	-	( 2,675 )	-	-	-	4,495	-
Balance at June 30, 2020		\$ 817,290	\$ 102,000	\$ -	\$ 669,878	\$ 2,301	\$ 4,546	\$ 9	(\$ 100,940 )	\$ 7,423	7,774	\$ 1,499,787
Six months ended June 30, 2021												
Balance at January 1, 2021		\$ 975,078	\$ -	\$ -	\$ 719,518	\$ -	\$ 4,546	\$ 9	(\$ 159,996 )	\$ 31	\$ 391	\$ 1,539,577
Net loss for the period		-	-	-	-	-	-	-	( 85,110 )	-	-	( 85,110 )
Other comprehensive loss for the period	6(18)	-	-	-	-	-	-	-	-	( 2,679 )	-	( 2,679 )
Total comprehensive loss		-	-	-	-	-	-	-	( 85,110 )	( 2,679 )	-	( 87,789 )
Disposal of financial assets at fair value through other comprehensive income - non-current		-	-	-	-	-	-	-	-	-	-	-
Vesting of restricted stocks to employees	6(14)	-	-	-	-	-	-	-	10	( 10 )	-	-
Retirement of restricted stocks to employees	6(14)	( 260 )	-	-	156	-	( 156 )	-	-	-	-	-
Compensation costs of restricted stocks to employees	6(14)	-	-	-	-	-	443	-	-	-	703	-
Balance at June 30, 2021		\$ 974,818	\$ -	\$ -	\$ 719,674	\$ -	\$ 3,947	\$ 9	(\$ 245,096 )	(\$ 2,658 )	( 3,695 )	\$ 1,448,093

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

GLYCONEX INCORPORATION AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
SIX MONTHS ENDED JUNE 30, 2021 AND 2020  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)  
(REVIEWED, NOT AUDITED)

	Notes	Six months ended June 30	
		2021	2020
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Loss before tax		( \$ 85,110 )	( \$ 101,965 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(6)(8)(24)	19,804	20,925
Amortisation	6(9)(24)	244	5,474
Net loss on financial liabilities at fair value through profit or loss	6(2)(22)	-	690
Interest income	6(20)	( 1,445 )	( 1,496 )
Interest expense	6(23)	-	2,240
Compensation costs of restricted stocks to employees	6(14)	( 3,695 )	7,774
Compensation costs of common stock for cash	6(14)	-	293
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		( 228 )	( 101 )
Other receivables		129	268
Prepayments		482	( 18,730 )
Other current assets		72	( 220 )
Other non-current assets		( 168 )	( 36 )
Changes in operating liabilities			
Contract liabilities - current		( 249 )	290
Notes payable		( 900 )	( 2,105 )
Other payables		( 3,233 )	( 2,198 )
Other current liabilities		( 129 )	( 36 )
Other non-current liabilities		( 78 )	-
Cash outflow generated from operations		( 74,504 )	( 89,469 )
Interest received		1,454	1,488
Interest paid		-	( 907 )
Income taxes refund		69	94
Net cash flows used in operating activities		( 72,981 )	( 88,794 )
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in financial assets measured at amortised cost		( 2,042 )	( 163,315 )
Acquisition of property, plant and equipment	6(29)	( 2,969 )	( 269 )
Proceeds from disposal of financial asset at fair value through other comprehensive income - non-current	6(5)	617	3,920
Increase in refundable deposits		-	( 1 )
Increase in other non-current assets		( 857 )	( 660 )
Net cash flows used in investing activities		( 5,251 )	( 160,325 )
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Issuance of convertible bonds	6(11)	-	300,000
Cost of issuance of convertible bonds		-	( 3,939 )
Issuance of common stock for cash	6(15)	-	85,686
Cost of issuance of common stock for cash (shown as deduction of capital reserve)		-	( 1,150 )
Decrease in deposits received		( 26 )	( 771 )
Net cash flows (used in) provided by financing activities		( 26 )	379,826
Net (decrease) increase in cash and cash equivalents		( 78,258 )	130,707
Cash and cash equivalents at beginning of period		152,740	118,742
Cash and cash equivalents at end of period		\$ 74,482	\$ 249,449

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