Stock Code:6589

EirGenix, Inc.

台康生技股份有限公司

2021 Annual Report

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Printed on April 30th, 2022

I. Names, Titles, Contact telephone numbers, and E-mail addresses of the Spokesperson and Deputy Spokesperson:

Spokeperson name:	Deputy Spokeperson name:
Lee-Cheng Liu	Chih-Jung Chang
Title: President	Title: Senior Vice-President
Tel: +886-2-7708-0123	Tel: +886-2-7708-0123
E-mail: IR@eirgenix.com	E-mail: IR@eirgenix.com

II. Address and Telephone of Headquarters, Branches and Plant:

	Address	Telephone
Headquarters Xizhi	No. 101, Lane 169, Kangning St., Xizhi Dist, New Taipei City 22180	+886-2-7708-0123
Branches Zhubei	No.168, Sec. 1, Shengyi Rd., Zhubei City, Hsinchu County 302	+886-3-620-5088

III. Firm name, Address, Website URL and Telephone number of Stock Transfer Agent:

KGI Securities, Department of Stock Agency

Address: 5F, No. 2, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100 Tel:+886-2-2389-2999

Website URL: https://www.kgi.com.tw

IV. Firm name, Address, Website URL, Telephone number, and the name of the CPA who attested the most recent year's financial report

Name of the CPA: Sheng-Wei Deng, Yu-Fang Yen

Firm name: PricewaterhouseCoopers Taiwan

Address: 27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City 110

Website URL: http://www.pwc.tw

Tel: +886-2-2729-6666

V. **The name of any exchanges where the company's securities are traded offshore, and the method by which to access information on said offshore securities:** None.

VI. **Company Website URL:** http://www.eirgenix.com

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I. Letter to Shareholders

Dear Shareholders,

1. 2021 Business Result

(1) Business plan implementing results

EirGenix was established on December 21st 2012, and listed in the market on June 28th, 2019. It is a biotechnology and medical company focusing on biosimilars, drug discovery, and biopharmaceutical Contract Development and Manufacturing Organization (CDMO). The annual operating incomes of 2021 and 2020 are NT$1,697,359,000 and NT$1,071,838,000, respectively with a 58% growth. The source of revenue in 2021 is the continued growth in CDMO business, the authorized contract with Sandoz on self-developed product EG12014, and step-by-step milestone payments recognition.

EirGenix holds the critical technology of biotechnological drug development and manufacture and is able to provide differentiated services with high added value. The consistent and stable operating income can cover part of the development expense for biosimilars. Various drug development projects are being implemented successively as planned. EirGenix's financial and business condition will grow substantially after obtaining the medicine certificate for mass production.

(2) Research and development status

A. Establish competitive and complete production line development strategies:

(A) There are seven self-developed products, including four biosimilars; one is the Her2 biosimilar with a new formulation for subcutaneous injection, one antibody-drug conjugate, and one carrier protein. In the current product pipeline, we applied a unique strategy of developing Her2 franchise products to synergize future market penetration.

(B) The primary end point analysis of the phase 3 clinical trial of EG12014 (biosimilar of Roche Herceptin®, with indication of early breast cancer patients.) was completed on March 23rd 2021, and shows the study has met its primary end-point. EG12014 has shown equivalent efficacy to Herceptin® in regard to its clinical response (pathologic complete response, pCR, defined as ypTO/is ypN0). EMA and FDA have officially accepted the review of the MAA and BLA submitted by Sandoz AG (exclusive partner of EirGenix) for trastuzumab biosimilar EG12014 in the first quarter of 2022.

(C) On April 29th, 2019, EirGenix signed a global exclusive authorized sales contract, except Taiwan and China, with Sandoz AG, a world well-known

pharmaceutical factory for generic drugs and biosimilars. The licensing agreement includes a signing fee and milestone payments and additional royalty income of product sales in the authorized markets after product launch. EirGenix is also responsible for the manufacture of EG12014 after launching in the market. Sandoz AG, a Novartis Division, is in the leading position in the global generic drug and biosimilars fields. They have a long history of 136 years and abundant drug development and sales experience in biosimilars and antineoplastic drugs. This strategic alliance will improve the global competitiveness, therefore, benefit to our CDMO business expansion. The launch of EG12014 would provide more treatment choices and opportunities for patients with HER2 breast cancer once the product launches in the market.

(D) EirGenix has officially submitted for Phase I PK biosimilarity clinical study of developmental product EG1206A (proposed Pertuzumab biosimilar) in Europe.

B. Outstanding development and manufacture technology of biotechnological drugs:

(A) The operating income has been increasing over the years due to the consistent and stable growth of the CDMO business. The CDMO business had reached the break-even point in 2016, and annual signed contract value had grown significantly since 2015.

(B) The core competitiveness of EirGenix's CDMO business owns two major production technologies: Mammalian cell culture development and Microbial strain fermentation development with professional capabilities of development, manufacture, and analysis. Through a vertical integration operating model, we can effectively keep track of the quality and cost control. Because the existing facility in Xizhi has reached its full capacity, a large-scale commercial production facility that meets the requirement of international PIC/S GMP was built in Hsinchu Biomedical Science Park at the beginning of 2019. It is used for the self-developed biosimilars EG12014 future production needs in the market. It could also attract international and domestic clients with late developmental stage products which required large-scale production and product commercial launches.

(C) EirGenix submitted post approval change to Pharmaceuticals and Medical Devices Agency (PMDA), an independent administrative institution authorized by the Ministry of Health and Welfare. The inspection went well with no major deficiency and received a PMDA approval letter on February 3, 2020. EirGenix entered into an agreement for long-term supply on March 2, 2021 and became the first long-term biopharmaceutical factory for biological drugs in the Japanese market. The product is a necessary drug for

cancer treatment with over 30% market share in the same category in Japan. It is the only biopharmaceutical factory in Taiwan and China, and one of a few Asian biopharmaceutical factories that was contracted by PMDA. With this accreditation, it would increase the willingness and confidence of Japanese and international biotechnology companies to contract manufacturing and enhance sales promotion. The market demand of Japanese biopharmaceuticals CDMO has been increasing in recent years. With the actual sales of this product in Japan, it will expand the competitive advantage in the Japanese market and significantly increase the willingness and confidence of Japanese and international biotechnology companies to entrust manufacturing. This major milestone will accelerate the sales growth of CDMO.

(D) EirGenix's Xizhi site has been certified by Taiwan FDA as the GMP production facility for commercial biopharmaceutical drug substances. Zhubei site has been inspected and approved by Taiwan FDA as the GMP pilot production facility for biopharmaceutical drug substances.

(E) EirGenix collaborates with Medigen Vaccine Biologics Corporation, a domestic vaccine manufacturer, and provides antigen protein production development and GMP mass production service.

C. Affirmation on business performance:

(A) Received the Grand Winner of Best Bioprocess Excellence in Taiwan.

(B) Awarded Best Bioprocess Excellence in Greater China Region from Biologics Manufacturing Asia.

(C) Won the Globalizing Award of "2021 Taipei Biotech Awards".

(3) Financial revenue and expenditure and profitability analysis

The annual operating incomes are NTD 1,697,359 thousand dollars, mainly contributed by CDMO business and cooperative development revenue. The gross profit is NTD 1,093,054 thousand dollars with a 65% gross margin rate. The major in 2021 were biosimilars development and research expenses. The reason for that is because the products are still in the development stage and require more investments for research and development funds, such as clinical study expenses, research and development material expenses, and research and development staff salaries. CDMO sales and other revenues are still unable to fully cover the research and development expenditures mentioned previously at this point, which is the main reason that caused EirGenix’s loss. The investment of research and development expenditures now is to accumulate the energy for future profit growth after the product launches.

The completion of its 5.0325 billion New Taiwan Dollars private placement in 2021.

The private placement investors include Foxconn Technology Co., Ltd., Yonglin Capital Holding Co., Ltd. and Hong Wei Investment Co., Ltd. The cash capital increase will be a significant benefit to EirGenix's long-term development and will further enhance the company's operating efficiency. With the recent injection of additional capital funding, EirGenix can now accelerate the execution of its future strategic planning. For the product development unit, the product pipeline will be expanded to include more biosimilar drug products. For the CDMO unit, the current facility infrastructure will add additional production lines and facilities to handle even more diversified biological products and break into the field of cell and gene therapy, as well as extension of services to further link upstream, midstream, and downstream development and manufacturing services. Lastly, EirGenix will seek to establish various forms of cooperation with international entities, which include but are not limited to collaborations, strategic alliances, or mergers and acquisitions. Soon EirGenix will become an important hub for biopharmaceutical development and manufacturing on the global stage.

Unit: %

Item \ Year		2020	2021
Financial Structure	Debt Ratio	50.31	8.85
	Long Term Funds to property, plant, and equipment	172.42	569.09
Solvency	Current Ratio	232.70	1,289.83
	Quick Ratio	195.19	1,215.91
Profitability	Rate of return on assets	(28.10)	(0.34)
	Rate of return on equity	(55.40)	(0.69)
	Net Profit Margin	(97.19)	(2.51)
	Earnings per share (NTD)	($5.41)	($0.18)

(4) Budget implementation status

EirGenix had only set up an internal budget goal for 2021 and did not disclose the financial forecast. The overall budget implementation has met the goal.

2. 2022 Business Plan Summary

(1) Business policy

EirGenix's business policy is to maintain sustainable profit growth since its establishment. It came up with three major service items. Considering three factors of the sales and developing time of drugs, risk value, and potential returns, three stages of the business focus have been set: 1. Contract Development and Manufacturing Organization (CDMO); 2. Biosimilar Development and 3. Me too and Novel biologics development to

make the best of EirGenix's cGMP production factory, equipment, and high-end technology human resources.

(2)Estimated sales, and its basis, and important production and sales policy

EirGenix's biosimilars in development are still at the developing stage. The main revenue resource comes from Contract Development and Manufacturing Organization and authorized product collaborations. The senior management team proposes the overall goal and strategy, and the research and development team makes various development project plans. The project schedule for plan implementation and sales projection is made by feasibility analysis, market potential, and financial evaluation.

3. EirGenix's future development strategy

(1)Short-term sales development plan

The short-term development strategy is "Build up the foundation and move forward step by step." The strategy plans for products in development and CDMO sales & marketing development are as follows:

A. Self-developed products

(A) EG12014 drug certification applications will approve by the U.S. FDA、TFDA and European Union EMA.
(B) EG1206A will complete the phase I clinical trials.
(C) EG62054 will complete cell line and 2-50 liter process development and analysis on biosimilarity.
(D) EG13074 will conduct preclinical meetings with the U.S. FDA.

B. CDMO sales

In order to expand the current capacity and the need for commercialized mass production of future products, a biopharmaceutical plant is built in Hsinchu Biomedical Science Park. The current target is to cope with the phase III clinical trial of EG12014. It could also attract international and domestic clients with the late developmental stage products for large-scale production and commercial manufacturing after product launches. The overseas sales expansion has made great progress in Japan. In addition, a subsidiary is set up in Germany to focus on the clinical development of ongoing and future products in-development.

(2)Medium- and long-term sales development plan

The medium- and long-term development strategy is "Products are developing and launching one after another to promote stable growth in revenue. The strategy plans for products in development and CDMO sales development are as follows:

A. Obtain drug certificates and product launch for products in development.

B. CDMO sales:

Since the facility at the new factory in Zhubei is more suitable for products developed at late developmental stage (such as mass production for phase III clinical trials) or commercial production; therefore, the short-term sales expansion will focus on the clients with early-stage development and production projects which could be executed in Xizhi plant while establishing a global customer network for late-stage development projects or mass production projects. Zhubei plant is expected to expand the production capacity to 25,500L after completion. It could meet the demand of various biopharmaceutical process development for mammal cells, also fulfill the demand for both products in development and CDMO business in the future. Moreover, EirGenix is the only biopharmaceutical factory in Taiwan and China, and one of a few Asian biopharmaceutical factories that were GMP inspected and authorized by the Japanese official agency, PMDA. With this accreditation, it would increase the willingness and confidence of Japanese and international biotechnology companies to contract to manufacture and enhance sales promotion.

4. Effects by the external competitive environment, legal environment, and overall business environment

The mission of the Company at the beginning is to provide high-quality and cost-effective Contract Development and Manufacturing Organization and develop biosimilars with commercial values. The medium to long-term goal is focusing on Niche Biologics development to increase human and social benefits and improve life quality. The Company insists on making the technology first with excellent quality as the foundation, and be responsible for customer's success. The goal is to become an international biotechnology and medicine company that begins in Taiwan and focuses on the global market

We would like to thank all of the shareholders, customers, and collaborating business partners for encouraging and supporting us, as well as the contribution and hard work from our employees. Together it brings prosperity and constant growth for EirGenix.

EirGenix, Inc.

Chairman: Chung-Hur Lee

President: Lee-Cheng Liu

Head of Accounting Department: Hsiu-Chuan Yang

II. Company Profile

1. Date of Incorporation

December 21st, 2012.

2. Company History

2012 - EirGenix Inc. was incorporated as a company limited by shares and registered under the provisions of the Company Act of the Republic of China.

2013 - On March 15th, 2013, EirGenix, Inc., Formosa Laboratories, Inc., and Development Center for Biotechnology (DCB) signed a joint venture agreement. EirGenix Inc. (EirGenix) obtained the management rights and completed the transfer of all technologies, R&D, and production personnel in April 2013. Meanwhile EirGenix inherited the existing pilot plant and the R&D core, competencies including cell line development, production process development, protein characterization, quality control, and two Taiwan FDA certified cGMP facilities - one for mammalian cells and one for microbial.

- Completed capital injection in November, with the capital reaching NT$ 540 million.

2014 - Granted PIC/S GMP certificate by Taiwan FDA.

2015 - Completed capital injection with the capital reaching NT$ 790 million.

- Received the Gold Prize for "Biomedical and New Agricultural Industry Award" in 2015.

2016 - Initiated EG12014 Phase I clinical trial in Europe.

- Completed capital injection, with the capital reaching NT$ 1.0097 billion.
- Completed IPO and publicly listed in TPEx Emerging Stock Board.
- Initiation construction of the new PIC/S GMP bio-pharmaceutical facility with commercial mass-production scale situated in the Zhubei Biomedical Park at the end of 2016.

2017 - Nominated for the Best Process Technology and received Grand Winner of Best Bioprocess Excellence in Taiwan by Biologics Manufacturing Asia (BMA). Received the excellence award for Antibody Drug Conjugate platform. Earned international recognition in bioprocess technology.

- EG12014 met primary endpoint, bioequivalence, after the completion of Phase I clinical trial in Europe.
- Granted Accreditation Certificate of Foreign Drug Manufacturer by Japan MHLW, with the accreditation category of "biological products" and effective date from October 31st, 2017 to October 30th, 2022. During the effective period the biological products manufactured by EirGenix's designated facility is allowed can be launched in Japan.

- Received "2017 Biomarker Industry Potential Benchmark Award" by Taiwan Bio Industry Organization.

2018
- Received the "Asia's Best CMO (Contract Manufacturing Organization) Award" in Asia-Pacific Bioprocessing Excellence Awards 2018.
- Ranked 145th in Deloitte Technology Fast 500 Asia Pacific.
- "Trastuzumab biosimilar EG12014" won the 17th Taiwan FDA "Pharmaceutical Technology & Research Development Bronze Award."
- Completed twice capital injection, with the capital reaching NT$ 1.490229 billion
- First patient enrolled in Phase III clinical trial of the proprietary EG12014.
- Received the Opinion on Successful and Marketable Development of Product or Technology in Scientific and Technological Industry issued by the Industrial Development Bureau (IDB), Ministry of Economic Affairs.
- EG12014 won the 15th National Innovation Award-Enterprise Innovation Award.

2019
- EirGenix, Inc. held the opening ceremony to commemorate the launch of the new "Protein Drug Commercial Production Plant" in Hsinchu (Zhubei) Biomedical Park
- Won the Grand Winner of Best Bioprocess Excellence in Taiwan Award in Singapore for the 3rd consecutive year.
- Granted approval by 11 regulatory agencies including the United States, Taiwan, Georgia, Russia, Belarus, South Korea, India, Ukraine, Chile, South Africa, and Colombia to initiate EG12014 Phase 3 clinical trial since 2018.
- Won the 6th National Industrial Innovation Award-Excellent Innovation Enterprise of the Ministry of Economic Affairs.
- In April 2019, EirGenix Inc. signed a global licensing agreement with Sandoz AG, a global leader in generics and biosimilars. The licensing agreement authorized Sandoz AG to the exclusive commercial rights of EirGenix's EG12014 (Trastuzumab biosimilar) in all global markets except mainland China and Taiwan. The licensing agreement includes a signing fee and milestone payments, and additional royalty payment in the authorized markets after product launch.
- Completed the Initial Public Offering listing.
- Established EirGenix Europe GmbH subsidiary in Germany
- Won the New Technology Award of "2019 Taipei Biotech Awards".
- Won the subsequent award of National Innovation Award, Enterprise Innovation Award Continuation Award-Innovation Excellence Award.
- Completed capital injection, with the capital reaching NT$ 1.691204 billion

2020
- The independently administered Pharmaceuticals and Medical Devices Agency

(PMDA), under Japan's Ministry of Health, Labour, and Welfare, carried out an on-site inspection of EirGenix's biopharmaceutical manufacturing facility from September 9th to September 12th, 2019. On February 3rd, 2020, EirGenix received PMDA's official approval in its issued GMP Compliance Inspection Result Notification, proclaiming EirGenix's compliance with relevant Japanese regulations regarding the quality, effectiveness, and safety of pharmaceutical manufacturing, which represented a remarkable milestone for EirGenix as the first GMP biopharmaceutical manufacturing facility in Taiwan to receive the authority's approval; not only the only one in both sides of the Taiwan Straits but also one of the few biopharmaceutical manufacturers in Asia receiving Japan's PMDA approval

- 807 patients enrolled in EirGenix's Phase III clinical trial of EG12014.
- Received 2020 Bioprocessing Excellence Award in Greater China Region.
- Completed capital injection, with the capital reaching NT$ 2.048565 billion
- Completed neoadjuvant treatment and surgery of the last patient for the Phase III clinical trial of the breast cancer biosimilar EG12014.
- Won the 17th National Innovation Award

2021

- The Phase III clinical trial of EG12014 showed equivalent efficacy in regards to its clinical response.
- Completed capital injection, with the capital reaching NT$ 2.430389 billion.
- EirGenix's Xizhi site has been certified by Taiwan FDA as the GMP production facility for commercial biopharmaceutical drug substances. Zhubei site has been inspected and approved by Taiwan FDA as the GMP pilot production facility for biopharmaceutical drug substances.
- Won the Globalizing Award of "2021 Taipei Biotech Awards".
- Completed capital injection (Private placement), with the capital reaching NT$ 3.002317 billion.

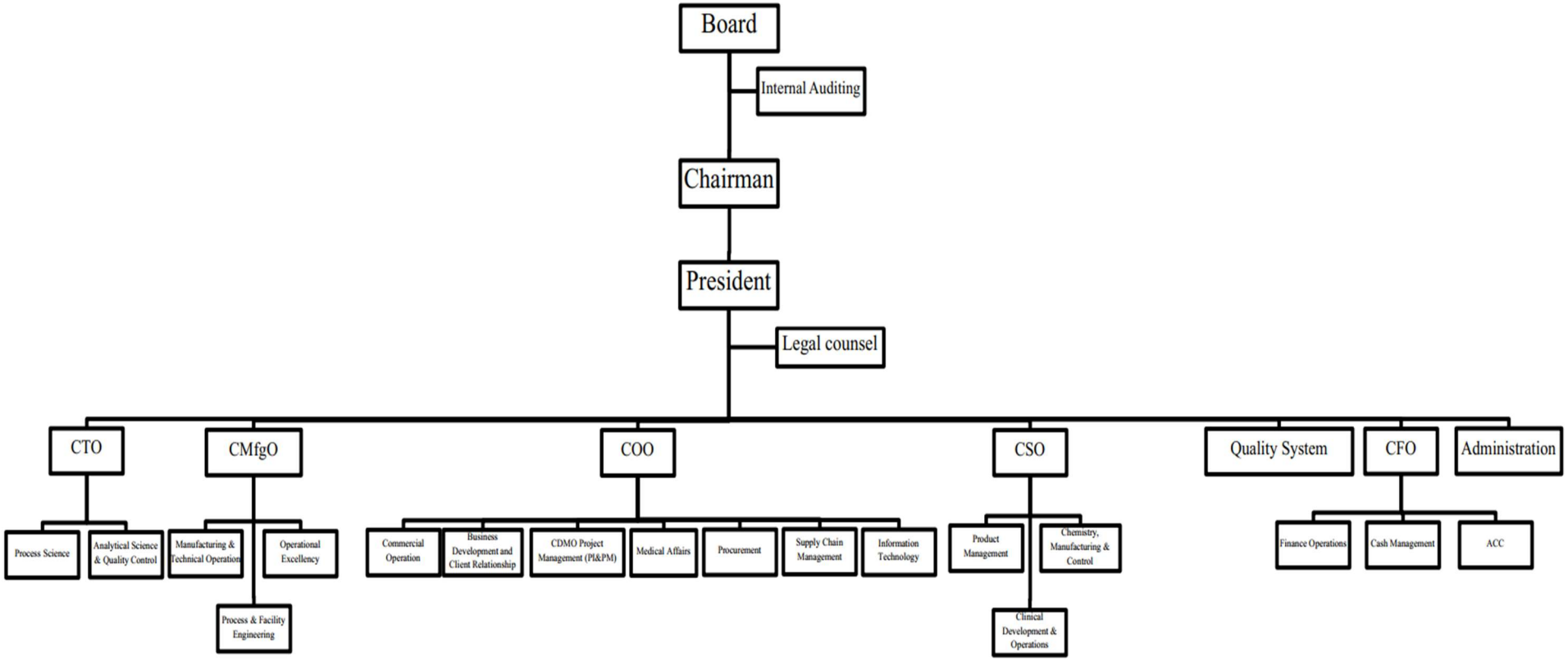
2022

- EMA and FDA has officially accepted the review of the MAA and BLA submitted by Sandoz AG (exclusive partner of EirGenix) for trastuzumab biosimilar EG12014.
- EirGenix has officially submitted for Phase I PK biosimilarity clinical study of developmental product EG1206A (proposed Pertuzumab biosimilar) in Europe.

III. Corporate Governance Report

1. Organization

(1) Organization Chart



(2) Major Corporate Functions

Department	Functions
President	Formulate the corporate business philosophy, policies, strategies, and major investment plans.
Internal Auditing	Inspection and review of the Company's internal control system with adequacy in design and effectiveness in operation. Audit the integrity of financial information and establish internal risk assessment and management mechanisms.
Legal Counsel	Responsible for managing intellectual property rights, treatment of legal affairs, and compliance with domestic and foreign laws and regulations.
Administration	Responsible for providing a suitable working environment for colleagues through various activities of recruitment, hiring, training, and retaining via HR. Be responsible for internal and external administrative communication, necessary contact, and treatment of general affairs in the office.
Finance Operations	Responsible for annual budget preparation, long-term and short-term financial forecast, financial analysis, fundraising, investing, M&A, stock affairs, public announcement, investor relations, public relations and the convening of the Board of Directors/Shareholders' Meeting.
Cash Management	Responsible for banking matters, cash operation, working capital management, capital dispatch, and bank financing.
Accounting	Responsible for accounting affairs related businesses, financial statement preparation, tax planning, supplementary explanation for competent authorities, the administrative remedy of tax, and other related businesses.
Quality System	Review and verify the effective plan, product, process, equipment change, or other changes to determine whether effective changes need to be re-implemented. Establish an appropriate quality management system and internal GMP audit and training plan. Labor safety and health, industrial waste disposal, fire control measures, and factory management.
Product Management	Discuss and formulate a self-owned product development strategy and plan a product development schedule and budget with relevant departments.

Department	Functions
	Supervise the overall progress of project development and coordinate cross-departmental technical discussion and work communication. Manage and control project risk and coordinate various departments to prepare relevant contingency measures. Manage the stakeholders of product projects and ensure good communication with internal teams, strategic partners, external consultants, and outsourcing manufacturers. Assist in business development related to self-owned products. Assist in administrative affairs related to self-owned products.
Chemistry, Manufacturing& Control	Ensure the safety, effectiveness, and stability of the drugs produced to meet the predetermined standards as indicated in the swab. Connect and determine that the effects of clinical trial drugs and listed drugs are consistent. Design and control the pharmaceutical process and the use of raw materials with excellent and uniform quality. Confirm the drug quality and affirm the drug property analysis results. Set the drug validity period and maintain the storage.
Clinical Development& Operations	Initiate clinical trials and prepare related documents, SOP, regulatory documents, and follow regulations. Cooperate with internal and external organizations to establish plans and agreements with commissioned organizations. Evaluate the data interpretation, publication, public report, and presentation required for the clinical development of the drug, search reference data, and write summary contents. Draw up and provide clinical development solutions. Supervise the clinical operation management of commissioned research organizations to ensure that the data are correct and verifiable and meet the required standards. Cooperate with the project management department to meet clinical development needs. Ensure that the most appropriate consideration of key topic, development, or commission mode of clinical research is reflected.
Business Development and Client Relationship	Be responsible for the expansion of the corporate business and the establishment and development of relationships with new and existing clients. Be responsible for writing the quotation.

Department	Functions
	Be responsible for external and internal technical discussions and client demand confirmation before signing the contract. Plan and implement domestic and foreign publicity and exhibition work, and regularly update the Company's website. Be responsible for receiving and visiting domestic and foreign clients and related businesses. Be responsible for regular discussions and business support with overseas business colleagues.
CDMO Project Management	Be responsible for internal and external coordination, communication, and management of the implementation contents and administrative affairs of each stage of the project. Establish a project management process and supervision and management mechanism. Be responsible for contract fulfillment and assist the finance department in confirming the revenue based on the percentage of completion method.
Commercial Operation	Plan and implement drug marketing in Taiwan. Be responsible for the selection and follow-up implementation of new products in Taiwan and assistance in global connection and coordination.
Medical Affairs	Strategic scientific engagement planning and execution with key stakeholders (health care provider/professional groups, patient groups, government, etc.) Establish scientific image and trust for key stakeholders.
Supply Chain Management	Plan EG's own products supply chain management strategy, demand management, market replenishment, customer supply chain management, and collaboration with sales and marketing departments. Integrate supply chain strategies and operation plans, build up and optimize processes, monitor costs and risks, and make supply chain execution comply with regulations, quality, and cost requirements.
Information Technology	Establish and maintain the office information infrastructure. Plan and maintain the information hardware and troubleshooting. Plan and manage the application software and troubleshooting.
Procurement	Outsource raw materials, equipment, and project and purchase the general materials/packing materials. Develop suppliers and collect goods data.

Department	Functions
	Draw up, coordinate, formulate and manage the domestic and foreign sales contracts. Process the import and export operations. Analyze and plan the strategic purchasing.
Manufacturing& Technical Operation	GMP production. Manage the in-and-out storage and ship-out of raw materials, cell bank, and products. Scale up the process and transfer the technology.
Operational Excellency	Driving and implementing operational excellence program to meet Organization's goals & KPIs. Focus will be to streamline processes, improve efficiency, decrease operational cost, reduce cycle time, and align continuous improvement activities.
Process& Facility Engineering	Be responsible for GMP plant system monitoring, quality maintenance, cleaning, and equipment maintenance. Plant construction project and equipment planning of production line.
Process Sciences	Be responsible for construction and screening of microorganisms and animal cell lines and optimization of culture medium. Develop and scale up the fermentation and bioreactor process. Develop and scale up the recovery and purification process.
Analytical Science& Quality Control	Develop and validate the quality control analysis methods for protein structure, biochemical characteristics, biochemical immunity, and in vitro cell activity.

2. Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

(1) Directors

A. Information of Directors

April 30th, 2022; Unit: Shares; %

Title	Name	Age/Gender	Nationality/ Place of Incorporation	Date First Elected	Date Elected	Term (Year)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Chairman	Augusta Inc.	-	R.O.C	2012.12.20	2019.6.12	3	750,000	0.50	874,141	0.29	0	0	0	0	-	- Director of Formosa Laboratories, Inc. - Director, Excelsior Biopharma Inc. - Director, TaiRx, Inc.	-	-	-
	Representative: Chung-Hur Lee	M 61~70	R.O.C	2013.6.14	2019.6.12	3	61,730	0.04	92,368	0.03	92,368	0.03	0	0	- Ph.D., Kansas State University - Chairman, Formosa Laboratories, Inc. - President, JPT Corporation - President, Formosa Pharmaceuticals, Inc. - Executive Assistant to President, USI Corporation	Director of Shanghai Epione	-	-	-
Director	Lee-Cheng Liu	M 61~70	R.O.C	2012.12.20	2019.6.12	3	1,023,201	0.69	2,286,884	0.75	231,108	0.08	163,200	0.05	- Columbia University Ph D, Chemical Engineering & Applied Chemistry - President and COO of AnGes Inc.	Executive V.P., Taiwan Bio Industry Organization	-	-	-
Director	Formosa Laboratories, Inc.	-	R.O.C	2013.6.14	2019.6.12	3	15,441,436	10.35	18,845,818	6.21	0	0	0	0	-	- Director, Formosa Pharmaceuticals, Inc. - Director, A.R.Z Taiwan Limited. - Director of Epione Investment Cayman Limited - Director, Epione Pharmaceuticals, Inc.	-	-	-

April 30th, 2022; Unit: Shares; %

Title	Name	Age/Gender	Nationality/ Place of Incorporation	Date First Elected	Date Elected	Term (Year)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
	Representative: Cheng-Yu Cheng	M 61~70	R.O.C	2013.6.14	2019.6.12	3	0	0	0	0	0	0	0	0	- Ph.D., University of California, San Francisco. - Postdoctoral Fellow, Massachusetts Institute of Technology. - Research, DuPont de Nemours, Inc. - Professor, National Taiwan University Department of Pharmacy. - Chairman, L. C. United Chemical Corporation.	- Chairman & President, Formosa Laboratories, Inc. - Director &President, Formosa Pharmaceuticals, Inc. - Director of Epione Investment Cayman Limited. - Director, Epione Investment HK Limited - Chairman, Activus Pharma Co., Ltd. - Director & Supervisor, Epione Pharmaceuticals, Inc. - Director, A.R.Z Taiwan Limited. - Chairman, ImmunAdd Inc. - Director, Rayoung Chemtech Inc.	-	-	-

April 30th, 2022; Unit: Shares; %

Title	Name	Age/Gender	Nationality/ Place of Incorporation	Date First Elected	Date Elected	Term (Year)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	National Development Fund, Executive Yuan	-	R.O.C	2013.6.14	2019.6.12	3	11,660,357	7.81	15,288,860	5.03	0	0	0	0	-	- Director, Genovate Biotechnology Co., Ltd. - Director, Taiwan Biotechco., Ltd. - Director, ScinoPharm Taiwan., Ltd. - Director, Taiwan Flower Biotechnology Co., Ltd. - Director, United Biomedical, Inc., Asia. - Director, Adimmune Biotech Corporation. - Director, TaiGen Biotechnologys Holdings, Ltd. - Director, PharmaEssentia Corporation. - Director, PharmaEngine, Inc. - Director, TaiAn Technologies Corp. - Director, Intech Biopharm Corporation. - Director, Point Robotics MedTech Inc. - Director, Locus Cell Corporation. - Director, MetaTech (AP) Inc. - Director, Wellell Inc. - Director, TaiMed Biologics	-	-	-
	Representative: Wei-Feng Kao	M 51~60	R.O.C	2022.4.18	2022.4.18	(Note)	0	0	0	0	0	0	0	0	- National Chiao Tung University, Master of Civil Engineering - Director, Digimax, Inc.	National Development Council, Department of Industrial Development, Senior Technical Specialist	-	-	-
Director	Development Center for Biotechnology	-	R.O.C	2013.6.14	2019.6.12	3	6,233,000	4.18	5,031,484	1.66	0	0	0	0	-	Director, TFBS Bioscience, Inc.	-	-	-

April 30th, 2022; Unit: Shares; %

Title	Name	Age/Gender	Nationality/ Place of Incorporation	Date First Elected	Date Elected	Term (Year)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
	Representative: Hsiu-Hui Chen	F 51~60	R.O.C	2016.9.13	2019.6.12	3	0	0	0	0	0	0	0	0	- Ph.D., National Taiwan University Department of Agricultural Chemistry - Postdoctoral Fellow, Institute of Plant and Microbial Biology, Academia Sinica	Vice President, Development Center for Biotechnology	-	-	-
Director	Yao-Hwa Glass Co., Ltd, Management Commission	-	R.O.C	2019.6.12	2019.6.12	3	9,954,804	6.67	13,078,082	4.31	0	0	0	0	Director, TaiGen Biotechnologys Holdings, Ltd.	- Director, Adimmune Biotech Corporation - Director, PharmaEssentia Corporation - Director, Locus Cell Corporation	-	-	-
	Representative: Wei-Hung Chang	M 51~60	R.O.C	2019.12.23	2019.12.23	(Note)	0	0	0	0	0	0	0	0	- Soochow University Department of Financial Engineering and Actuarial Mathematics - President, Taichung Veterans General Hospital Department Of Radiology - COO, Taipei Wellness Clinic and Resort - President, Intersub Advertising Co. - Director, Star Innovation Biotechnology Co., Ltd.	- Chairman, Meco Technology Co., LTD - Chairman, Feliztek Inc.	-	-	-
Director	Taiwania Capital Buffalo II Bioventures, LP	-	R.O.C	2019.6.12	2019.6.12	3	7,812,000	5.23	9,305,286	3.06	0	0	0	0	-	Director, Point Robotics Medtech Inc.	-	-	-
	Representative: Chih-Lung Shen	M 51~60	R.O.C	2021.12.6	2021.12.6	(Note)	0	0	0	0	0	0	0	0	- Ph.D. in Chemical Engineering at the University of Wisconsin, Madison. - Director and President of Allgenesis Biotherapeutics Inc., - Chairman and President of Xinchen Ventures - President of Cheng Xin Ventures - Secretary-General of Taiwan Biotech Association	- General Partner, Taiwania Bio Fund	-	-	-

April 30th, 2022; Unit: Shares; %

Title	Name	Age/Gender	Nationality/ Place of Incorporation	Date First Elected	Date Elected	Term (Year)	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation
Independent Director	Fu-Shiow Yin	F 71~75	R.O.C	2016.9.13	2019.6.12	3	0	0	0	0	0	0	0	0	- Ph.D., Rutgers University-New Jersey State University - Independent Director, PharmaEngine, Inc. - Director, TaiGen Biotechnologys Holdings, Ltd. - Director, Reber Genetics Co., Ltd. - Independent Director, Pac-Link BioVentures - Member of Independent Investment Committee, Boston Life Science Venture Co., IBT Management Corp. - Consultant, Department of Economic Development, Taipei City Government - Science Advisor, Department of Industrial Technology, Ministry of Economic Affair	Independent Director, Foresee Pharmaceuticals Co., Ltd.	-	-	-
Independent Director	Ming-Shen Chen	M 61~70	R.O.C	2016.9.13	2019.6.12	3	0	0	0	0	0	0	0	0	Ph.D., Michigan State University, Finance.	- Professor of Finance at National Taiwan University. - Director, Foundation for Autistic Children and adults in Taiwan.	-	-	-
Independent Director	Ming-Thaur Chang	M 71~75	R.O.C	2016.9.13	2019.6.12	3	0	0	0	0	0	0	0	0	- Rutgers University, NJ, USA MBA - President, CTBC Bank Tokyo Branch - Senior V.P., Wantai Commercial Bank - Independent Director, Kaison Green Energy Technology Co., Ltd.	Independent Director, DBS Bank (Taiwan) Ltd.	-	-	-

Note：Where the Chairperson of the board of directors and the President or person of an equivalent post (the highest level manager) of the company are the same person, spouses, or relative within the first degree of kinship：None.
Note：Replacement of Representative of Juristic Person as Director.

B. Major shareholders of the institutional shareholder

April 30th, 2022; %

Name of Institutional Shareholders	Major Shareholders	%
Augusta Inc.	Xiu-Hui Li	57.14
	Da-Rong Cheng	14.29
	Cheng-Yu Cheng	14.29
	Da-Yue Cheng	14.28
Formosa Laboratories, Inc.	Cheng-Yu Cheng	7.15
	Cathay Life Insurance.	3.04
	Xiu-Hui-Li	2.83
	Moraga Inc.	2.47
	Ding Li Development Ltd	2.35
	Augusta Inc.	2.09
	Zhang-Ren Cai	1.69
	Citibank Taiwan in custody Yuanta Securities	1.31
	Yuan Qing Investment Co., Ltd	1.16
	Ling-Jun Kiu	1.10
National Development Fund, Executive Yuan	In accordance with Article 29 of the Statute for Industrial Innovation, the Executive Yuan establishes the National Development Fund and a Management Commission that organizes matters related to fund collection and payment, safekeeping, and use. The Management Commission shall comprise 11 to 13 members, all of whom shall be appointed (hired) by the Executive Yuan.	
Yao-Hwa Glass Co., Ltd, Management Commission	The Yao-Hwa Co., Ltd. Management Commission is management commission managed by the Ministry of Economic Affairs. Currently, the Management Commission comprises 2-6 citizen representatives and 8 government representatives.	
Taiwania Capital Buffalo II Bioventures, LP	Taiwania Capital Biotechnology Corporation	100

April 30th, 2022; %

Name of Institutional Shareholders	Donator	%
Development Center for Biotechnology (Note)	Council for Economic Planning and Development, Executive Yuan	64.00
	National Science Council, Executive Yuan	8.00
	Industrial Development Bureau, Ministry of Economic Affairs	8.00
	Taiwan Grains Development Foundation	6.67
	Wego Elementary School	3.33
	YFY Inc.	0.67
	Federal Corporation	0.67
	Da Hua Investment Co., Ltd	0.67
	Kun-Zhong Lin (deceased)	0.67
	Zhong-Bi Xie	0.67

Note: Data source: 2020 Annual financial statement of Development Center for Biotechnology.

C. Major shareholders of the Company's major institutional shareholders

April 30th, 2022; %

Name of Institutional	Major Shareholders	%
Cathay Life Insurance.	Cathay Financial Holding Co., Ltd.	100
Moraga Inc.	Xiu-Hui Li	64.28
	Da-Rong Cheng	14.29
	Da-Yue Cheng	14.29
	Wen-Jing Lin	7.14
Ding Li Development Ltd	Ding-Wu Hu	100
Augusta Inc.	Xiu-Hui Li	57.14
	Da-Rong Cheng	14.29
	Cheng-Yu Cheng	14.29
	Da-Yue Cheng	14.28
Yuan Qing Investment Co., Ltd	De Xin Investment Ltd.	29.21
	Hong-Min Xie	21.43
	Zhen-Wen Huang	21.43
	Yi-Xin Chen	10.86
	An-Ting Xie	6.14

Name of Institutional	Major Shareholders	%
	An-Qing Xie	5.43
	Shu-Zhi Qiu	3.00
	Shao-Hong Chen	2.50
Taiwania Capital Biotechnology Corporation	Taiwania Capital Management Corporation	100

April 30th, 2022; %

Name of Institutional	Major Shareholders/ Donator	%
Council for Economic Planning and Development, Executive Yuan	-	-
National Science Council, Executive Yuan	-	-
Industrial Development Bureau, Ministry of Economic Affairs	-	-
Taiwan Grains Development Foundation	Sino-American Joint Commission on Rural Reconstruction	40.00
	Bureau of Foreign Trade, Ministry of Economic Affairs	30.00
	National Farmers' Association, R.O.C.	5.00
	Taiwan Feed Industry Association	5.00
	Taiwan Grains Association	5.00
	Taiwan Vegetable Oil Manufacturers Association	5.00
	Taiwan Flour Mills Association	5.00
	Taipei Grains Association	5.00
Wego Elementary School	Wego Infant-Asylum	100
YFY Inc.	S. C. Ho	10.28
	Hsin-Yi Foundation	5.66
	Shin-Yi Enterprise Co., Ltd.	4.69
	Hsinex International Corp.	2.87
	Cheng-Ting Ho	2.80
	Supervisory Committee of Workers' Pension Reserve Funds of YFY Inc.	2.79
	Mei-Yu Ho	2.65
	Ru Yi Enterprise Co., Ltd.	2.63

Name of Institutional	Major Shareholders/ Donator	%
	New Talent Limited	2.27
	Felix Ho	2.15
Federal Corp.	Nankang Rubber Tire Corp., Ltd.	19.79
	Taifu Investment Co., Ltd.	5.85
	Huan Xian Investment Co., Ltd.	3.30
	Chi Kai Development Co., Ltd.	3.03
	Maxon enterprise co., Ltd.	2.69
	Federex Marketing Co., Ltd.	1.66
	Yu Jie Investment Co., Ltd.	1.61
	Xiang-Ling Xiao	1.32
	JPMorgan Chase Bank, Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	1.26
	Tai Cheng development Co., Ltd.	1.25
Da Hua Investment Co., Ltd	Registration for dissolution in 1988.	-

D. Disclosure of information as professional qualifications and independent status of directors and independent directors

Qualification / Name		Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Chairman	Augusta Inc. Representative: Chung-Hur Lee	- Ph.D., Kansas State University - Chairman, Formosa Laboratories, Inc. - President, JPT Corporation - President, Formosa Pharmaceuticals, Inc. - Executive Assistant to President, USI Corporation None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A	0
Director	Formosa Laboratories, Inc. Representative: Cheng-Yu Cheng	- Ph.D., University of California, San Francisco. - Postdoctoral Fellow, Massachusetts Institute of Technology. - Research, DuPont de Nemours, Inc. - Professor, National Taiwan University Department of Pharmacy. - Chairman, L. C. United Chemical Corporation. - Chairman & President, Formosa Laboratories, Inc. - Director & President, Formosa Pharmaceuticals, Inc. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A	0
Director	Development Center for Biotechnology Representative: Hsiu-Hui Chen	- Ph.D., National Taiwan University Department of Agricultural Chemistry - Postdoctoral Fellow, Institute of Plant and Microbial Biology, Academia Sinica - Vice President, Development Center for Biotechnology None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A	0
Director	National Development Fund, Executive Yuan Representative: Wei-Feng Kao	- National Chiao Tung University, Master of Civil Engineering - Director, Digimax, Inc. - National Development Council, Department of Industrial Development, Senior Technical Specialist None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A	0
Director	Yao-Hwa Glass Co., Ltd, Management Commission Representative: Wei-Hung Chang	- Soochow University Department of Financial Engineering and Actuarial Mathematics - President, Taichung Veterans General Hospital Department Of Radiology - COO, Taipei Wellness Clinic and Resort - President, Intersub Advertising Co. - Director, Star Innovation Biotechnology Co., Ltd. - Chairman, Meco Technology Co., Ltd. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A	0
Director	Taiwania Capital Buffalo II Bioventures, LP Representative: Chih-Lung Shen	- Ph.D. in Chemical Engineering at the University of Wisconsin, Madison. - Director and President of Allgenesis Biotherapeutics Inc., - Chairman and President of Xinchen Ventures - President of Cheng Xin Ventures - Secretary-General of Taiwan Biotech Association - General Partner, Taiwania Bio Fund	N/A	0

Qualification / Name		Professional qualifications and experience	Independent status	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
		None of the circumstances in the subparagraphs of Article 30 of the Company Act.		
Director	Lee-Cheng Liu	- Columbia University Ph D, Chemical Engineering & Applied Chemistry - President and COO of AnGes Inc. - President and CEO of EirGenix, Inc. - Executive V.P., Taiwan Bio Industry Organization None of the circumstances in the subparagraphs of Article 30 of the Company Act.	N/A	0
Independent Director	Ming-Shen Chen	- Ph.D., Michigan State University, Finance. - Professor of Finance at National Taiwan University. (2005-Now) Member of Audit Committee. Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Independent Directors are qualified for independence and competency.	0
Independent Director	Fu-Shiow Yin	- Ph.D., Rutgers University-New Jersey State University - Independent Director, PharmaEngine, Inc. (2011-2019) - Director, TaiGen Biotechnologys Holdings, Ltd. - Director, Reber Genetics Co., Ltd. - Independent Director, Pac-Link BioVentures - Member of Independent Investment Committee, Boston Life Science Venture Co., IBT Management Corp. (2009-2014) - Consultant, Department of Economic Development, Taipei City Government (2011-2014) - Science Advisor, Department of Industrial Technology, Ministry of Economic Affair - Independent Director, Foresee Pharmaceuticals Co., Ltd. (2016-Now) Member of Audit Committee. Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company. None of the circumstances in the subparagraphs of Article 30 of the Company Act.		1
Independent Director	Ming-Thaur Chang	- Rutgers University, NJ, USA MBA - President, CTBC Bank Tokyo Branch (2001-2003) - Senior V.P., Wantai Commercial Bank (2010-2014) - Independent Director, Kaison Green Energy Technology Co., Ltd. - Independent Director, DBS Bank (Taiwan) Ltd. (2020-Now) Member of Audit Committee. Have work experience in the area of commerce, law, finance, or accounting, or otherwise necessary for the business of the company. None of the circumstances in the subparagraphs of Article 30 of the Company Act.		1

During the two years before being elected or during the term of office, an independent director of a public company may not have been or be any of the following:

- An employee of the company or any of its affiliates.
- A director or supervisor of the company or any of its affiliates.
- A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.
- A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
- A director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.

Unit: NT$ thousands: %

Independent Director	Remuneration	2020	2021	Until Apr. 30 , 2022
Ming-Shen Chen	Base Compensation	600	670	240
	Allowances	35	50	15
Fu-Shiow Yin	Base Compensation	600	670	240
	Allowances	40	55	15
Ming-Thaur Chang	Base Compensation	600	670	240
	Allowances	40	55	15

E. Diversity and independence of the Board of Directors

(1) Diversity of the Board of Directors:

Based on the policy of diversification and strengthening of corporate governance in order to promote the sound development of the Company’s board composition and structure, the nomination of candidates for directors of the Company shall be adopted the candidate nomination system in accordance with the provisions of the Company's Articles of Incorporation. Each candidate’s academic qualifications, work experience, professional background, integrity or relevant professional qualifications, and others are evaluated and considered. After the Board of Directors passed the resolution, the proposed nominees will be submitted to the Shareholders Meeting for election. With regard to the board composition, it is advisable that the number of the directors who concurrently serve as the managers of the Company should not exceed one-third of the board seats. In addition, the Company has, based on its own operations, operational patterns and developmental needs, formulated appropriate diversification policies including but not limited to the following:

The Board of Directors guides the operations strategy, supervises management, and examines the operations of corporate governance, while exercising duties and powers in accordance with laws and regulations and resolutions adopted by the shareholders' meeting and being responsible to the Company, shareholders, and employees, to further improve the Company's operating performance.

The Company has adopted a candidate nomination system for all directors as per the Articles of Incorporation and the Rules of Election of Directors to evaluate candidates based on their education and experience, and the shareholders' meeting elects and appoints candidates from the list of candidates. Relevant regulations are disclosed on the Company's website and Market Observation Post System (MOPS). The Company has formulated a board diversity policy according to the operating model and development needs, including basic qualifications, professional backgrounds, and industry experience, to ensure directors’ suitability, independence, and professionalism. There should not be over one-third of directors who serve as managers concurrently on the Board, and directors should be equipped with the qualities in two aspects below:

A. Basic criteria and values: Gender, age, nationality, and culture.
B. Professional knowledge and skills: Professional backgrounds (such as law, accounting, industry, finances, marketing, or technology) as well as professional skills and industry experience needed for performing duties.

To achieve the corporate governance goals, the Board as a whole should be equipped with the capabilities below:

A. Operational judgment.
B. Accounting and financial analysis skills.
C. Business management capability.
D. Risk control and crisis management capabilities.

More than half of the directors on the Company’s Board should have the industry experience and overall planning, leadership, and management capabilities. There are currently 10 directors on the 4th Board of Directors. Among them, seven are from the professional biotechnology background and four are from the financial and professional institutional investment backgrounds. All directors have experience in business, finances, and accounting as well as overall planning, leadership, and management capabilities, while possessing the professional knowledge and skills needed to perform their duties and actively participating in Board meetings and exchanging

opinions with management to make business decisions. The following details our overall quantitative data and the composition of the Board based on the board diversity policy:

Title	Name	Gender	Age	Nationality/ Place of Incorporation	Professional biotechnology background	Experience in business, finances, and accounting	Overall planning, leadership, and management capabilities	Possession of college lecturer qualifications or professional and national technical certification
Chairman	Chung-Hur Lee	M	> 60	R.O.C	✓	✓	✓	
Director	Cheng-Yu Cheng	M	> 60	R.O.C	✓	✓	✓	✓
Director	Hsiu-Hui Chen	F	< 60	R.O.C	✓	✓	✓	
Director	Wei-Feng Kao	M	< 60	R.O.C		✓	✓	
Director	Wei-Hung Chang	M	< 60	R.O.C	✓	✓	✓	
Director	Chih-Lung Shen	M	< 60	R.O.C	✓	✓	✓	
Director	Lee-Cheng Liu	M	> 60	R.O.C	✓	✓	✓	
Independent Director	Ming-Shen Chen	M	> 60	R.O.C		✓	✓	✓
Independent Director	Fu-Shiow Yin	F	> 60	R.O.C	✓	✓	✓	
Independent Director	Ming-Thaur Chang	M	> 60	R.O.C		✓	✓	

There is only one director who also serves as an employee at the Company, accounting for 10%;
There are three independent directors, accounting for 30% of the total, and the term of office of independent directors should not exceed nine years;
There are two female directors, accounting for 20%, and eight male ones, accounting for 80%;
There are six directors who are over 60 years old, accounting for 60%, and four who are 50–60 years old, accounting for 40%;
There are seven directors from the professional biotechnology background, accounting for 70%;
There are two with professional teaching qualifications and professional certifications, accounting for 20%;
There are four from the financial and professional institutional investment backgrounds, accounting for 40%;
There are ten with overall planning, management, and leadership capabilities, accounting for 100%.
All directors are Taiwanese citizens, and many directors possess knowledge of and experience in international business.

(2) Independence of the Board of Directors:

The Board of Directors of the Company consists of ten directors, of which three are independent directors and one director as employee (30% and 10% of all directors). As of 2021.12.31, In addition, all of independent directors comply with the regulations of the Securities and Futures Bureau and none of the circumstances prescribed in paragraph 3 and paragraph 4, Article 26-3 of the Securities Exchange Act exist among the directors and independent directors. The Board of Directors of the Company is independent (Please refer to this Annual Report - Disclosure of information on professional qualifications of directors and independence of independent directors).

(2) Information on the company's directors, supervisors, general manager, assistant general managers, deputy assistant general managers, and the supervisors of all the company's divisions and branch units

April 30th, 2022; Unit: Shares, %

Title	Name	Gender	Nationality	Date Effective (Note)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
President/ CSO	Lee-Cheng Liu	M	R.O.C	2013.4.1	2,286,884	0.75	231,108	0.08	163,200	0.05	Columbia University Ph D, Chemical Engineering & Applied Chemistry President and COO of AnGes Inc.	Executive V.P., Taiwan Bio Industry Organization	-	-	-
COO/ Senior Vice President	Chih-Jung Chang	M	R.O.C	2013.4.1	1,116,238	0.37	0	0	80,000	0.03	Ph.D., National Taiwan University. Ex-Director of PM for Oncology, TTY Biopharm	-	-	-	-
CFO/ Manager of Corporate Governce/ Vice President	Hsiu-Chuan Yang	F	R.O.C	2016.5.3	396,990	0.13	0	0	69,000	0.02	University of New Haven, MS Accounting Ex-General Manager of ERS, a JV company between Fresenius and Excelsior	-	-	-	-
CMfgO/ Executive Director	Shang-Chung Ju	M	R.O.C	2013.4.1	418,743	0.14	0	0	33,600	0.01	Ph.D., National Taiwan University Ex-Head of Production at DCB BPPF	-	-	-	-
Executive Director	Ae-Ning Lin	F	R.O.C	2013.4.1	451,512	0.15	0	0	28,800	0.01	Ph.D., University of Maryland College Park. Ex-head of Purification and Protein Characterizations at DCB BPPF	-	-	-	-
Executive Director	Ching-Ying Chen	F	R.O.C	2021.6.7	20,000	0.01	0	0	27,000	0.01	Master of Chemical Engineering, National Taiwan University of Science and Technology V.P., Mycenax Biotech Inc. Manager, R&D Department, Taiwan Advance Bio-Pharmaceutical Inc.	-	-	-	-
Executive Director	Ren-Yo Forng	M	R.O.C USA	2021.7.5	0	0	0	0	24,000	0.01	Georgia State University/ Laboratory of Microbial and Biochemical Sciences (LMBS)/ Ph.D. Amgen Inc. Scientific Director	-	-		

Title	Name	Gender	Nationality	Date Effective (Note)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
											Astrazeneca biologics,Head of QC Micro / Site Microbiologist				
Executive Director	Ywan-Feng Li	F	R.O.C	2022.4.18	0	0	0	0	0	0	Biology, PhD, University of North Carolina at Chapel Hill, USA Vice president, Medical, Clinical & Regulatory Center, United Biopharma, Taiwan Division of pharmaceutical science, Center for drug evaluation-Taiwan	-	-		
Senior Director	Hong-Jun Yeh	M	R.O.C USA	2021.2.22	0	0	0	0	20,000	0.01	The Ohio State University Ph.D. Amgen Inc. Platform Lead, Commercial Advancement, Device & Final Product Technologies	-	-	-	-
Senior Director	Tung-Lung Lin	M	R.O.C Canada	2022.3.28	0	0	0	0	0	0	B.A Economics, University of Western Ontario, Canada Executive Director, Head of Taiwan Execution Services (Sales Trading & Dealing), Morgan Stanley, Taiwan International Department, Institutional Equity Sales Trading, Fubon Securities, Taiwan				
Director	Tsan-Hui Wu	M	R.O.C	2017.5.1	203,748	0.07	0	0	32,050	0.01	Ph.D., National Taiwan University Manager, PharmaEssentia Director, Adimmune Corporation Director, tpg biologics	-	-	-	-
Director	Chung-Huan Lin	M	R.O.C	2019.1.2	85,000	0.03	0	0	22,500	0.01	Case Western Reserve University, MBA Sr. BD Manager, ScinoPharm Taiwan BD Manager, TWi Pharma				
Director	Yu-Wen Liu	F	R.O.C	2019.5.20	98,405	0.03	0	0	21,250	0.01	MBA, Business, St. U. of New York, New Paltz Manager, China Productivity Center	-	-	-	-

Title	Name	Gender	Nationality	Date Effective (Note)	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouses or Within Two Degrees of Kinship		
					Shares	%	Shares	%	Shares	%			Title	Name	Relation
Director	Tsung-Chih Wang	M	R.O.C	2020.8.3	10,000	0.003	578	0.0001	20,000	0.01	MS, Taipei Medical University Novartis Sandoz/ Marketing/ Marketing Manager Pfizer/ Pricing/ Pricing Strategy Manager	-	-	-	-
Director	Ming-Tao Pai	M	R.O.C	2020.12.1	40,000	0.01	0	0	20,000	0.01	Ph.D., National Tsing Hua University WuXi Biologics/ Bio Manufacturing/ Director Taiwan Liposome Company/ MD/ Manager	-	-	-	-
Director	Yi-Yun Ciou	F	R.O.C	2021.5.17	0	0	2,381	0.001	20,000	0.01	MS in Medical Sciences, Taipei Medical University. Medical Affairs Manager, Novartis Taiwan, Sandoz Division. Sr. Medical Science Liaison, AstraZeneca Taiwan.	-	-	-	-

Note: Date effective is the date which be appointed as the position, not the actual date of on duty.
Note: If a manager's experience is related to their current position, such as having worked at the accounting firm or its affiliate during the disclosure period, the title and position shall be specified：None.

(3) Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest-level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto: None.

3. Remuneration of Directors, Supervisors, President, and Vice Presidents

(1) Remuneration of Directors

A. Remuneration of Directors (including Independent Directors) in 2021

Unit: NT$ thousands; %

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Chairman	Augusta Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Unit: NT$ thousands; %

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
	Representative: Chung-Hur Lee	720	720	0	0	0	0	50	50	770 (1.81)	770 (1.81)	0	0	0	0	0	0	0	0	770 (1.81)	770 (1.81)	0
Director	Formosa Laboratories, Inc.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative: Cheng-Yu Cheng	0	0	0	0	0	0	45	45	45 (0.11)	45 (0.11)	0	0	0	0	0	0	0	0	45 (0.11)	45 (0.11)	0
Director	Development Center for Biotechnology	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative: Hsiu-Hui Chen	0	0	0	0	0	0	50	50	50 (0.12)	50 (0.12)	0	0	0	0	0	0	0	0	50 (0.12)	50 (0.12)	0
Director	National Development Fund, Executive Yuan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative: Jing-Jer Lin	0	0	0	0	0	0	50	50	50 (0.12)	50 (0.12)	0	0	0	0	0	0	0	0	50 (0.12)	50 (0.12)	0
Director	Lee-Cheng Liu	0	0	0	0	0	0	50	50	50 (0.12)	50 (0.12)	10,015	10,015	108	108	0	0	0	0	10,173 (23.89)	10,173 (23.89)	0
Director	Yao-Hwa Glass Co., Ltd, Management Commission	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Representative: Wei-Hung Chang	0	0	0	0	0	0	50	50	50 (0.12)	50 (0.12)	0	0	0	0	0	0	0	0	50 (0.12)	50 (0.12)	0

Unit: NT$ thousands; %

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A)		Severance Pay (B)		Directors Compensation(C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		Companies in the consolidated financial statements		The company	Companies in the consolidated financial statements	
																Cash	Stock	Cash	Stock			
Director	Taiwania Capital Buffalo II Bioventures, LP	0	0	0	0	0	0	50	50	50 (0.12)	50 (0.12)	0	0	0	0	0	0	0	0	50 (0.12)	50 (0.12)	0
	Representative : Chih-Lung Shen	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Former Representative : I-Ta Lu	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Independent Director	Ming-Shen Chen	670	670	0	0	0	0	50	50	720 (1.69)	720 (1.69)	0	0	0	0	0	0	0	0	720 (1.69)	720 (1.69)	0
Independent Director	Fu-Shiow Yin	670	670	0	0	0	0	55	55	725 (1.70)	725 (1.70)	0	0	0	0	0	0	0	0	725 (1.70)	725 (1.70)	0
Independent Director	Ming-Thaur Chang	670	670	0	0	0	0	55	55	725 (1.70)	725 (1.70)	0	0	0	0	0	0	0	0	725 (1.70)	725 (1.70)	0

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:
If the Company has net profit in this fiscal year, the Company shall set aside 3% (inclusive) or less of its profits as bonus to Directors. The distribution of director remuneration shall be heard by over two-thirds of the Board of Directors, be voted in favor for implementation by over one-half of the directors present and represented, and also be reported at the shareholders' meeting.
The Company shall first offset its losses in previous years that have not been previously offset, and then set aside annual profits as bonus to Directors.
2. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors: None.

B. Range of Remineration for Directors (including Independent Directors)

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements (H)	The company	Companies in the consolidated financial statements (I)
Less than NT$ 1,000,000	Directors： Augusta Inc. Representative: Chung-Hur Lee Formosa Laboratories, Inc. Representative: Cheng-Yu Cheng Development Center for Biotechnology Representative: Hsiu-Hui Chen National Development Fund, Executive Yuan Representative: Jing-Jer Lin Yao-Hwa Glass Co., Ltd, Management Commission Representative: Wei-Hung Chang Taiwania Capital Buffalo II Bioventures, LP Representative: Chih-Lung Shen Former Representative: I-Ta Lu Lee-Cheng Liu Independent Directors： Ming-Shen Chen Fu-Shiow Yin Ming-Thaur Chang		Directors： Augusta Inc. Representative: Chung-Hur Lee Formosa Laboratories, Inc. Representative: Cheng-Yu Cheng Development Center for Biotechnology Representative: Hsiu-Hui Chen National Development Fund, Executive Yuan Representative: Jing-Jer Lin Yao-Hwa Glass Co., Ltd, Management Commission Representative: Wei-Hung Chang Taiwania Capital Buffalo II Bioventures, LP Representative: Chih-Lung Shen Former Representative: I-Ta Lu Independent Directors： Ming-Shen Chen Fu-Shiow Yin Ming-Thaur Chang	
NT$1,000,000 ~ NT$1,999,999	-	-	-	-
NT$2,000,000 ~ NT$3,499,999	-	-	-	-
NT$3,500,000 ~ NT$4,999,999	-	-	-	-
NT$5,000,000 ~ NT$9,999,999	-	-	-	-
NT$10,000,000 ~ NT$14,999,999	-	-	Directors： Lee-Cheng Liu	
NT$15,000,000 ~ NT$29,999,999	-	-	-	-
NT$30,000,000 ~ NT$49,999,999	-	-	-	-
NT$50,000,000 ~ NT$99,999,999	-	-	-	-
Greater than or equal to NT$100,000,000	-	-	-	-
Total	10			

(2) Remuneration of Supervisors

EirGenix, Inc. has set up the Audit Committee on June 12th, 2018.

(3) Remuneration of the President and Vice President

A. Remuneration of the President and Vice Presidents in 2021

Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		All companies in the consolidated financial statements		The company	All companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Lee-Cheng Liu	21,508	21,508	518	518	20,391	20,391	0	0	0	0	42,417 (99.61)	42,417 (99.61)	0
Senior Vice President	Chih-Jung Chang													
Vice President	Hsiu-Chuan Yang													
Vice President	Chih-Dung Teng (Note)													
Vice President	Ping-Yang Yeh (Note)													

Note：Remuneration of the President and Vice Presidents in 2021 include the expenses of share-based payment.

Note : Chih-Dung Teng has resigned on April 29, 2022；Ping-Yang Yeh has resigned on October 15, 2021.

B. Range of Remineration for President and Vice President

Range of Remuneration	Name of President and Vice Presidents	
	The company	Companies in the consolidated
Less than NT$ 1,000,000	-	-
NT$1,000,000 ~ NT$1,999,999	-	-
NT$2,000,000 ~ NT$3,499,999	-	-
NT$3,500,000 ~ NT$4,999,999	-	-
NT$5,000,000 ~ NT$9,999,999	Chih-Jung Chang, Hsiu-Chuan Yang, Ping-Yang Yeh (Note), Chih-Dung Teng (Note)	
NT$10,000,000 ~ NT$14,999,999	Lee-Cheng Liu	
NT$15,000,000 ~ NT$29,999,999	-	-
NT$30,000,000 ~ NT$49,999,999	-	-
NT$50,000,000 ~ NT$99,999,999	-	-
Greater than or equal to NT$100,000,000	-	-
Total	5	

C. Managerial officers with the top five highest remuneration amounts

Unit: NT$ thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Employee Compensation (D)				Ratio of total compensation (A+B+C+D) to net income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company	All companies in the consolidated financial statements	The company		All companies in the consolidated financial statements		The company	All companies in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President	Lee-Cheng Liu	7,190	7,190	108	108	2,825	2,825	0	0	0	0	10,123 (23.77)	10,123 (23.77)	0
Senior Vice President	Chih-Jung Chang	3,882	3,882	108	108	3,308	3,308	0	0	0	0	7,298 (17.14)	7,298 (17.14)	0
Vice President	Hsiu-Chuan Yang	3,620	3,620	108	108	4,368	4,368	0	0	0	0	8,096 (19.01)	8,096 (19.01)	0
Vice President	Chih-Dung Teng (Note)	2,761	2,761	108	108	5,111	5,111	0	0	0	0	7,980 (18.74)	7,980 (18.74)	0
Vice President	Ping-Yang Yeh (Note)	4,055	4,055	86	86	4,780	4,780	0	0	0	0	8,921 (20.95)	8,921 (20.95)	0

Note : Chih-Dung Teng has resigned on April 29, 2022. Ping-Yang Yeh has resigned on October 15, 2021.

(4) Employee Profit Sharing Granted to Management Team: None.

(5) Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice President

A. The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, supervisors, president, and vice presidents of the Company, to the net income.

Item / Title	Ratio of total remuneration paid to directors, supervisors, president, and vice presidents to net income (%)			
	2020		2021	
	Total remuneration	Companies in the consolidated financial statements	Total remuneration	Companies in the consolidated financial statements
Directors	2,905	(0.28)	3,235	(7.6)
President and Vice President	43,989	(4.22)	42,417	(99.61)

B. The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with risks and business performance.

(A) If the Company has net profit in this fiscal year, the Company shall set aside between 1% to 5% of its profits as bonus to employees of the Company and set aside 3% (inclusive) or less of its profits as bonus to Directors. The distribution of bonus to employees may be made by way of cash or shares by the resolution of the Board of Directors. The employees may include certain employees of the subsidiaries who meet the conditions prescribed by the Company. The distribution of employee remuneration and director remuneration shall be heard by over two-thirds of the Board of Directors, be voted in favor for implementation by over one-half of the directors present and represented, and also be reported at the shareholders' meeting.

The Company shall first offset its losses in previous years that have not been previously offset, and then set aside annual profits as a bonus to employees of the Company and set aside annual profits as a bonus to Directors.

Qualification requirements of employees for distributing employees to compensation, issuing restricted stock for employees, issuing employee stock option certificates, issuing new shares, and the shares bought back by the issuing company transferred to its employees, including the employees of parents or subsidiaries of the company meeting certain specific requirements, entitled to receive compensation by the Board of Directors.

(B) Association with operation performance and risks in the future

The remunerations to the Directors and managers will be determined on the basis of the operation of the Company, the operation risk and development in the future with reference to industry standard and the assigned duties and contribution, and the association with the operating performance at a significant level. The management and the Remuneration Committee of the Company will review the remuneration level at regular intervals for appropriate adjustment for a proper balance between risk control and sustainable development of the Company.

4. Implementation of Corporate Governance

(1) Operations of the Board of Directors:

A total of 13 (A) meetings of the Board of Directors were held in 2021 and until April 30th, 2022. The attendance of directors was as follows:

Title	Name	Actual Attendance (B)	By Proxy	Required Attendances	Attendance Rate (%) (B/A)	Remarks
Chairman	Augusta Inc. Representative: Chung-Hur Lee	13	0	13	100	-
Director	Formosa Laboratories, Inc. Representative: Cheng-Yu Cheng	12	1	13	92	-
Director	Development Center for Biotechnology Representative: Hsiu-Hui Chen	13	0	13	100	-
Director	National Development Fund, Executive Yuan Representative: Wei-Feng Kao	0	1	1	0	Took office on 2022/4/18
	Former Representative: Jing-Jer Lin	12	0	12	100	Left office on 2022/4/18
Director	Yao-Hwa Glass Co., Ltd, Management Commission Representative: Wei-Hung Chang	13	0	13	100	-
Director	Taiwania Capital Buffalo II Bioventures, LP Representative: Chih-Lung Shen	4	0	4	100	Took office on 2021/12/6
	Former Representative: I-Ta Lu	9	0	9	100	Left office on 2021/12/6
Director	Lee-Cheng Liu	13	0	13	100	-
Independent Director	Ming-Shen Chen	12	1	13	92	-
Independent Director	Fu-Shiow Yin	13	0	13	100	-
Independent Director	Ming-Thaur Chang	13	0	13	100	-

Other mentionable items:

A. In any of the following circumstances, the dates of the meetings, sessions, contents of motion, all independent directors' opinions and the company's response to independent directors' opinion should be specified:

(A). The circumstances referred to in Article 14-3 of the Securities and Exchange Act:

Date of Meeting/ Term of Board of Directors	Contents of Motion	Independent Director's Opinion	The Company's Response to Independent Director's Opinion
2021.3.23 The 15th meeting of the 4th board	1. Approved the CPA replacement since Q1 2021 pursuant to the Statements of Auditing Standards No.46. 2. Approved the motion of the ratification of the assessment of the independence and competence of the CPAs retained as external auditors. 3. Proposal to Release the Prohibition on Directors or Representatives of Directors from Participation in Competitive Business. 4. Adoption of the Issuance of Employee Restricted Stock Awards (2021 First-time). 5. Adoption of the Issuance of Employee Restricted Stock Awards (2021 Second-time).	None	Not applicable
2021.5.4 The 17th meeting of the 4th board	Approved the Company will raise capital through private placements of common shares.		
2021.5.12 The 18th meeting of the 4th board	Approved the motion of the ratification of the appointment of CPAs as external auditors and the remuneration to the CPAs.		

Date of Meeting/ Term of Board of Directors	Contents of Motion	Independent Director's Opinion	The Company's Response to Independent Director's Opinion
2021.7.16 The 19th meeting of the 4th board	1. Revision of the authorization table. 2. Approved the maintenance and capital appropriation for the animal cell factory and microbial factory in Xizhi. 3. Approved capital appropriation for production line construction and equipment expansion in the Zhubei branch.		
2021.8.12 The 20th meeting of the 4th board	Approved to grant Employee Stock Options to employees.		
2021.10.1 The 21th meeting of the 4th board	1. Approved the price and other matter issues about private placements of common shares. 2. Revision of the authorization table. 3. Approve the appointment of internal audit supervisor. 4. Approved to grant Employee Stock Options to employees. 5. Approved to grant Employee Restricted Stock Awards to employees (2021 First-time). 6. Approved to grant Employee Restricted Stock Awards to employees (2021 Second-time).		
2021.12.23 The 23th meeting of the 4th board	Approved to grant Employee Restricted Stock Awards to employees and non-manager (2021 First-time).		
2022.1.20 The 24th meeting of the 4th board	1. Approval of "The Establishment of Phase II Facility and Production Equipment" in Hsinchu Biomedical Science Park 2. Approved the investments in TFBS Bioscience with the consideration of the benefit of industrial vertical combination and extension of the service scope of CDMO. 3. The company's board of directors' resolution of the lease of office from related parties 4. Announcement that the company has modified the lease conditions for the assets that originally obtained the right of use from the related parties.		
2022.3.22 The 25th meeting of the 4th board	1. Approved the motion of the ratification of the assessment of the independence and competence of the CPAs retained as external auditors. 2. Amendment to the Budget management Regulations. 3. Approved the amendment to Articles of Procedures for Governing the Acquisition and Disposal of Assets. 4. Matter of new common stock issuance for employee stock option. 5. Approved to grant Employee Restricted Stock Awards to employees (2022 First-time). 6. Approved the Company will raise capital through private placements of common shares. 7. Examined the candidates for the fifth term of the board of directors for the election in shareholders' meeting and lifted the restriction on the Director's non-compete clause. 8. Acquired the revenue sharing rights of TSY0110 (EG12043) from Formosa Pharmaceuticals, Inc.		
2022.4.19 The 26th meeting of the 4th board	Approved to grant Employee Restricted Stock Awards to employees (2022 First-time).		

(B). In addition to said circumstances, any other matter about which an independent director expresses an objection or reservation that has been included in records or stated in writing: None.

B. If there is Directors' avoidance of motions in conflict of interest, the Directors' names, contents of motions, causes for avoidance, and voting should be specified:

Date of Meeting	Name	Meeting Agenda	Causes for avoidance	Result of Voting
2021.2.1	Lee-Cheng Liu	1. Approved the motion of distribution of year-end bonuses for the managers. 2. Approved the motion of distribution of year-end-party bonus for the managers.	Excused from the discussion and resolution of this agenda item pursuant to paragraph 3 of Article 206 of the Company	

Date of Meeting	Name	Meeting Agenda	Causes for avoidance	Result of Voting
2021.3.23	Jing-Jer Lin I-Ta Lu	Proposal to Release the Prohibition on Directors or Representatives of Directors from Participation in Competitive Business.	Act.	
2021.4.6	Lee-Cheng Liu	Approved the number of reserved shares reserved for managers' employee subscriptions in the cash capital increase.		
2021.5.4	Ming-Shen Chen Fu-Shiow Yin Ming-Thaur Chang	Approved the remuneration of Chao-Ming Chang, Fu-Hsiu Yin, Ming-Hsien Chen.		
2021.10.1	Lee-Cheng Liu	Approved parts articles of grant Employee Restricted Stock Awards to employees (2021 Second-time).		
2021.11.10	Lee-Cheng Liu	Approved the remuneration of Dr. Lee-Cheng Liu and continue in "General Manager."		
2022.1.20	Development Center for Biotechnology	1. Approved the investments in TFBS Bioscience with the consideration of the benefit of industrial vertical combination and extension of the service scope of CDMO. 2. The company's board of directors' resolution of the lease of office from related parties. 3. Announcement that the company has modified the lease conditions for the assets that originally obtained the right of use from the related parties.		
2022.3.22	Cheng-Yu Cheng	Acquired the revenue sharing rights of TSY0110 (EG12043) from Formosa Pharmaceuticals, Inc.		
	Jing-Jer Lin	Approve the appointment of executive.		

C. Conducting Evaluations of Board Performance

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Conducting once a year	January 1st—December 31st, 2021	Board of Directors, individual board member, and functional committees (including Remuneration Committee and Audit Committee)	Internal self-evaluation of the board of directors and self-evaluation of directors	(A) Performance evaluation of the board of directors: Include the degree of participation in the company's operations, the decision-making quality of the board of directors, the composition and structure of the board of directors, the selection and continuous education of directors, internal control, etc. (B) Performance evaluation of individual directors: Include grasping the company's objectives and tasks, recognition of directors' responsibilities, level of participation in the company's operations, internal relationship management and communication, expertise and continuous education of directors, internal control, etc. (C) Performance evaluation of functional committees: the degree of participation in the company's operations, the recognition of functional committee's responsibilities, the decision-making quality of functional committees, the composition of functional committees and the selection of members, internal control, etc. The Board, Boardmembers, and functional committees (including Remuneration Committee and Audit Committee) received a self-assessment scores over 90.

D. An evaluation of targets for strengthening of the functions of the board during the current and immediately preceding fiscal years (e.g., the establishment of the Audit Committee, improvement of information disclosure transparency) and measures taken toward achievement:

(A). EirGenix has instituted the “Corporate Governance Best Practice Principles” for the improvement of the function of the Board for governing the diversity in composition and the required professional capacity of the members of the Board. The election of the Directors was held under the nomination of candidates system for the protection of the right of the shareholders in nomination of candidates for election to the Board. According to the “Regulations Governing the Evaluation of Board Performance,” the Company shall conduct an evaluation of Board performance at least once a year, and report the result of the evaluation to the Board for approval, and is served as the reference for the individual performance, remuneration, and nomination for a second term of office of individual Directors.

(B). EirGenix also holds or participates in at least one institutional investor conference each year for improving investor relations. In case of materiality required for disclosure, the Company will make the announcement in Chinese or in English, and comply with the requirement of the competent authority and the policies under the new version of the Corporate Governance Roadmap in providing a handbook of regular shareholders’ meeting, annual report, and financial statements in English before the convention of the regular shareholders’ meeting for the convenience of the foreign investors in viewing and for the consistency of information disclosure.

(C). Strengthen corporate governance: The Board of Directors approved the establishment of a corporate governance supervisor to be responsible for corporate governance-related matters, assisting directors in performing their supervisory functions. In addition, the "Corporate Governance Best Practice Principles", the “Ethical Corporate Management Best Practice Principles” and the "Self-Evaluation or Peer Evaluation of the Board of Directors " were established and approved by the Board of Directors.

(D). EirGenix establishes Audit Committee and to strengthen the effectiveness of internal control. In addition to helping independent directors fully understand the financial report review, they can also conduct substantive supervision through the disclosure and exchange of financial information and build an appropriate and comprehensive risk management supervision mechanism.

(E). EirGenix has set up a Remuneration Committee in 2016 and an Audit Committee in 2018. And EirGenix will set up other types of functional committees as required by operational development.

(F). EirGenix has set up the spokesman and vice spokesman system and disclosed the financial and business information on the Market Observation Post System and the corporate website according to laws and regulations.

(2)Operation of Audit Committee

A. Information of Audit Committee Operation:

EirGenix established the Audit Committee to replace supervisors on June 12th, 2019.

A total of 11 (A) meetings of the Audit Committee were held in 2021 and until April 30th, 2022. The attendance of independent directors was as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance rate (%) 【B/A】
Independent Director	Ming-Thaur Chang	11	0	100
Independent Director	Ming-Shen Chen	10	1	91
Independent Director	Fu-Shiow Yin	11	0	100

Other mentionable items:

(A) In any of the following circumstances, the dates of the meetings, sessions, contents of motion, audit committee’s resolutions, and the company’s response to the audit committee’s opinion should be specified:

a. The circumstances referred to in Article 14-5 of the Securities and Exchange Act:

Date and Term of Meeting	Contents of Motion	Audit Committee’s Resolutions	The Company’s Response to Audit Committee’s Opinion
2021 3.23 The 12th meeting of the 2nd term	1. Accept 2020 Financial Statements and Business Report. 2. Ratification of the 2020 Deficit Offset Proposal. 3. Report Accumulated Losses Reaching One-Half of Paid-in Capital. According to Article 211 of Company Law, it shall be reported to Shareholders’ Meetings. 4. Approved the motion of issuance of the Declaration of Internal Control System of the Company. 5. Approved the CPA replacement since Q1 2021 pursuant to the Statements of Auditing Standards No.46. 6. Approved the motion of the ratification of the assessment of the independence and competence of the CPAs retained as external auditors. 7. Proposal to Release the Prohibition on Directors or Representatives of Directors from Participation in Competitive Business.	Consent	Approved as proposed

Date and Term of Meeting	Contents of Motion	Audit Committee's Resolutions	The Company's Response to Audit Committee's Opinion
	8. Adoption of the Issuance of Employee Restricted Stock Awards. 9. Adoption of the Issuance of Employee Restricted Stock Awards.		
2021.5.4 The 13th meeting of the 2nd term	Approved the Company will raise capital through private placements of common shares.		
2021.5.12 The 14th meeting of the 2nd term	Approved the motion of the ratification of the appointment of CPAs as external auditors and the remuneration to the CPAs.		
2021.7.16 The 15th meeting of the 2nd term	1. Revision of the authorization table. 2. Approved the maintenance and capital appropriation for the animal cell factory and microbial factory in Xizhi. 3. Approved capital appropriation for production line construction and equipment expansion in the Zhubei branch.		
2021.8.12 The 16th meeting of the 2nd term	Approved to grant Employee Stock Options to employees.		
2021.10.1 The 17th meeting of the 2nd term	1.Approved the price and other matter issues about private placements of common shares. 2.Revision of the authorization table. 3.Approved to grant Employee Stock Options to employees. 4.Approve the appointment of internal audit supervisor. 5.Approved to grant Employee Stock Options to employees. 6.Approved to grant Employee Restricted Stock Awards to employees (2021 First-time). 7.Approved to grant Employee Restricted Stock Awards to employees (2021 Second-time).		
2021.12.23 The 19th meeting of the 2nd term	1.Approved the Internal Audit Plan for the fiscal year 2022. 2.Approved to grant Employee Restricted Stock Awards to employees and non-manager (2021 First-time).		
2022.1.20 The 20th meeting of the 2nd term	1.Approval of "The Establishment of Phase II Facility and Production Equipment" in Hsinchu Biomedical Science Park 2.Approved the investments in TFBS Bioscience with the consideration of the benefit of industrial vertical combination and extension of the service scope of CDMO. 3.The company's board of directors'resolution of the lease of office from related parties. 4.Announcement that the company has modified the lease conditions for the assets that originally obtained the right of use from the related parties.		
2022.3.22 The 21st meeting of the 2nd term	1. Accept 2021 Financial Statements and Business Report. 2. Report Accumulated Losses Reaching One-Half of Paid-in Capital. According to Article 211 of Company Law, it shall be reported to shareholders' Meetings. 3. Approved the motion of issuance of the Declaration of Internal Control System of the Company. 4. Approved the motion of the ratification of the assessment of the independence and competence of the CPAs retained as external Auditors. 5. Approved the motion of the ratification of the appointment of CPAs as external auditors and the remuneration to the CPAs. 6. Amendment to the Budget management Regulations. 7. Approved the amendment to the Article of the Company.		

Date and Term of Meeting	Contents of Motion	Audit Committee's Resolutions	The Company's Response to Audit Committee's Opinion
	8. Approved the amendment to Articles of Procedures for Governing the Acquisition and Disposal of Assets and the Rules of Procedure for Shareholder Meetings. 9. Approved to grant Employee Stock Options to employees. 10. Approved to grant Employee Restricted Stock Awards to employees (2021 First-time). 11. Approved the Company will raise capital through private placements of common shares. 12. Acquired the revenue sharing rights of TSY0110 (EG12043) from Formosa Pharmaceuticals, Inc.		
2022.4.19 The 22nd meeting of the 2nd term	Approved to update the Employee Restricted Stock Awards to employees (2022 First-time).		

b. Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.

(B) If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance, and voting should be specified: None.

(C) Communications between the independent directors, the Company's chief internal auditor, and CPAs (e.g., the material items, methods and results of audits of corporate finance or operations, etc.):
For the implementation of supervision mechanism, the internal audit reports are submitted to the board of directors and management for review on a regular basis by the audit unit and also delivered and notified to independent directors according to regulations. The Company's execution of internal control system is compliant with regulation and will be continually followed up. When a board of directors meeting is held, attending directors with opinions may have discussion and communication. If there's any material violation or any likelihood of material damage to the company, related personnel shall promptly prepare and present a report and notify the independent directors.
The Company invites CPA, independent directors, and internal auditors to the communication meeting at least once a year. CPA will report the Company's financial position and auditing process to independent directors and then listen to the voice of independent directors and chief internal auditor.

(D) The powers of the Committee are as follows:

a. The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.
b. Assessment of the effectiveness of the internal control system.
c. The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.
d. Matters in which a director is an interested party.
e. Asset transactions or derivatives trading of a material nature.
f. Loans of funds, endorsements, or provision of guarantees of a material nature.
g. The offering, issuance, or private placement of equity-type securities.
h. The hiring or dismissal of a certified public accountant, or their compensation.
i. Annual and semi-annual financial reports.
j. Other material matters as may be required by this Corporation or by the competent authority.

B. EirGenix established the Audit Committee to replace supervisors on June 12, 2019.

(3) Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		EirGenix has formulated the Corporate Governance Best Practice Principles and Corporate Social Responsibility Best Practice Principles; and EirGenix has operated in accordance with the institutional regulations of internal control and internal audit, and also formulated institutional measures such as Regulations Governing the Acquisition and Disposal of Assets, Procedures for Endorsements and Guarantees, Procedures for Loaning Funds to Others, Rules of Procedure for the Board of Directors Meetings, Management of Procedure for the Board of Directors, Procedure for Election of Directors, Rules of Procedure for Shareholders Meetings and Codes of Ethical Conduct, with the goal of implementing Corporate Governance.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
2. Shareholding structure & shareholders' rights (1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes, and litigations, and implement based on the procedure?	✓		(1) EirGenix has established a spokesman and vice spokesman system and has dedicated personnel responsible for disclosing corporate information and handling shareholders' suggestions and doubts to ensure shareholders' rights.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		(2) EirGenix has regularly collected the list of shareholders according to the list of shareholders obtained by the stock affair agency on the book closure date of EirGenix and maintains good interaction with major shareholders to further collect the list of ultimate controllers.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		(3) EirGenix has established a German subsidiary and has also established risk control mechanisms such as Management of Related Party Transactions, Measures for Management of Transactions with Related Party, Specific Companies and Group Enterprises, internal control, and internal audit system, which are regularly reviewed and handled in accordance with regulations	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		(4) EirGenix has established the administrative measures for preventing insider trading and Codes of Ethical Conduct from forbidding insiders from acquiring private interests or competing with EirGenix with undisclosed information.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
3. Composition and Responsibilities of the Board of Director (1) Does the Board develop and implement a diversified policy for the composition of its members?	✓		(1) EirGenix has clearly stipulated the principle of member diversification for the Board of Directors in the Articles of Incorporation and the Procedure for Election of Directors and set diversified specific management objectives according to the operation type and development needs, including basic conditions, professional background, and industrial experience, to ensure the competency, diversity, and independence of directors, so as to achieve corporate governance, with the rules and procedures disclosed on the corporate website and Market Observation Post System. In the Articles of Incorporation, it is stipulated that the candidate nomination system shall be adopted for all directors to evaluate the academic experience of the candidate, and	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
			the directors shall be selected by the Shareholders' Meeting from the list of candidates. In the selection of directors, more than half of members are required to have the ability of overall planning, management, and leadership in the industry; In the current fourth board of directors, there are ten directors, of whom 7 have professional backgrounds in the biotechnology industry and 4 have financial and professional institutional investment backgrounds; all members have the ability of overall planning, management and leadership, have the necessary professional knowledge, skills and management ability to perform their duties, and actively participate in the board meeting to exchange business decisions with the corporate management echelon.	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	(2) EirGenix has set up a Remuneration Committee in 2016 and an Audit Committee in 2018. And EirGenix will set up other types of functional committees as required by operational development.	EirGenix will establish other functional committees further.
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	✓		(3) On November 11, 2020, the Board of Directors formulated the performance evaluation method for the Board of Directors, specifying that external evaluation shall be carried out at least once every three years. EirGenix conducts performance evaluations regularly every year. As recently as March 22, 2022, the Board of Directors submitted a 2021 internal self-assessment of the Board of Directors, assessing 45 items around the degree of participation in the corporate operation, improvement in the decision-making quality of the Board of Directors, the composition, and structure of the Board of Directors, the election of directors and their continuing education, and internal controls with an average score of more than 90 points, good performance and no major matters to be improved.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
(4) Does the company regularly evaluate the independence of CPAs?	✓		(4) The Board of Directors and the Audit Committee regularly assess the independence of accountants at least once a year. The evaluation was done according to 17 criteria for independence, such as Statement of independence of accountants, whether there is no loan or receive improper remuneration, the number of years of continuous auditing services, whether no interested business has been performed, and whether there is no potential employment relationship. The evaluation result report of the Board of Directors and the Audit Committee on March 22, 2022 is listed as follows: Through assessments, we identified the Certified Public Accountants Sheng-Wei Teng and Yu-Fun Yen from PwC Taiwan are qualified for independence and competency, we will thus appoint them as our CPAs.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
4. Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not	✓		On May 12, 2021, the Board of Directors approved the appointment of Chief Financial Officer Hsiu-Chuan Yang, who has more than three years of experience in the position of head of finance and stock affairs in public issuing companies, as the head	Compliant with "the Corporate Governance Best-Practice Principles

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			of corporate governance to protect the equities of shareholders, strengthen the functions of the Board of Directors, and be responsible for affairs related to corporate governance jointly with the Finance Department. The head of corporate governance main duties are to handle matters related to the Board of Directors and Shareholders' Meeting in accordance with the law, provide the information required by directors to carry out the business, collect the latest legal developments related to the operation of the Corporate, assist directors in complying with laws and regulations, and assist directors in taking office and continuing their studies.	for TWSE/TPEx Listed Companies"

Manager of Corporate Governce Directors' training records

Date	Learning institutions	Course Title	Hours
2021/08/05	Accounting Research and Development Foundation	Improvement to Corporate Strategy Capability Through ESG	3
2021/08/31	Taipei Exchange	2021 Taipei Exchange Sustainability Upgrade Online Forum	2
2021/09/03	Taiwan Investor Relations Institute	Corporate Governance - Investor Relations – Analysis of Increasing Foreign Shareholdings	1
2021/10/19	Securities and Futures Institute	Workshop on Practices for (Independent) Directors and Supervisors and Corporate Governance Officers	12

5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities	✓		EirGenix has set up the spokesman and vice spokesman system and disclosed the financial and business information on the Market Observation Post System and the corporate website according to laws and regulations, designated dedicated personnel responsible for properly responding to important issues regarding corporate social responsibility concerned by stakeholders, and set up a stakeholder's area on the corporate website to maintain a good and smooth communication channel.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs	✓		EirGenix has appointed a professional stock affair agency to handle the shareholders' meeting and stock affairs as the Agency Department of KGI Securities (Stock) Company (Address: 5th Floor, No.2, Section 1, Chongqing South Road, Taipei City, 100, Tel: (02)2389-2999).	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		(1) The website of EirGenix is www.eirgenix.com, on which the corporate governance and financial business information is disclosed in Chinese and English versions.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
(2) Does the company have other information disclosure channels (e.g., building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		(2) The website of EirGenix is equipped with a language switching interface, including Chinese and English versions; there is also the spokesman and acting spokesman system and special personnel responsible for collecting and disclosing the corporate information. In addition, relevant information about EirGenix's participation in the Investor Conference has been published on the Market Observation Post System and the corporate website in accordance with regulations.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year and announce and report Q1, Q2, and Q3		✓	(3) EirGenix has announced and reported the financial reports for the first, second and third quarters and the operating conditions for each month in advance before the prescribed time limit; and has not announced and reported	To be improved.

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
financial statements, as well as monthly operation results, before the prescribed time limit?			the annual financial report within two months after the end of the accounting year.	
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		(1) Employee rights and employee care: EirGenix has regularly held all-staff communication meetings and Management and Labor Council to exchange opinions with employees, and also learned about the needs of employees in a timely manner through multiple mechanisms such as communication, educational training, and incentive.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
	✓		(2) Investor relations and stakeholder rights: In addition to disclosing the financial and business information in accordance with laws and regulations, EirGenix has also established the spokesman and vice spokesman system and special personnel responsible for maintaining good investor relations and stakeholder rights.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
	✓		(3) Supplier relationship: EirGenix has set up a supplier management policy whose cooperation with suppliers complies with laws and regulations, and contracts to safeguard the rights of both parties.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
(4) Directors' training records 1. Chairman-Chung-Hur Lee: The TPEx ESG Forum in 2021 and Insider Equity Seminar of Companies Listed on TPEx or Emerging Stock Market. 2. Director-Cheng-Yu Cheng: The corporate governance and Securities Regulations, Business model and transfer pricing management. 3. Director-Lee-Cheng Liu: The 13th Corporate Governance Forum. 4. Director-Jing-Jer Lin: The 13th Corporate Governance Forum. 5. Director-Hsiu-Hui Chen: The 13th Corporate Governance Forum. 6. Director- Chih-Lung Shen: Analysis of New Sustainable Development Policies and Fraud Prevention Cases, Investigation into Flow of Funds for Financial Reporting Fraud Cases, and Discussion on Relevant Legal Liability Cases. 7. Director-Wei-Hung Chang: The 13th Corporate Governance Forum. 8. Independent Director-Ming-Shen Chen: The 13th Corporate Governance Forum. 9. Independent Director-Fu-Shiow Yin: Taiwan Mergers and Acquisitions (M&A) Trends and Development of Investment Holding Companies and Insider Equity Seminar of Companies Listed on TPEx or Emerging Stock Market. 10. Independent Director-Ming-Thaur Chang: The Advent of the Era of Sustainable Finance: ESG Megatrends and Response and the Responsibilities of Banks' Board of Directors for Anti-Money Laundering and Countering the Financing of Terrorism Cases.				Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
	✓		(5) Status of implementation of risk management policies and risk measurement standards: EirGenix has set up the risk management policies and procedures and regularly submitted them to the Board of Directors; EirGenix has operated in accordance with laws and regulations, corporate management measures, and various internal control systems, and carried out various risk assessments and controls.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
	✓		(6) Status of implementation of customer policies: EirGenix has cooperated with the client in accordance with laws and regulations, and contracts to safeguard the equities of both parties and also designated exclusive personnel responsible for client communication and contact matters.	Compliant with "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"
	✓		(7) Status of EirGenix purchasing liability insurance for Directors:	Compliant with "the Corporate Governance

Evaluation Item	Implementation Status			Deviations from "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
			In the Articles of Incorporation, it has been stated clearly that, within the term of the Directors, EirGenix shall purchase liability insurance for the compensation liabilities of the Directors in accordance with the law in the scope of their business. EirGenix has underwritten the Directors' Liability Insurance of US$ 5 million to Shin Kong Insurance. In the future, in addition to continuing underwriting the insurance according to regulations, EirGenix will adjust the insured amount in due course according to operation needs to provide appropriate coverage.	Best-Practice Principles for TWSE/TPEx Listed Companies"
9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures. EirGenix has been ranked among the top 5% of publicly listed companies by the Taipei Exchange Corporate Governance Evaluations. EirGenix will evaluate the feasibility of the strategies in the current year and future through the items that have not passed the evaluation every year in the future, obtain a balance between the policy development of the competent authority and the development of the company, and immediately promote the implementation plan for the items that can be improved at this stage.				

(4) Composition, Responsibilities and Operations of the Remuneration Committee

A. Members of Remuneration Committee

Title	Criteria / Name	Professional Qualification / Work Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent Director	Ming-Shen Chen	Please refer to Information of Directors.		0
Independent Director	Fu-Shiow Yin			1
Independent Director	Ming-Thaur Chang			0

B. Information of Remuneration Committee Operation

(A) Total members of EirGenix's Remuneration Committee are three people.

(B) The remuneration committee shall exercise the care of a good administrator in faithfully performing the official powers listed below, and shall submit its recommendations for deliberation by the board of directors.

i. Prescribe and periodically review the Remuneration Committee Charter.

ii. Prescribe and periodically review the performance review and remuneration policy, system, standards, and structure for directors and managerial officers.

iii. Periodically evaluate and prescribe the remuneration of directors and managerial officers.

(C) The current term of the Remuneration Committee is from August 12, 2019, until June 11, 2022. A total of 10 (A) Remuneration Committee meetings were held in 2021 and until April 30, 2022. The attendance record of the Remuneration Committee members was as follows:

Title	Name	Attendance in Person(B)	By proxy	Attendance Rate (%) [B/A]
Convener	Ming-Thaur Chang	10	0	100
Committee Member	Ming-Shen Chen	9	1	90
Committee Member	Fu-Shiow Yin	10	0	100

Other mentionable items:

a. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, the content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.

b. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, the content of the motion, all members' opinions, and the response to members' opinion should be specified: None.

c. All members of the Company's Remuneration Committee the attended the committee meetings at least twice a year, with a total attendance of 100% and regularly review the policies, systems, standards, and structures for performance evaluation and remuneration to directors and managers as at the 14th meeting convened by the 2nd the Remuneration Committee, to comply with the existing system. Its regular review is based on three major aspects: 1. to ensure external competitiveness, it formulates the salary structure for the senior management with reference to the salary levels in the same industry to enhance the Company's competitive advantage; 2. it evaluates the values of their work according to their contribution and abilities based on their responsibilities and positions to ensure fairness in the organization; 3. it rewards them for their special performance and links senior managers' remuneration with the Company's business performance to ensure individual fairness and the organization's competitiveness. The objectives of this salary policy are reviewed based on fairness, reasonableness, motivation, finance, and market competitiveness.

d. If the Company has net profit in this fiscal year, the Company shall set aside between 1% to 5% of its profits as bonus to employees of the Company and set aside 3% (inclusive) or less of its profits as bonus to Directors. The distribution of bonus to employees may be made by way of cash or shares by the resolution of the Board of Directors. The employees may include certain employees of the subsidiaries who meet the conditions prescribed by the Company. The distribution of employee remuneration and director remuneration shall be heard by over two-thirds of the Board of Directors, be voted in favor for implementation by over one-half of the directors present and represented, and also be reported at the shareholders' meeting. The Company shall first offset its losses in previous years that have not been previously offset, and then set aside annual profits as a bonus to employees of the Company and set aside annual profits as a bonus to Directors.

e. The performance evaluation of directors and senior managers is linked to their remuneration and their remuneration is determined with reference to the payment standard in the industry and the salary at each job level, while based on their performance and contribution, responsibilities, continuous learning, realization of the Company's core value, leadership and

management abilities, training ability, and business goal achievement rate, financial position (such as revenue or achieving status of after-tax net income target), and the progress of self-developed products (such as launch and sales of EG12014 or international factory inspection and certification). It regularly evaluates the performance achievement and reviews the remuneration policy in a timely manner.

(5) Nominating Committee：None.

(6) Fulfillment of ESG and Deviations from the "Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies”

Evaluation Item		Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
		Y	N	Abstract Explanation	
1. Does the company assess ESG risks associated with its operations based on the principle of materiality and establish related risk management policies or strategies?		✓		1. The Board of Directors delegates the President to integrate the sustainable development concept into the Company's business strategy and lead the finance, human resources, R&D, production, and other departments to promote the Company’s core spirit, namely empathy, integrity, responsibility, and global vision, while implementing corporate governance, employee care, environmental sustainability, and social charity projects, on a long-term and systematic basis. The Department of Finance has been responsible for the integration of relevant sustainable development mechanism since the Company was established and recently reported on the implementation status to the Board of Directors on March 22, 2022. The management team reports on the progress of the financial business and devises and regularly reviews business strategy at each Board meeting.	None.
2. Does the company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?		✓		2. The Company’s and our subsidiaries’ main operational sites and sustainable development performance are within the boundaries of risk assessment. Our risk management organization evaluates the concern about and impact of corporate sustainability and risks in the aspects of environment, society, and corporate governance as per the GRI Standards, the Company’s business characteristics, and factors of internal and external environments and stakeholders. The management team formulates management policies after discussions to reinforce our business advantages and risk control. Each operating unit completed the planning of implementation of risk countermeasures and reported them to the Board of Directors on November 10, 2021.	None.
Environment	Environment and Management	1. EirGenix's Xizhi site has been certified by Taiwan FDA as the GMP production facility for commercial biopharmaceutical drug substances. Zhubei site has been inspected and approved by Taiwan FDA as the GMP pilot production facility for biopharmaceutical drug substances. 2. On February 3, 2020, EirGenix received PMDA's official approval in its issued GMP Compliance Inspection Result Notification, proclaiming EirGenix's compliance with relevant Japanese regulations regarding the quality, effectiveness, and safety of pharmaceutical manufacturing, which represented a remarkable milestone for EirGenix as the GMP biopharmaceutical manufacturing facility to receive the authority's approval. 3. EirGenix has made great efforts in energy conservation and sustainable environmental development and has incorporated the concept of green building into the plant in Zhubei. In 2020, EirGenix obtained the Green Building Certificate (Green Building Certificate No.: GB-GF-01-00055) and will continue to move towards sustainable environment development.				
Social	Safe Working Environment	1. Obtains ISO45001 Occupational Health and Safety (Certificate No. OHS751791), the expiration date is 2021/11/9 to 2024/11/8. 2. Arranges the employee health examination and holds public health and safety training, firefighting drill and the education training relevant GMP regularly.			

Evaluation Item		Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
		Y	N	Abstract Explanation	
	Products and services comply with relevant laws and international standards	EirGenix has designated exclusive personnel responsible for client contacts, and the responsible unit has set up the processing standards to regularly supervise the implementation results, implement product improvement and strengthen service processes.			
Corporate Governance	Legal	We ensure that our personnel duly comply with laws and regulations by establishing a governance organization and implementing the internal control system.			
	Strengthen the functions of directors	1. Keep updated on the revision of laws and regulations, review various internal norms, and follow laws and regulations to reduce the risk of violations. 2. EirGenix has underwritten the Directors' Liability Insurance of US$ 5 million to Shin Kong Insurance. In the future, in addition to continuing underwriting the insurance according to regulations, EirGenix will adjust the insured amount in due course according to operation needs to provide appropriate coverage.			
	Stakeholder rights	1. We identify the issues various stakeholders are concerned about and include them in the work plan in a timely manner through the positive interaction with them, while providing appropriate responses. 2. EirGenix has established the stakeholders' communication mailbox IR@eirgenix.com, and designed the spokesperson and vice spokesperson to be the external communication channel.			
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?		✓		3. (1) As a professional drug R&D and production company, EirGenix has established perfect environmental management systems and implemented them. EirGenix's pilot plant received a PIC/S GMP certificate from Taiwan FDA in 2014. On February 3, 2020, EirGenix received PMDA's official approval in its issued GMP Compliance Inspection Result Notification, proclaiming EirGenix's compliance with relevant Japanese regulations regarding the quality, effectiveness, and safety of pharmaceutical manufacturing, which represented a remarkable milestone for EirGenix as the GMP biopharmaceutical manufacturing facility to receive the authority's approval. EirGenix is currently carrying out the ISO45001 establishment, and relevant certification is expected to be obtained before the end of 2021. EirGenix has made great efforts in energy conservation and sustainable environmental development and has incorporated the concept of green building into the plant in Zhubei. In 2020, EirGenix obtained the Green Building Certificate (Green Building Certificate No.: GB-GF-01-00055) and will continue to move towards sustainable environment development.	None.
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have a low impact on the environment?		✓		(2) EirGenix belongs to the pharmaceutical research and development industry, which basically does not use materials with high impact on environmental load; Moreover, since its establishment, EirGenix has adhered to relevant government environmental protection laws and policies and been committed to improving the efficiency of resource utilization.	None.
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business and take appropriate action to counter climate change issues?		✓		(3) The President leads all employees to assess climate change and business operations, with a focus on environmental regulations, rising raw material costs, and increased greenhouse gas (GHG) emissions and to devise measures for development green buildings, carbon information disclosure, energy management, and resource reuse, with the aim of minimizing the impact of our operating activities on the environment, and reports regularly to the Board of Directors.	None.
(4) Does the company take inventory of its greenhouse gas emissions,		✓		(4) Unit: tons Site / Year / Water Consumption / The Total Weight of Waste	None.

Evaluation Item	Implementation Status						Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Explanation				
water consumption, and the total weight of waste in the last two years and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?			Zhubei	2021	41,281	13,601	
				2020	41,627	21,094	
			Xizhi	2021	39,881	12,202	
				2020	42,402	19,151	

GHG emissions Unit: tons/CO_2

Site	Year	Scope 1	Scope 2	Unit product emissions (kg)	Scope 3
Zhubei (From purchased electricity and natural gas)	2021	0	5,697	7.20	0
	2020	0	5,715	8.99	0
Xizhi (From purchased electricity)	2021	0	4,286	1.65	0
	2020	0	4,242	4.55	0

Scope 1: Refers to direct GHG emissions from sources directly owned or controlled by an organization.
Scope 2: Refers to indirect GHG emissions from purchased electricity, heat, or steam.
Scope 3: Refers to other indirect GHG emissions from sources generated by an organization's activities, which do not belong to indirect sources but are from GHG emissions owned or controlled by other organizations.

Policy on energy conservation and carbon reduction, GHG reduction, water consumption reduction, or other waste management:

1. Energy conservation and carbon reduction and GHG reduction:
   The Company evaluates non-process areas, including offices or laboratories, and uses fresh air-handling units or calculates the partial ventilation to set the start and stop time of the blowers; air-conditioners operate in a way that achieves energy conservation and carbon reduction without affecting the Company's processes
2. Water consumption reduction policy:
   Except for drinking water, washbasin water, and process water, the water used at the Company is recycled rainwater and recycled reverse osmosis (RO) wastewater.
3. Waste management policy:
   The Company manages to use recyclable consumables as much as possible. Except for the consumables contaminated by chemicals or need to be sterilized in the process or experiment, which need to be treated by qualified treatment plants for incineration. All other waste sources are sorted and handed over to resource recovery plants to achieve environmental protection.

4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		4. (1) In order to fulfill the corporate social responsibility and implement the protection of human rights, with reference to the principles enshrined in international human rights conventions such as the Universal Declaration of Human Rights and the United Nations Guiding Principles on Business and Human Rights, EirGenix has respected the basic internationally-recognized human rights and formulated human rights policies applicable to EirGenix, to prevent violations of human rights, provide reasonable and safe workplaces and enable the current colleagues to obtain reasonable and dignified treatment.	None.

The Company's human rights policy and specific management program are as follows:

1. Diversity, inclusion, and equal opportunity:
   In terms of recruitment, remuneration and benefits, training, performance evaluation, promotion, resignation, or retirement, the Company treats all employees and job applicants equally regardless of their socioeconomic status, age, gender, sexual orientation, marriage, family status, disabilities, race, religion, appearance, nationality, language, political affiliation, or pregnancy. We also provides effective and appropriate grievance mechanisms and diverse communication channels to avoid situations that endanger employees' rights and interests, thereby achieving equal employment.
2. Against forced labor and child labor:
   To ensure compliance with corporate social responsibility and ethical standards, the Company's regulations on normal working hours and extended working hours, leave, paid leave, and other types of leave are in compliance with labor laws. We do not force employees to perform labor services. The Company complies with the local regulations on the minimum working age and does not employ child workers.
3. Physical and psychological health, work balance, and a safe work environment:

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Explanation	
The Company attaches great importance to safety and health in the workplace for employees to work in a healthy, safe, and humane environment with a healthy body and mind. The Company encourages employees to participate in health promotion activities and set up their own clubs to bond through club activities. In addition to holding the year-end party, cycling, and basketball games to balance their life and help them bond, the Company has installed fitness equipment for them to use after work. 4. The above information is all published in the Company's public information area and employees are also informed of relevant information regularly through the Company's TownHall Meeting.				
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		(2) EirGenix has formulated and implemented reasonable employee welfare measures, which can be detailed in the explanation of V. Labor Relations of this annual report. EirGenix has also appropriately reflected the operating performance and results in the salaries of employees, has set up bonuses associated with the performance target achievement of employees, departments, and company, and has also issued employee stock options associated with in-service seniority, restricted stock awards associated to the corporate objectives at various stages, and cash capital increase to retain employee stock options, so as to share the corporate operation performance with employees.	None.
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		(3) EirGenix has attached great importance to providing a healthy and safe working environment, regularly organized public safety and health, GMP-related educational training, arranged physical examination and group insurance for employees to ensure the safety and health of employees, and also provides the COVID-19 rapid test kit for employee to reduce the infection risk. EirGenix obtains ISO45001 Occupational Health and Safety (Certificate No. OHS751791) in 2021.	None.

No occupational accident took place in 2021 and 2020. Occupational security education and training over the past two years:

Site	Year	Number of training sessions	Number of attendee for the training
Zhubei	2021	154	924
	2020	107	642
Xizhi	2021	137	822
	2020	124	744

1. Employee safety and health:
   (1)On the first day when employees enter the Company, they will receive the first-day training; the Company will hold safety education and training for at least 3 hours each time at least twice a year. The training mainly covers fire escape drills, emergency drills for poisoning disasters, basic knowledge of occupational safety, and chemical classification management.
   (2)We provide adequate personal protective equipment according to the needs in the work environment.
   (3)Each employee will undergo vital organ health screening every two years, while employees engaging in special operations will undergo a special health check-up every year in accordance with the Occupational Safety and Health Act
2. Work environment:
   (1)We conduct work environment inspections every six months.
   (2)We perform an audit of the work environment from time to time and have eliminated unsafe factors.

(4) Does the company provide its employees with career development and training sessions?	✓		(4) The employees will perform to achieve their annual targets based on their personal strength. The supervisors will also provide advice and guidance; EirGenix organized internal education and training regularly and encouraged employees to participate in external educational training or continue their studies to enhance their self-ability. In September 2017, EirGenix established the "EIRGer's Learning Center," planning diversified internal training courses every year. The key learning focus is on professional, technical orientation, supplemented by management and core functions.	None.

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Explanation	
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		(5) EirGenix will follow the relevant regulations and international standards on the advertisement, labeling of products and services, customer health and safety, and client privacy When the self-owned products come into the market, EirGenix will formulate the customer protection policies and appealing procedures; In addition, for CDMO of bio-pharmaceuticals, EirGenix has designated exclusive personnel responsible for client contacts, and the responsible unit has set up the processing standards to regularly supervise the implementation results, implement product improvement and strengthen service processes.	None.
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health, and safety, or labor and human rights?	✓		(6) According to the supplier management policy, EirGenix will conduct an evaluation before cooperation, jointly abide by relevant laws and regulations with the suppliers and strive to enhance corporate social responsibility.	None.
5. Does the company reference internationally accepted reporting standards or guidelines and prepare reports that disclose non-financial information of the company, such as corporate social responsibility reports? Do the reports above obtain assurance from a third-party verification unit?	✓		5. EirGenix published the Corporate Social Responsibility Report based on the GRI Standard in 2021 and uploaded to MOPS and company website.	None.
6. Describe the difference, if any, between actual practice and the corporate social responsibility principles if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: EirGenix has formulated the corporate social responsibility principles in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies, and EirGenix has operated in accordance with relevant laws and regulations without significant difference				
7. Other useful information for explaining the status of corporate social responsibility practices: With the corporate spirit indicators of Empathy, Integrity, Responsibility, and Global Vision, all employees of EirGenix shall follow this indicator spirit to practice corporate social responsibility.				

(7) Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs (1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and	✓		1. (1) The Board of Directors of EirGenix has passed the establishment of the Ethical Corporate Management Best Practice Principles as well as Procedures and Guidelines of Conduct for Integrity Management to express the policies of integrity operation. The Board of Directors and the management team have also actively implemented integrity management and clearly expressed the policies and practices of	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."

Evaluation Item		Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
		Y	N	Abstract Illustration	
	practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?			integrity management in the corporate regulations and external business contracts.	
(2)	Does the company have mechanisms in place to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(2) EirGenix has formulated the Ethical Corporate Management Best Practice Principles, Procedures, and Guidelines of Conduct for Integrity Management, Codes of Ethical Conduct, and Procedures of Administrative Measures for Preventing Insider Trading. The Legal Department and Audit Department have also regularly reported to the Board of Directors on the status of implementation and irregularly checked, analyzed, and evaluated the operating activities within the business scope that have a high risk of dishonest behavior.	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
A. When engaging in commercial activities, directors, managers, employees, and mandataries of the company or persons having substantial control over such companies shall not directly or indirectly offer, promise to offer, request or accept any improper benefits, nor commit unethical acts including breach of ethics, illegal acts, or breach of fiduciary duty for purposes of acquiring or maintaining benefits. B. The company shall establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within their business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly and review their adequacy and effectiveness on a regular basis. The company to refer to prevailing domestic and foreign standards or guidelines in establishing the prevention programs, which shall at least include preventive measures against the following: (A) Offering and acceptance of bribes. (B) Illegal political donations. (C) Improper charitable donations or sponsorship. (D) Offering or acceptance of unreasonable presents or hospitality, or other improper benefits. (E) Misappropriation of trade secrets and infringement of trademark rights, patent rights, copyrights, and other intellectual property rights. (F) Engaging in unfair competitive practices. (G) Damage directly or indirectly caused to the rights or interests, health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.					
(3)	Does the company provide clearly the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	✓		(3) EirGenix has formulated the Ethical Corporate Management Best Practice Principles, Procedures and Guidelines of Conduct for Integrity Management, Employee Working Principles, Codes of Ethical Conduct, and Administrative Measures for Preventing Insider Trading, set up a disciplinary and appealing system for violations, regularly conducted review and correction, and implemented and advocated operating activities to prevent risks of dishonest behavior.	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies".
2. (1)	Fulfill operations integrity policy Does the company evaluate business partners' ethical	✓		2. (1) EirGenix has conducted its business activities in a fair and transparent manner. Before business activities, EirGenix has	Compliant with "Ethical Corporate Management Best Practice Principles for

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Abstract Illustration	
records and include ethics-related clauses in business contracts?			avoided dealings with trading partners who have dishonest behaviors, with the terms of cooperation stated in the contract.	TWSE/GTSM Listed Companies."
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors, which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		(2) EirGenix has set up a dedicated unit under the Board of Directors to promote corporate integrity management as the Legal Department, which is responsible for formulating and supervising the implementation of integrity management policies and prevention plans, handling and reporting the breach of integrity that may be found in the internal control audit in accordance with relevant laws and regulations, and ensuring that the corporate integrity management policies can be implemented and reported to the Board of Directors regularly every year, with the latest reporting date of March 22, 2022.	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		(3) EirGenix has formulated the Ethical Corporate Management Best Practice Principles, Procedures and Guidelines of Conduct for Integrity Management, Employee Working Principles, Codes of Ethical Conduct, and Administrative Measures for Preventing Insider Trading, and set up whistle blower policy with a designated email for employees putting a stop on all unethical immoral or illegal work.	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(4) Does the company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?	✓		(4) EirGenix has established effective systems for both accounting and internal control, and the internal audit unit has also conducted audits on a regular basis and reported to the Board of Directors and the audit committee every time; it has also appointed CPAs to carry out the audit.	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		(5) EirGenix has regularly held all-staff communication meetings and internal educational training to make employees understand the corporate spirit indicators and the corporate culture of integrity management and encouraged employees to participate in external educational training.	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
3. Operation of the integrity channel			3.	
(1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up	✓		(1) EirGenix has formulated the Ethical Corporate Management Best Practice Principles and Guidelines of Conduct for Integrity Management. In case of any breach of integrity, employees can report it to the heads of department, Legal Department or Audit Department at any time through the reporting email address or in any form.	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant	✓		(2) EirGenix has formulated the Ethical Corporate Management Best Practice Principles and Guidelines of Conduct for Integrity Management, provided smooth reporting channels, and implemented the principle of confidentiality.	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Abstract Illustration	
post-investigation confidentiality measures?				
(3) Does the company provide proper whistleblower protection?	✓		(3) EirGenix keeps the contents of reporting on breach of integrity management confidential and protects the whistleblower from improper disposal due to reporting.	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		4. EirGenix has disclosed the Ethical Corporate Management Best Practice Principles and Guidelines of Conduct for Integrity Management and information related to integrity management on the Market Observation Post System, annual report, and corporate website.	Compliant with "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies."
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: EirGenix has formulated the Ethical Corporate Management Best Practice Principles and Guidelines of Conduct for Integrity Management in accordance with the Integrity Management Principles for TWSE/GTSM Listed Companies, with no difference between the actual operation and the Principles.				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies): EirGenix has formulated the Ethical Corporate Management Best Practice Principles and Guidelines of Conduct for Integrity Management, which will be amended as appropriate according to the operational development. EirGenix provides teach-in to directors and management on awareness of insider trading and insider equity laws related regulations and matters to be noted, the Corporate Governance Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, the Guidelines for the Adoption of Codes of Ethical Conduct, and Operating Procedures for the Management Regulations on Insider Trading Prevention at least once a year, also periodically update relevant regulations and the latest legal information to unit managers and firm executives. The HR Department will raise new employees' awareness of the Company's code of ethics, management measures and regulations on their first day of work. The Audit Office and the Finance Department will send electronic or paper files of the above regulations and practical cases to directors, managers, and employees from time to time, to implement ethical management and prevent insider trading. All measures and regulations are disclosed on the Company's internal and external websites for employees to follow. The company disseminated about Trade secret on 2021/04/28 for 1 hour and also disseminated and explained the relevant practical case during the TownHall Meeting in 2021. The Company's Legal Affairs and Audit Offices randomly inspect each unit, regularly report on the implementation status to the Board of Directors, as well as analyze and evaluate business activities with high risk of unethical conduct within the business scope. All directors also completed the course of Corporate Governance and Securities Regulations.				

(8) If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched:

EirGenix has instituted related rules and regulations in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and the requirements of the competent authority of securities and exchange. For further information, visit the official website of the Company for inquiry of the content of related rules and regulations.

(9) Other Important Information Regarding Corporate Governance:

All directors, managers, and insider newly assumed office would be released the updated version of the "Regulations Governing the Equity Ownership of Insiders of Companies listed at TPEx and Emerging Stock Market" compiled by Taipei Exchange. Information on the amendment to the regulations will be announced and promoted in the Board meeting and the executive meeting every year for the insiders to abide by.

(10) Disclosures Required for the Implementation of the Internal Control System:

A. Statement of Internal Control System: Please refer to the appendix 1.
B. If CPA has been hired to carry out a special audit of the Internal Control System, the company shall furnish the CPA audit report: None.

(11) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

(12) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year (2021) or during the current fiscal year up to the date of publication of the annual report:

Item & Date	Major Resolutions of Shareholders' Meeting/ Board of directors
Board Meeting 2021.2.1	1. Approved the motion of distribution of year-end bonuses for the managers. 2. Approved the motion of distribution of year-end-party bonus for the managers. 3. Matter of management appointment. 4. Stipulate to the Policy of Halt and Resumption of Trading.
Board Meeting 2021.3.23	1. Accept 2020 Financial Statements and Business Report. 2. Ratification of the 2020 Deficit Offset Proposal. 3. Report Accumulated Losses Reaching One-Half of Paid-in Capital. According to Article 211 of Company Law, it shall be reported to shareholders' Meetings. 4. Approved the motion of issuance of the Declaration of Internal Control System of the Company. 5. Approved the CPA replacement since Q1 2021 pursuant to the Statements of Auditing Standards No.46. 6. Approved the motion of the ratification of the assessment of the independence and competence of the CPAs retained as external Auditors. 7. Approved the application to Shanghai Commercial & Savings Bank for the loan. 8. Report the Status of the 1st Domestic Secured Convertible Corporate Bonds. 9. Amendment to the Rules of Procedure for Shareholder Meetings and the Regulations Governing Procedure for Election of Directors. 10. Amendment to the Rule of Corporate Social Responsibility Best Practice Principles, the Rule of Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and the Rule of Governing the Scope of Powers of Independent Directors. 11. Proposal to Release the Prohibition on Directors or Representatives of Directors from Participation in Competitive Business. 12. Adoption of the Issuance of Employee Restricted Stock Awards. 13. Adoption of the Issuance of Employee Restricted Stock Awards. 14. Approved the motion of the agenda and related matters of the Shareholders' Meeting of 2021.
Board Meeting 2021.4.6	1. Approved the price of cash capital increase. 2. Approved the number of reserved shares reserved for managers' employee subscriptions in the cash capital increase.
Board Meeting 2021.5.4	1. Approved the base date of convertible corporate bonds into common stocks capital increase. 2. Revised the Article of the Company. 3. Approved the Company will raise capital through private placements of common shares. 4. Approved the motion of the agenda of the Shareholders' Meeting of 2021. 5. Approved the remuneration of Chao-Ming Chang.

<table>
<tr><th>Item & Date</th><th>Major Resolutions of Shareholders' Meeting/ Board of directors</th></tr>
<tr><td></td><td>6. Approved the remuneration of Fu-Hsiu Yin.
7. Approved the remuneration of Ming-Hsien Chen.
8. Approved the appointment contract of the executive whose level is no lower than 13.
9. Approved Dr. Chih-Jung Chang promoted as "Senior Vice President and Chief Operating Officer."
10. Approved the proposal of adjusting the salary of the executive.</td></tr>
<tr><td>Board Meeting 2021.5.12</td><td>1. Approved the motion of the ratification of the appointment of CPAs as external auditors and the remuneration to the CPAs.
2. Adjustment to the price of Employee Stock Option.
3. Establish a corporate governance director.
4. Approved to grant Employee Stock Options to employees.
5. Matter of management appointment.
6. Matter of management appointment.
7. Matter of management appointment.</td></tr>
<tr><td>Board Meeting 2021.7.16</td><td>1. Revision of the authorization table.
2. Approved the application to Taiwan Business Bank for the loan.
3. Approved the application to Mega Bank for the loan.
4. Matter of new common stock issuance for employee stock option.
5. Approved the base date of convertible corporate bonds into common stocks capital increase.
6. Cancellation of the restricted stock award.
7. Approved the deferral, site, and way of taking place of the Shareholders' Meeting of 2021.
8. Approved the maintenance and capital appropriation for the animal cell factory and microbial factory in Xizhi.
9. Approved capital appropriation for production line construction and equipment expansion in the Zhubei branch.</td></tr>
<tr><td>Shareholders Meeting 2021.8.3</td><td>Proposed Resolutions:
1. Accept 2020 Financial Statements and Business Report.
Implementation review：Implementation completed in accordance with the resolution of the Shareholders Meeting.
2. Ratification of the 2020 Deficit Offset Proposal.
Implementation review：Implementation completed in accordance with the resolution of the Shareholders Meeting.
Matters for discussion:
1. Approved the amendment to the Article of the Company.
Implementation review：Approval No. 11001150270 dated Aug. 27, 2021.
2. Approved the amendment to the rules of the shareholders' meeting.
Implementation review：Implementation completed in accordance with the resolution of the Shareholders Meeting.
3. Approved the amendment to the regulation of board election.
Implementation review：Implementation completed in accordance with the resolution of the Shareholders Meeting.
4. Lifted the restriction on the Director's non-compete clause.
Implementation review：Implementation completed in accordance with the resolution of the Shareholders Meeting.
<table>
<tr><th>Name of Director/Representative</th><th>Added concurrent positions within the company's business scope</th></tr>
<tr><td>National Development Fund, Executive Yuan</td><td>Director of Alar Pharmaceuticals Inc.
Director of Point Robotics MedTech Inc.</td></tr>
<tr><td>Taiwania Capital Buffalo II Bioventures, LP</td><td>Director of Point Robotics MedTech Inc.</td></tr>
</table>
5. Approved the Issuance of Employee Restricted Stock Awards.
Implementation review：Implementation completed in accordance with the resolution of the Shareholders Meeting. Approval No. 1100357601 dated Sep. 10, 2021.
6. Approved the Company will raise capital through private placements of common shares.
Implementation review：Implementation completed in accordance with the resolution of the Shareholders Meeting. Approval No. 11001199560 dated Nov. 18, 2021.</td></tr>
<tr><td>Board Meeting</td><td>1. Amendment to the Rule of Remuneration Committee Charter.
2. Approved the Employee Stock Option Issuance and the regulations of the Share Subscription Plan.</td></tr>
</table>

Item & Date	Major Resolutions of Shareholders' Meeting/ Board of directors
2021.8.12	
Board Meeting 2021.10.1	1. Approved the price and other matter issues about private placements of common shares. 2. Revision of the authorization table. 3. Approved parts articles of grant Employee Restricted Stock Awards to employees (2021 First-time and Second-time). 4. Matter of new common stock issuance for employee stock option. 5. Matter of new common stock issuance for employee stock option. 6. Approved the base date of convertible corporate bonds into common stocks capital increase. 7. Signed the EG1206A product clinical phase I trial commissioned study case with clinical CRO and other companies, a total contract amount of about EU€4,073,740. 8. Approve the appointment of internal audit supervisor. 9. Approved to grant Employee Stock Options to employees. 10. Approved to grant Employee Restricted Stock Awards to employees (2021 First-time). 11. Approved to grant Employee Restricted Stock Awards to employees (2021 Second-time). 12. Approved Dr. Barbara Grohmann-Izay's promotion as "Executive Manager" at a European subsidiary and the salary adjustment.
Board Meeting 2021.11.10	1. Approved the extension to Taiwan Business Bank for the loan. 2. Approved the extension to Cathay Bank for the loan. 3. Approved parts articles amendment of grant Employee Restricted Stock Awards to employees (2021 First-time.) 4. Adjustment to the price of Employee Stock Option. 5. Amendment to the procedures of preparation of financial statements. 6. Amendment to salary policies, regulations, standards, and structure. 7. Approved the remuneration of Dr. Lee-Cheng Liu and continue in "General Manager." 8. Approved Employee Stock Ownership Trust. 9. Explained the affection of executive salary of Employee Stock Ownership Trust.
Board Meeting 2021.12.23	1. Approved the application to Hua Nan Commercial Bank for the loan in order to expand the Zhubei branch. 2. Approved the extension to Chang Hwa Commercial Bank for the loan. 3. Approved the Internal Audit Plan for the fiscal year 2022. 4. Approved the budget for 2022. 5. Amendment to the Execution of the Improvement Plan of Business Operations. 6. Approved the base date of convertible corporate bonds into common stocks capital increase. 7. Approved to grant Employee Restricted Stock Awards to employees (2021 First-time).
Board Meeting 2022.1.20	1. Approval of "The Establishment of Phase II Facility and Production Equipment" in Hsinchu Biomedical Science Park 2. Approved the investments in TFBS Bioscience with the consideration of the benefit of industrial vertical combination and extension of the service scope of CDMO. 3. The company's board of directors' resolution of the lease of office from related parties 4. Announcement that the company has modified the lease conditions for the assets that originally obtained the right of use from the related parties 5. Approved the motion of distribution of year-end bonuses for the managers. 6. Matter of management appointment at a European subsidiary.
Board Meeting 2022.3.22	1. Accept 2021 Financial Statements and Business Report. 2. Report Accumulated Losses Reaching One-Half of Paid-in Capital. According to Article 211 of Company Law, it shall be reported to shareholders' Meetings. 3. Approved the motion of issuance of the Declaration of Internal Control System of the Company. 4. Approved the motion of the ratification of the assessment of the independence and competence of the CPAs retained as external Auditors. 5. Approved the motion of the ratification of the appointment of CPAs as external auditors and the remuneration to the CPAs. 6. Approved the additional application and extension to Shanghai Commercial & Savings Bank for the loan. 7. Amendment to the Budget management Regulations. 8. Approved the amendment to the Article of the Company.

Item & Date	Major Resolutions of Shareholders' Meeting/ Board of directors
	9. Approved the amendment to Articles of Procedures for Governing the Acquisition and Disposal of Assets and the Rules of Procedure for Shareholder Meetings. 10. Matter of new common stock issuance for employee stock option. 11. Approved the base date of convertible corporate bonds into common stocks capital increase. 12. Cancellation of the restricted stock award. 13. Approved to grant Employee Stock Options to employees. 14. Approved to grant Employee Restricted Stock Awards to employees (2021 First-time). 15. Approved the Company will raise capital through private placements of common shares. 16. Examined the candidates for the fifth term of the board of directors for the election in shareholders' meeting and lifted the restriction on the Director's non-compete clause. 17. Approved the motion of the agenda and related matters of the Shareholders' Meeting of 2022. 18. Acquired the revenue sharing rights of TSY0110 (EG12043) from Formosa Pharmaceuticals, Inc. 19. Approved salary policies, regulations, standards, and structure. 20. Approve the appointment of executive. 21. Approve the appointment of executive. 22. Approved a special bonus of executives at a European subsidiary. 23. Approved a continuing appointment of a General Manager at a European subsidiary. 24. Approve the annual adjustment to the salary of the executive.
Board Meeting 2022.4.19	Approved to update the Employee Restricted Stock Awards to employees (2022 First-time).

(13) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion had been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(14) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer:

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
Internal Audit	Cheng-Yao Huang	2014/9/15	2021/10/1	Job adjustment
CTO	Ping-Yang Yeh	2019/9/2	2021/10/15	Termination of appointment contract

5. Information Regarding the Company's Audit Fee and Independence

(1) The non-audit fees paid to the certified public accountant, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm, the amounts of both audit and non-audit fees as well as details of non-audit services:

Unit: NT$ thousands

Accounting Firm	Name of CPAs	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Total
Pricewaterhouse Coopers Taiwan.	Sheng-Wei Teng	January 1st,2021 to December 31st,2021	2,000	595	2,595
	Yu-Fang Yen				

Details of non-audit services:

- Matter of new common stock issuance for SPO、employee stock option and RS, NT$230,000.
- Legal and tax consulting, NT$15,000.
- Business income tax audit, NT$300,000.
- The full-time non-supervisory employees salary check sheet, NT$50,000.

(2) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons:

None.

(3) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor:

The amount of reduction is NT$300,000, and the reduction ratio is 13%. The main reason for the decrease is tax compliance audit expenses are classified as non-audit expenses.

6. Replacement of CPA

(1) Regarding the former CPA

Replacement Date	Date of received the notification for replacement: March 5th,2021 Date of approval by Board of Directors: March 23rd,2021		
Replacement reasons and explanations	The CPA replacement since Q1 2021 pursuant to the Statements of Auditing Standards No.46.		
Describe whether the Company terminated, or the CPA did not accept the appointment	Parties / Status	CPA	The Company
	Termination of appointment	-	-
	No longer accepted (continued) appointment	-	-
Other issues (except for unqualified issues) in the audit reports within the last two years	None.		
Differences with the company	Y	-	Accounting principles or practices
		-	Disclosure of Financial Statements
		-	Audit scope or steps
		-	Others
	N	✓	
	Remarks/specify details: None		
Other Revealed Matters	None.		

(2) Regarding the successor CPA

Accounting Firm	PricewaterhouseCoopers Taiwan.
Name of CPA	Sheng-Wei Teng and Yu-Fang Yen
Date of appointment	Date of received the notification for replacement: March 5th,2021 Date of approval by Board of Directors: March 23rd,2021
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	None.

Succeeding CPA’s written opinion of disagreement toward the former CPA	None.

(3) The company shall mail to the former certified public accountant a copy of the disclosures it is making pursuant to item A and to (c) of the here preceding item, and advise the accountant of the need to respond by mail within 10 days should the accountant disagree. The company shall disclose the content of the reply letter from the former certified public accountant：None.

7. The company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: None.

8. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(1) Net Change in Shareholding by Directors, Management and Shareholders with 10% Shareholdings or More

Unit: Shares

Title	Name	2020		2021		2022 Until April 30th	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Chairman	Augusta Inc.	124,141	0	0	200,000	0	0
	Representative: Chung-Hur Lee	20,217	0	10,421	0	0	0
Director	Formosa Laboratories, Inc.	2,123,908	0	1,320,599	5,000,000	(10,000)	0
	Representative: Cheng-Yu Cheng	0	0	0	0	0	0
Director	National Development Fund, Executive Yuan	1,926,278	0	1,724,973	0	0	0
	Representative: Wei-Feng Kao	0	0	0	0	0	0
	Former Representative: Jing-Jer Lin	0	0	0	0	0	0
Director	Development Center for Biotechnology	(645,000)	0	(544,350)	0	0	0
	Representative: Hsiu-Hui Chen	0	0	0	0	0	0
Director	Yao-Hwa Glass Co., Ltd, Management Commission	1,647,737	0	1,475,541	0	0	0
	Representative: Wei-Hung Chang	0	0	0	0	0	0
Director	Taiwania Capital Buffalo II Bioventures, LP	1,893,056	0	(159,770)	0	(240,000)	0
	Representative: Chih-Lung Shen	N/A	N/A	0	0	0	0
	Former Representative: I-Ta Lu	0	0	0	0	N/A	N/A
Director/ President	Lee-Cheng Liu	619,168	0	299,115	0	305,000	0
Independent Director	Ming-Shen Chen	0	0	0	0	0	0
Independent Director	Fu-Shiow Yin	0	0	0	0	0	0
Independent Director	Ming-Thaur Chang	0	0	0	0	0	0
Manager	Chih-Jung Chang	161,000	0	117,738	0	0	0
Manager	Hsiu-Chuan Yang	100,854	0	151,518	0	0	0
Manager	Shang-Chung Ju	5,000	0	(75,841)	0	5,000	0

Unit: Shares

Title	Name	2020		2021		2022 Until April 30th	
		Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged	Net Change in Shareholding	Net Change in Shares Pledged
Manager	Ae-Ning Lin	54,866	0	122,780	0	5,000	0
Manager	Tsan-Hui Wu	29,314	0	52,934	0	(18,250)	0
Manager	Chung-Huan Lin	22,482	0	27,518	0	0	0
Manager	Yu-Wen Liu	21,787	0	49,986	0	3,750	0
Manager	Tsung-Chih Wang	0	0	10,000	0	0	0
Manager	Ming-Tao Pai	0	0	40,000	0	0	0
Manager	Hong-Jun Yeh	N/A	N/A	0	0	0	0
Manager	Yi-Yun Ciou	N/A	N/A	0	0	0	0
Manager	Ching-Ying Chen	N/A	N/A	0	0	0	0
Manager	Ren-Yo Forng	N/A	N/A	0	0	0	0
Manager	Tung-Lung Lin	N/A	N/A	N/A	N/A	0	0
Manager	Ywan-Feng Li	N/A	N/A	N/A	N/A	0	0
Manager	Thomas Schulze (Note)	0	0	N/A	N/A	N/A	N/A
Former Manager	Ping-Yang Yeh (Note)	110,000	0	130,348	0	N/A	N/A
Former Manager	Chih-Dung Teng	10,000	0	66,000	0	0	0

Note : Thomas Schulze is president of EirGenix Europe GmbH.
Note : Chih-Dung Teng has resigned on April 29, 2022. Ping-Yang Yeh has resigned on October 15.

(2) Information of Stock Trade: None.

(3) Information of Stock Pledge:

March 31, 2022

Title /Name	Reasons for pledge changes	Change date	Counterparty	The relationship between the counterparty of the transaction and the Company, directors, supervisors, managers, and shareholders holding more than 10% of the shares	Shares	Shareholding ratio	Pledge ratio	Pledge (redemption) amount
Chairman: Augusta Inc.	Stock Pledge	2021/5/12	Taishin Bank Co., Ltd., Jianbei Branch	N/A	200,000	0.29	0.07	NT$ 6,500,000
Director Formosa Laboratories, Inc.	Stock Pledge	2021/7/20	Hua Nan Commercial Bank, Ltd., Nankan Branch	N/A	5,000,000	6.21	1.65	NT$ 300,000,000 (Loan is not used)

9.Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another

April 12th, 2022; Unit: Shares, %

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Foxconn Technology Co., Ltd.	27,500,000	9.06	0	0	0	0	Yonglin Capital Holding Co., Ltd.	Chairman	-
Representative: Jun-Fu Lu	0	0							
Yonglin Capital Holding Co., Ltd.	26,500,000	8.73	0	0	0	0	Foxconn Technology Co., Ltd.	Chairman	-
Representative: Kai-Lin Huang	0	0							
Formosa Laboratories, Inc.	18,845,818	6.21	0	0	0	0	-	-	-

April 12th, 2022; Unit: Shares, %

Name	Current Shareholding		Spouse's/ minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Note
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Representative: Cheng-Yu Cheng	0	0							
National Development Fund, Executive Yuan Convener: Kung, Ming-Hsin, Minister, National Development Council	15,288,860 0	5.03 0	0	0	0	0	-	-	-
Yao-Hwa Glass Co., Ltd, Management Commission Representative: Chuan-Neng Lin	13,078,082 0	4.31 0	0	0	0	0	-	-	-
Wen-Ming Pan	11,001,123	3.62	0	0	0	0	-	-	-
Taiwania Capital Buffalo II Bioventures, LP Representative: Taiwania Capital Biotechnology Corporation	9,305,286 0	3.06 0	0	0	0	0	-	-	-
Development Center for Biotechnology Representative: Shiing-Jer Twu	5,031,484 0	1.66 0	0	0	0	0	-	-	-
CTBC Financial Holding Co, Ltd. Representative: Zhi-Gang Wang	4,482,414 0	1.48 0	0	0	0	0	-	-	-
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,537,277	0.84	0	0	0	0	-	-	-

10. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company:

Unit: Shares; %

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
EirGenix Europe GmbH	-	100%	0	0	(Note)	100%
TFBS Bioscience,Inc.	8,000,000	14.75%	0	0	8,000,000	14.75%

Note：As a limited liability company, there are no shares.

IV. Capital Overview

1. Source of Capital

(1) Source of Capital

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount (Unit: NT$ thousands)	Shares	Amount (Unit: NT$ thousands)	Sources of Capital	Capital Increased by Assets Other than Cash	Other
Jun. 2020	CI 29/ ESO15/20/ RS 0	300,000,000	3,000,000	204,856,475	2,048,565	Capital increase $350,000,000 Exercising employee stock option $1,312,500 Issuing Restricted Stock Awards $6,945,000 Deregistering Restricted Stock Awards $1,671,000	-	Approval No. 10901090610 dated Jun. 20, 2020
Aug. 2020	ESO 15/20/27/28.8/33.6/43.2/ RS 0	300,000,000	3,000,000	206,002,675	2,060,027	Exercising employee stock option $2,405,000 Issuing Restricted Stock Awards $9,057,000	-	Approval No. 10901167820 dated Aug. 28, 2020
Dec. 2020	ESO 15/20/33/ 33.6/28.3/ 26.5/RS 0	300,000,000	3,000,000	206,375,125	2,063,751	Exercising employee stock option $1,342,500 Issuing Restricted Stock Awards $2,382,000	-	Approval No. 10901238130 dated Dec. 18, 2020
Jun. 2021	CI 91.5	300,000,000	3,000,000	243,038,856	2,430,389	Capital increase $350,000,000 Convertible Bond $16,637,310	-	Approval No. 11001092980 dated Jun. 15, 2021
Aug. 2021	ESO 15/30.3	300,000,000	3,000,000	243,690,584	2,436,906	Exercising employee stock option $275,000 Convertible Bond $8,705,280 Deregistering Restricted Stock Awards $2,463,000	-	Approval No. 11001133670 dated Aug. 6, 2021
Nov. 2021	**Private Placement 91.5**/ ESO 24.8/26.4/ 30.3/30.8/ 36.2/39.6 RS 0	400,000,000	4,000,000	300,231,738	3,002,317	**Private Placement $550,000,000** Exercising employee stock option $3,260,000 Convertible Bond $2,626,540 Issuing Restricted Stock Awards $ 6,125,000 Issuing Restricted Stock Awards $3,400,000	-	Approval No. 11001199560 dated Nov. 18, 2021
Feb. 2022	RS 0	400,000,000	4,000,000	300,447,630	3,004,476	Issuing Restricted Stock Awards $1,840,000 Convertible Bond $318,920	-	Approval No. 11101013220 dated Feb. 8, 2022
Apr. 2022	ESO 15/20/23.5/25/25.2/28.7/ 29.2/34.3 /37.5	400,000,000	4,000,000	302,160,055	3,021,601	Exercising employee stock option $3,092,500 Convertible Bond $15,821,750 Deregistering Restricted Stock Awards $1,790,000	-	Approval No. 11101055960 dated Apr. 15, 2022

(2) Type of Stock

April 30th, 2022; Unit: Shares

Share Type	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Un-issued Shares	
Common Share	303,686,235	96,313,765	400,000,000	TPEx Listed Stock **Private Placement 55,000,000 shares**

(3) Information for Shelf Registration: None.

2. Structure of Shareholders

As of April 12th, 2022; Unit: Person; Shares; %

Shareholders' Structure / Numbers	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	2	1	103	31,996	111	32,213
Shareholding (shares)	16,939,860	35,396	122,822,560	147,731,857	16,156,562	303,686,235
Percentage	5.58	0.01	40.45	48.64	5.32	100

3. Shareholding Distribution Status

(1) Shareholding Distribution Status

As of April 12th, 2022; Unit: Person; Shares; %

Class of Shareholding	Number of Shareholders	Shareholding	Percentage
1~999	6,600	1,304,508	0.43
1,000~5,000	21,399	39,488,602	13.00
5,001~10,000	2,081	15,738,896	5.18
10,001~15,000	702	8,845,898	2.91
15,001~20,000	421	7,591,981	2.50
20,001~30,000	391	9,755,600	3.21
30,001~40,000	174	6,099,996	2.01
40,001~50,000	101	4,635,945	1.53
50,001~100,000	176	12,462,119	4.10
100,001~200,000	63	8,729,457	2.87
200,001~400,000	49	13,059,243	4.30
400,001~600,000	11	5,110,777	1.68
600,001~800,000	13	8,916,313	2.94
800,001~1,000,000	9	8,085,082	2.66
1,000,001 or Over	23	153,861,818	50.68
Total	32,213	303,686,235	100

(2) Preferred Shares: None.

4.List of Major Shareholders

As of April 12th, 2022; Unit: Shares; %

Shareholder's Name / Shares	Shares	Percentage
Foxconn Technology Co., Ltd.	27,500,000	9.06
Yonglin Capital Holding Co., Ltd.	26,500,000	8.73
Formosa Laboratories, Inc.	18,845,818	6.21
National Development Fund, Executive Yuan	15,288,860	5.03
Yao-Hwa Glass Co., Ltd, Management Commission	13,078,082	4.31
Wen-Ming Pan	11,001,123	3.62
Taiwania Capital Buffalo II Bioventures, LP	9,305,286	3.06
Development Center for Biotechnology	5,031,484	1.66

CTBC Financial Holding Co, Ltd.	4,482,414	1.48
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	2,537,277	0.84

5. Share prices for the Past 2 Fiscal Years, Together with the Company's Net Worth Per Share, Earnings Per Share, Dividends Per Share, and Related Information

Unit: NT$; Thousands of Shares

Item \ Year			2020	2021	2022 Until Mar. 31st
Market Price per Share	Highest Market Price		68.8	188.5	108.5
	Lowest Market Price		22.1	38.5	90.2
	Average Market Price		55.44	125.05	101.49
Net Worth per Share	Before Distribution		9.23	34.72	35.13
	After Distribution		9.23	34.72	35.13
Earnings per Share	Weighted Average Shares		192,478	242,662	301,339
	Diluted Earnings Per Share		(5.41)	(0.18)	0.05
Dividends per Share	Cash Dividends		-	-	-
	Stock Dividend Distribution	Dividends from Retained Earnings	-	-	-
		Dividends from Capital Surplus	-	-	-
	Accumulated Undistributed Dividends		-	-	-
Return on Investment	Price / Earnings Ratio (Note)		(10.25)	(694.72)	2,029.8
	Price / Dividend Ratio		-	-	-
	Cash Dividend Yield Rate		-	-	-

Note: Price / Earnings Ratio = Average Market Price / Earnings per Share

6. Dividend Policy and Implementation Status

(1) The Dividend Policy Adopted in the Company's Articles of Incorporation

In accordance with Article 25 and Article 25-1 of EirGenix's Articles of Incorporation. "Article 25: If the Company has net profit in this fiscal year, the Company shall set aside between 1% to 5% of its profits as a bonus to employees of the Company and set aside 3% (inclusive) or less of its profits as a bonus to Directors. The distribution of bonuses to employees may be made by way of cash or shares by the resolution of the Board of Directors. The employees may include certain employees of the subsidiaries who meet the conditions prescribed by the Company. The distribution of employee remuneration and director remuneration shall be heard by over two-thirds of the Board of Directors, be voted in favor for implementation by over one-half of the directors present and represented, and also be reported at the shareholders' meeting. The Company shall first offset its losses in previous years that have not been previously offset, and then set aside annual profits as a bonus to employees of the Company and set aside annual profits as a bonus to Directors. "

"Article 25-1: If the Company has earnings at the end of the fiscal year, the Company shall first pay all relevant taxes, offset its losses in previous years, and set aside a legal capital reserve at 10% of the net profit, until the accumulated legal capital reserve has equaled the total capital of the Company; then set aside a special capital reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. The board of directors may propose the distribution for approval in the shareholders' meeting. The company has the surplus profit distributable as dividends and bonuses to shareholders of no less than 50% of its Net Income and shall be a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares of the company. As the Company is in the growing stage, the dividend distribution may take the form of a cash dividend and/or stock dividends and shall take into consideration the Company's capital expenditures, R&D plan, future expansion plans, and financial structure and funds requirement for sustainable development needs, etc. The cash dividends may not be less than 10% of the total dividend amount. However, the actual distribution ratio is still subject to the resolution of the shareholders meeting."

(2) The Dividend Distributions Proposed at the Shareholders' Meeting

The proposal for distribution was passed at the Meeting of the Board of Directors. In this proposal, due to net losses of 2021, none of the cash dividend and none of the stock dividend will be discussed at the annual shareholders' meeting.

(3) If a material change in dividend policy is expected, provide an explanation: None.

7. Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting: None.

8. Compensation of employees, directors, and supervisors

(1) The percentages or ranges with respect to employee, director, and supervisor compensation, as set forth in the company's articles of incorporation

Please refer to 6. Dividend Policy and Implementation Status

(2) The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

The amount of payment in the past will be taken as the foundation for the estimation of the amount.
If there is a significant change in the amount resolved by the Board to pay after the end of the fiscal year, the amount of change will be recognized as the expense of the year.
If there are still further changes at the time of the decision of the Shareholders Meeting, proceed to the accounting principle of change and entered as adjustment of the year under the resolution of the Shareholders Meeting.

(3) Information on any approval by the board of directors of distribution of compensation:

None.

A. The amount of any employee compensation distributed in cash or stocks and compensation for directors and supervisors. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: None.

B. The amount of any employee compensation distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee compensation: None.

(4) The actual distribution of employee, director, and supervisor compensation for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated: None.

9. Status of a Company Repurchasing its own Shares: None.

10. Corporate bond

(1) Status of Corporate bond

Issuance	1st Domestic Secured Convertible Bond
Issuing Date	May 29, 2020
Closing day of trading	April 11, 2022
Denomination	NT$ 100,000
Place of Issuing and Trading	Domestic
Offering Price	NT$ 100 (par)
Total Amount	NT$ 300,000,000
Coupon	0%
Tenor and Maturity Date	3 Years; Expiry date: May 29th,2023
Guarantor	Taichung Commercial Bank Co., Ltd. Linkou Branch
Trustee	The Shanghai Commercial & Savings Bank, Ltd.
Underwriter	Yuanta Securities Co., Ltd.
Legal Counsel	Handsome Attorneys-at-Law
Auditor	PricewaterhouseCoopers Taiwan
Repayment	Please refer to the Procedures for Issuance and Conversion of 1st Domestic Secured Convertible Bond.
Outstanding Loan	-
Redemption or Early Repayment Clause	Please refer to the Procedures for Issuance and Conversion of 1st Domestic Secured Convertible Bond.

Covenants		Please refer to the Procedures for Issuance and Conversion of 1st Domestic Secured Convertible Bond.
Credit Rating		Not Applicable
Other Rights of Bondholders	Amount of Converted or Exchanged Common Shares, ADRs, or Other Securities	Converted Shares 5,588,910 shares
	Conversion Right	Please refer to the Procedures for Issuance and Conversion of 1st Domestic Secured Convertible Bond.
Dilution Effect and Other Adverse Effects on Existing Shareholders		Calculate by latest conversion price, when the total remaining corporate bonds convert to common shares need to issue 5,588,910 new common shares and the capital inflation rate is 1.84%. There is no major impact to the existing shareholders of the Company.
Custodian		Not Applicable

(2) Information of Convertible Bond

Type of Bond		1st Domestic Secured Convertible Bond
Item \ Duration		January 1st, 2021 to December 31st, 2021
Market Price	High	313
	Low	109.8
	Average	195.26
Conversion Price		NT$ 51.7
Issuing Date and Conversion Price		Issuing Date: May 29th, 2020 Issuing Conversion Price is NT$ 57.1 per share.
Method by which conversion obligations will be satisfied		Issue new common shares.

(3) Exchangeable Bond: None.

(4) Shelf Registration: None.

(5) Bond with Warrants: None.

11. Preferred Shares: None.

12. Global Depository Receipts: None.

13. Employee Share Subscription Warrants

(1)Status of Employee Share Subscription Warrants

Type of Stock Option		2014 2nd Employee Share Subscription Warrants		
Regulatory approval date		July 19th, 2016		
Issue date		July 1st, 2015	July 1st, 2015	July 6th, 2015
Duration		10 years		
Units issued	Unit issued	1,270	130	80
	Invalid Unit	239.5	32.5	-
	Effective Unit	1,030.5	97.5	80
	Each unit can subscribe 1,000 common shares.			
Option shares to be issued as a percentage of outstanding shares		0.42 %	0.04 %	0.03 %
Exercising Period		2016.7.1 ~ 2025.6.30	2016.7.1 ~ 2025.6.30	2016.7.6 ~ 2025. 7.5
Conversion measures		Issue new common shares.		

Conditional conversion periods and percentages	For every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.		
Converted shares	866,750 shares	77,500 shares	80,000 shares
Exercised amount	NT$ 13,001,250	NT$ 1,550,000	NT$ 1,600,000
Number of shares yet to be converted	163,750 shares	20,000 shares	-
Adjusted exercise price for those who have yet to exercise their rights	NT$ 15	NT$ 20	-
Unexercised shares as a percentage of total issued shares	0.05%	0.01%	-
Impact on possible dilution of shareholdings	The stock option certificate is executed within 9 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.		

April 30th, 2022

Type of Stock Option		2014 2nd Employee Share Subscription Warrants			
Regulatory approval date		July 19th, 2016			
Issue date		July 15th, 2015	July 19th, 2015	July 26th, 2015	August 17th, 2015
Duration		10 years			
Units issued	Unit issued	10	30	20	10
	Invalid Unit	-	15	-	8.125
	Effective Unit	10	15	20	1.875
	Each unit can subscribe 1,000 common shares.				
Option shares to be issued as a percentage of outstanding shares		0.003%	0.01%	0.01%	0.003%
Exercising Period		2016.7.15 ~2025.7.14	2016.7.19 ~2025.7.18	2016.7.26 ~2025.7.25	2016.8.17 ~2025.8.16
Conversion measures		Issue new common shares.			
Conditional conversion periods and percentages		For every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.			
Converted shares		10,000 shares	15,000 shares	5,000 shares	1,875 shares
Exercised amount		NT$ 200,000	NT$ 300,000	NT$ 100,000	NT$ 37,500
Number of shares yet to be converted		-	-	15,000 shares	-
Adjusted exercise price for those who have yet to exercise their rights		-	-	NT$ 20	-
Unexercised shares as a percentage of total issued shares		-	-	0.005%	-
Impact on possible dilution of shareholdings		The stock option certificate is executed within 9 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.			

April 30th, 2022

Type of Stock Option		2014 2nd Employee Share Subscription Warrants			
Regulatory approval date		July 19th, 2016			
Issue date		August 20th, 2015	August 31st, 2015	September 29th, 2015	November 10th, 2015
Duration		10 years			
Units issued	Unit issued	20	60	20	30
	Invalid Unit	-	20	10	7.5
	Effective Unit	20	40	10	22.5
	Each unit can subscribe 1,000 common shares.				
Option shares to be issued as a percentage of outstanding shares		0.01%	0.02%	0.01 %	0.01%
Exercising Period		2016.8.20 ~2025.8.19	2016.8.31 ~2025.8.30	2016.9.29 ~2025.9.28	2016..11.10 ~2025.11.9
Conversion measures		Issue new common shares.			
Conditional conversion periods and percentages		For every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.			
Converted shares		15,000 shares	30,000 shares	10,000 shares	22,500 shares
Exercised amount		NT$ 300,000	NT$ 600,000	NT$ 200,000	NT$ 450,000
Number of shares yet to be converted		5,000 shares	10,000 shares	-	-
Adjusted exercise price for those who have yet to exercise their rights		NT$ 20		-	-
Unexercised shares as a percentage of total issued shares		0.002%	0.003%	-	-
Impact on possible dilution of shareholdings		The stock option certificate is executed within 9 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.			

April 30th, 2022

Type of Stock Option		2014 2nd Employee Share Subscription Warrants		
Regulatory approval date		July 19th, 2016		
Issue date		December 1st, 2015	December 14th, 2015	December 21st, 2015
Duration		10 years		
Units issued	Unit issued	5	20	25
	Invalid Unit	-	20	-
	Effective Unit	5	-	25
	Each unit can subscribe 1,000 common shares.			
Option shares to be issued as a percentage of outstanding shares		0.002%	0.01%	0.01%
Exercising Period		2016.12.1~ 2025.11.30	-	2016.12.21~ 2025.12.20
Conversion measures		Issue new common shares.		
Conditional conversion periods and percentages		For every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.		
Converted shares		5,000 shares	-	25,000 shares
Exercised amount		NT$ 100,000	-	NT$ 500,000
Number of shares yet to be converted		-	-	-
Adjusted exercise price for those who have yet to exercise their rights		-	-	-
Unexercised shares as a percentage of total issued shares		-	-	-
Impact on possible dilution of shareholdings		The stock option certificate is executed within 9 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.		

April 30th, 2022

Type of Stock Option		2014 2nd Employee Share Subscription Warrants			
Regulatory approval date		July 19th, 2016			
Issue date		January 1st, 2016	January 12th, 2016	January 13th, 2016	February 14th, 2016
Duration		10 years			
Units issued	Unit issued	30	10	15	25
	Invalid Unit	26.25	5	-	6.25
	Effective Unit	3.75	5	15	18.75
	Each unit can subscribe 1,000 common shares.				
Option shares to be issued as a percentage of outstanding shares		0.01 %	0.003 %	0.005 %	0.01 %
Exercising Period		2017.1.1~ 2025.12.31	2017.1.12~ 2026.1.11	2017.1.13~ 2026.1.12	2017.2.14~ 2026.2.13
Conversion measures		Issue new common shares.			
Conditional conversion periods and percentages		For every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.			
Converted shares		3,750 shares	5,000 shares	15,000 shares	18,750 shares
Exercised amount		NT$ 75,000	NT$ 100,000	NT$ 300,000	NT$ 375,000
Number of shares yet to be converted		-	-	-	-
Adjusted exercise price for those who have yet to exercise their rights		-	-	-	-
Unexercised shares as a percentage of total issued shares		-	-	-	-
Impact on possible dilution of shareholdings		The stock option certificate is executed within 9 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.			

April 30th, 2022

Type of Stock Option		2014 2nd Employee Share Subscription Warrants		
Regulatory approval date		July 19th, 2016		
Issue date		March 1st, 2016	March 9th, 2016	March 14th, 2016
Duration		10 years		
Units issued	Unit issued	150	25	15
	Invalid Unit	112.5	-	-
	Effective Unit	37.5	25	15
	Each unit can subscribe 1,000 common shares.			
Option shares to be issued as a percentage of outstanding shares		0.05%	0.01%	0.005 %
Exercising Period		2017.3.1~ 2026.2.28	2017.3.9~ 2026.3.8	2017.3.14~ 2026.3.13
Conversion measures		Issue new common shares.		
Conditional conversion periods and percentages		For every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.		
Converted shares		37,500 shares	-	15,000 shares
Exercised amount		NT$ 750,000	-	NT$ 300,000
Number of shares yet to be converted		-	25,000 shares	-
Adjusted exercise price for those who have yet to exercise their rights		-	NT$ 20	-
Unexercised shares as a percentage of total issued shares		-	0.01%	-
Impact on possible dilution of shareholdings		The stock option certificate is executed within 9 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.		

April 30th, 2022

Type of Stock Option		2016 1st Employee Share Subscription Warrants	
Regulatory approval date		July 19th, 2016	
Issue date		May 5th, 2016	June 1st, 2016
Duration		10 years	
Units issued	Unit issued	45	55
	Invalid Unit	-	15
	Effective Unit	45	40
	Each unit can subscribe 1,000 common shares.		
Option shares to be issued as a percentage of outstanding shares		0.01%	0.02%
Exercising Period		2018.5.5~2026.5.4	2018.6.1~2026.5.31
Conversion measures		Issue new common shares.	
Conditional conversion periods and percentages		50% subscription right can be exercised after 2 years. After 2 years, for every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.	
Converted shares		35,000 shares	40,000 shares
Exercised amount		NT$ 1,099,000	NT$ 1,264,000
Number of shares yet to be converted		10,000 shares	-
Adjusted exercise price for those who have yet to exercise their rights		NT$ 29.2	-
Unexercised shares as a percentage of total issued shares		0.003%	-
Impact on possible dilution of shareholdings		The stock option certificate is executed within 8 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.	

April 30th, 2022

Type of Stock Option		2016 2nd Employee Share Subscription Warrants	
Regulatory approval date		August 30th, 2016	
Issue date		October 12th, 2016	December 29th, 2016
Duration		10 years	
Units issued	Unit issued	515	85
	Invalid Unit	123.75	30
	Effective Unit	391.25	55
	Each unit can subscribe 1,000 common shares.		
Option shares to be issued as a percentage of outstanding shares		0.17 %	0.03 %
Exercising Period		2018.10.12~ 2026.10.11	2018.12.29~ 2026.12.28
Conversion measures		Issue new common shares.	
Conditional conversion periods and percentages		50% subscription right can be exercised after 2 years. After 2 years, for every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.	
Converted shares		196,250 shares	40,000 shares
Exercised amount		NT$ 6,087,750	NT$ 1,578,675
Number of shares yet to be converted		195,000 shares	15,000 shares
Adjusted exercise price for those who have yet to exercise their rights		NT$ 29.2	NT$ 37.5
Unexercised shares as a percentage of total issued shares		0.06 %	0.01 %
Impact on possible dilution of shareholdings		The stock option certificate is executed within 8 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.	

April 30th, 2022

Type of Stock Option		2017 1st Employee Share Subscription Warrants		
Regulatory approval date		May 10th, 2017		
Issue date		August 8th, 2017	December 27th, 2017	March 23rd, 2018
Duration		10 years		
Units issued	Unit issued	395	570	175
	Invalid Unit	160	181.25	65
	Effective Unit	235	388.75	110
	Each unit can subscribe 1,000 common shares.			
Option shares to be issued as a percentage of outstanding shares		0.13 %	0.19 %	0.06 %
Exercising Period		2019.8.8~ 2027.8.7	2019.12.27~ 2027.12.26	2020.3.23~ 2028.3.22
Conversion measures		Issue new common shares.		
Conditional conversion periods and percentages		50% subscription right can be exercised after 2 years. After 2 years, for every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.		
Converted shares		167,000 shares	213,750 shares	46,000 shares
Exercised amount		NT$ 5,175,400	NT$ 5,707,800	NT$ 1,140,700
Number of shares yet to be converted		68,000 shares	175,000 shares	64,000 shares
Adjusted exercise price for those who have yet to exercise their rights		NT$ 29.2	NT$ 25	NT$ 23.5
Unexercised shares as a percentage of total issued shares		0.02 %	0.06 %	0.02 %
Impact on possible dilution of shareholdings		The stock option certificate is executed within 8 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.		

April 30th, 2022

Type of Stock Option		2017 1st Employee Share Subscription Warrants	
Regulatory approval date		August 9th, 2018	
Issue date		January 25th, 2019	May 13th, 2019
Duration		10 years	
Units issued	Unit issued	520	285
	Invalid Unit	200	80.5
	Effective Unit	320	204.5
	Each unit can subscribe 1,000 common shares.		
Option shares to be issued as a percentage of outstanding shares		0.17 %	0.09 %
Exercising Period		2021.1.25~2029.1.24	2021.5.13~2029.5.12
Conversion measures		Issue new common shares.	
Conditional conversion periods and percentages		50% subscription right can be exercised after 2 years. After 2 years, for every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.	
Converted shares		213,000 shares	27,000 shares
Exercised amount		NT$ 6,333,100	NT$ 940,350
Number of shares yet to be converted		107,000 shares	177,500 shares
Adjusted exercise price for those who have yet to exercise their rights		NT$ 28.7	NT$ 34.3
Unexercised shares as a percentage of total issued shares		0.04 %	0.06 %
Impact on possible dilution of shareholdings		The stock option certificate is executed within 8 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.	

April 30th, 2022

Type of Stock Option		2019 1st Employee Share Subscription Warrants		
Regulatory approval date		October 29th, 2019		
Issue date		November 12th, 2019	April 15th, 2020	August 12th, 2020
Duration		10 years		
Units issued	Unit issued	960	775	205
	Invalid Unit	395	407.5	35
	Effective Unit	565	367.5	170
	Each unit can subscribe 1,000 common shares.			
Option shares to be issued as a percentage of outstanding shares		0.32 %	0.26 %	0.07 %
Exercising Period		2021.11.12~ 2029.11.11	2022.4.15~ 2030.4.14	2022.8.12~ 2030.8.11
Conversion measures		Issue new common shares.		
Conditional conversion periods and percentages		50% subscription right can be exercised after 2 years. After 2 years, for every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.		
Converted shares		187,500 shares	-	-
Exercised amount		NT$ 4,725,000	-	-
Number of shares yet to be converted		377,500 shares	367,500 shares	170,000 shares
Adjusted exercise price for those who have yet to exercise their rights		NT$ 25.2	NT$ 28.8	NT$ 51.2
Unexercised shares as a percentage of total issued shares		0.12 %	0.12 %	0.06 %
Impact on possible dilution of shareholdings		The stock option certificate is executed within 8 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.		

April 30th, 2022

Type of Stock Option		2020 1st Employee Share Subscription Warrants			
Regulatory approval date		November 6th, 2020			
Issue date		December 23rd, 2020	May 12th, 2021	August 12th, 2021	Oct 1st, 2021
Duration		10 years			
Units issued	Unit issued	830	315	505	1,185
	Invalid Unit	170	45	55	150
	Effective Unit	660	270	450	1,035
	Each unit can subscribe 1,000 common shares.				
Option shares to be issued as a percentage of outstanding shares		0.27 %	0.10 %	0.17 %	0.39 %
Exercising Period		2022.12.23~2030.12.22	2023.5.12~2031.5.11	2023.8.12~2031.8.11	2023.10.1~2031.9.30
Conversion measures		Issue new common shares.			
Conditional conversion periods and percentages		50% subscription right can be exercised after 2 years. After 2 years, for every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.			
Converted shares		-			
Exercised amount		-			
Number of shares yet to be converted		660,000 shares	270,000 shares	450,000 shares	1,035,000 shares
Adjusted exercise price for those who have yet to exercise their rights		NT$ 42.1	NT$ 146.4	NT$ 128.4	NT$ 117.5
Unexercised shares as a percentage of total issued shares		0.22 %	0.09%	0.15%	0.34%
Impact on possible dilution of shareholdings		The stock option certificate is executed within 8 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.			

April 30th, 2022

Type of Stock Option		2021 1st Employee Share Subscription Warrants
Regulatory approval date		October 15th, 2021
Issue date		December 22nd, 2022
Duration		10 years
Units issued	Unit issued	160
	Invalid Unit	-
	Effective Unit	160
	Each unit can subscribe 1,000 common shares.	
Option shares to be issued as a percentage of outstanding shares		0.05 %
Exercising Period		2024.3.22~2032.3.21
Conversion measures		Issue new common shares.
Conditional conversion periods and percentages		50% subscription right can be exercised after 2 years. After 2 years, for every expiration of one year, the accumulated maximum exercise subscription proportion will increase 25%. 100% subscription right can be exercised after 4 years.
Converted shares		-
Exercised amount		-
Number of shares yet to be converted		160,000 shares
Adjusted exercise price for those who have yet to exercise their rights		NT$93.5
Unexercised shares as a percentage of total issued shares		0.05 %
Impact on possible dilution of shareholdings		The stock option certificate is executed within 8 years after the issue date, as towards the original shareholders' equity is diluted yearly, yet the function is limited.

(2) The annual report shall disclose the names of top-level company executives holding employee share subscription warrants and the cumulative number of such warrants exercised by said executives as of the date of publication of the annual report. The annual report shall also disclose the names of the ten employees holding employee subscription warrants authorizing purchase of the most shares, along with the cumulative number of warrants exercised by these ten employees, as of the date of publication of the annual report

April 30th, 2022

	Title	Name	No. of Option Shares	Option Shares as a Percentage of Shares Issued	Exercised				Unexercised			
					No. of Shares Converted	Strike Price (NT$)	Amount (NT$)	Converted Shares as a Percentage of Shares Issued	No. of Shares Converted	Strike Price (NT$)	Amount (NT$)	Converted Shares as a Percentage of Shares Issued
Management	President	Lee-Cheng Liu	2,316,000 shares	0.76%	1,616,000 shares	$10.2 $15	NT$ 16,675,000	0.53%	700,000 shares	$25.2 $29.2 $34.3 $42.1 $117.5 $128.4 $146.4	NT$ 60,085,000	0.23%
	Senior Vice President	Chih-Jung Chang										
	Vice President	Hsiu-Chuan Yang										
	Executive Director	Ae-Ning Lin										
	Executive Director	Shang-Chung Ju										
	Executive Director	Ching-Ying Chen										
	Executive Director	Ren-Yo Forng										
	Senior Director	Hong-Jun Yeh										
	Director	Tsan-Hui Wu										
	Director	Chung-Huan Lin										
	Director	Yu-Wen Liu										
	Director	Tsung-Chih Wang										
	Director	Ming-Tao Pai										
	Director	Yi-Yun Ciou										
Staff	President of EirGenix Europe GmbH	Thomas Schulze	580,000 shares	0.19%	80,000 shares	$15 $25.2	NT$ 1,710,000	0.03%	500,000 shares	$15 $23.5 $25.2 $28.8 $42.1 $93.5 $117.5 $128.4	NT$ 31,707,000	0.16%
	Executive Director of EirGenix Europe GmbH	Barbara Grohmann-Izay										
	Associate Director	Chien-Hao Chen										
	Associate Director	Wan-Ting Hsieh										
	Associate Director	Chia-Hsin Hsiao										
	Associate Director	Ching-Cheng Hsiao										
	Senior Director	Hsiao										
	Senior Manager	An-Chi Fan										
	Senior Project Manager	Ryan Lee										
	Senior Project Manager	Huan-Chih Chiu										
	Principal Scientist Staff	Yi Chu										

14. Restricted Employee Share

(1) Status of Restricted Employee Share

April 30th,2022

Type of Stock Option	1st Employee Restricted Stock in 2016	
Regulatory approval date	October 5th, 2016	
Issue date	November 18th, 2016	August 8th, 2016
Units issued	1,659,500 shares	257,500 shares
Strike price	NT$ 0	
Restricted Stock Awards shares to be issued as a percentage of outstanding shares	0.55 %	0.08 %
Conditional conversion periods and percentages	Condition A: Company operation performance and employee personal KPI Achieve a positive income before tax for 3 quarters, and employee personal average KPI shall be over 2.66 for three consecutive years. 30% of total shares will be released Condition B: Employee job tenure and employee personal KPI Work in EirGenix for ten years, and employee personal average KPI shall be over 2.66 for three consecutive years. 15% of total shares will be released Condition C: Development of biosimilar EG12014 and employee personal KPI Timing I: Complete EG12014 Phase 3 and employee personal average KPI shall be over 2.66 for three consecutive years. 10% of total shares will be released. Timing II: EG12014 Launched to market and employee personal average KPI shall be over 2.66 for three consecutive years. 10% of total shares will be released. Condition D: Development of biosimilar EG1206A and employee personal KPI Timing I: Complete EG1206A Phase 1 and employee personal average KPI shall be over 2.66 for three consecutive years. 5% of total shares will be released Timing II: Complete EG1206A out-licensing or Phase 3 and employee personal average KPI shall be over 2.66 for three consecutive years. 10% of total shares will be released Condition E: New plant in Zhubei start running and complete 1,000L or 2*2,000L scale process validation and employee personal KPI The new plant in Zhubei starts running, and complete 1000L or 2*2000L scale process validation and employee personal average KPI shall be over 2.66 for three consecutive years. 10% of total shares will be released. Condition F: Complete IPO in TPEx and employee personal KPI Complete IPO in TPEx and employee personal average KPI shall be over 2.66 for three consecutive years. 10% of total shares will be released.	
Restricted Conditions	1. During the vesting period, the employee may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted stock awards 2. Voting right in Shareholders' Meeting: The same as common stock. 3. Dividend: The same as common stock.	
Depository methods of new shares	The Employee Restricted Stock issued may be deposited in a security trust account.	
Handling of an employee's failure to meet the vesting conditions	1. No matter of the Voluntary departure from employment, Dismissal from employment, Retirement, Death or Job position transfer to an affiliate, EirGenix shall buy back and cancel all Restricted Stock Awards. 2. Sufferers of disability due to an occupational accident: EirGenix shall buy back and cancel Restricted Stock Awards unless the permission by the Board. 3. Employees will not have to return the stock dividend or cash dividend occurred by forfeited restricted stock awards 4. Employees who have not reached the vesting conditions: Employees who has subscribed but fail to meet the grant conditions, EirGenix shall buy back and cancel Restricted Stock Awards in accordance with the laws.	
Bought-back or canceled new shares of Restricted Stock Awards	632,750 shares	144,000 shares
Shares of Unrestricted Stock Awards	228,850 shares	23,350 shares
New shares of Restricted Stock Awards	797,900 shares	90,150 shares
Percentage of new shares of Restricted Stock Awards to Total Issued Shares (%)	0.26 %	0.03 %
Impacts on Shareholders' Equity	The ratio accounted for by the new shares with restricted rights that have not yet been lifted is a mere 0.29%. There is no major impact to the existing shareholders of the Company.	

April 30th, 2022

Type of Stock Option	1st Employee Restricted Stock in 2019	
Regulatory approval date	December 30th, 2019	
Issue date	May 13th, 2020	December 10th, 2020
Units issued	454,500 shares	144,000 shares
Strike price	NT$ 0	
Restricted Stock Awards shares to be issued as a percentage of outstanding shares	0.15 %	0.05%
Conditional conversion periods and percentages	Condition A: Calculated from the working day when relocated to Zhubei branch, after serving for 0.25 years, 0.5 years, 0.75 years and 1 year; 750 shares will be released on each timing. Condition B: Calculated from the working day when relocated to Zhubei branch, after serving for 1.5 years, and 2 years; 2,000 shares will be released on each timing. Condition C Calculated from the working day when relocated to Zhubei branch, after serving for 3 years; 5,000 shares will be released on each timing.	
Restricted Conditions	1. During the vesting period, the employee may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted stock awards 2. Voting right in Shareholders' Meeting: The same as common stock. 3. Dividend: The same as common stock.	
Depository methods of new shares	The Employee Restricted Stock issued may be deposited in a security trust account.	
Handling of an employee's failure to meet the vesting conditions	1. No matter of the Voluntary departure from employment, Dismissal from employment, Retirement, Death or Job position transfer to an affiliate, EirGenix shall buy back and cancel all Restricted Stock Awards. 2. Sufferers of disability due to an occupational accident: EirGenix shall buy back and cancel Restricted Stock Awards unless the permission by the Board. 3. Employees will not have to return the stock dividend or cash dividend occurred by forfeited restricted stock awards 4. Employees who have not reached the vesting conditions: Employees who has subscribed but fail to meet the grant conditions, EirGenix shall buy back and cancel Restricted Stock Awards in accordance with the laws.	
Bought-back or canceled new shares of Restricted Stock Awards	35,250 shares	0 shares
Shares of Unrestricted Stock Awards	370,250 shares	7,500 shares
New shares of Restricted Stock Awards	49,000 shares	136,500 shares
Percentage of new shares of Restricted Stock Awards to Total Issued Shares (%)	0.02 %	0.04 %
Impacts on Shareholders' Equity	The ratio accounted for by the new shares with restricted rights that have not yet been lifted is a mere 0.06%. There is no major impact to the existing shareholders of the Company.	

April 30th, 2022

Type of Stock Option	2nd Employee Restricted Stock in 2019	
Regulatory approval date	December 30th, 2019	
Issue date	August 14th, 2020	December 10th, 2020
Units issued	905,700 shares	94,200 shares
Strike price	NT$ 0	
Restricted Stock Awards shares to be issued as a percentage of outstanding shares	0.30 %	0.03%
Conditional conversion periods and percentages	Condition A: Company operation performance and employee personal KPI Achieve a positive income before tax for 3 quarters, and employee personal average KPI shall be over 2.66 for three consecutive years. 30% of total shares will be released Condition B: Employee job tenure and employee personal KPI Work in EirGenix for ten years, and employee personal average KPI shall be over 2.66 for three consecutive years. 15% of total shares will be released Condition C: Development of biosimilar EG12014 and employee personal KPI Timing I: Complete EG12014 Phase 3 and employee personal average KPI shall be over 2.66 for three consecutive years. 10% of total shares will be released. Timing II: EG12014 Launched to market and employee personal average KPI shall be over 2.66 for three consecutive years. 10% of total shares will be released. Condition D: Development of biosimilar EG1206A and employee personal KPI Timing I: Complete EG1206A Phase 1 and employee personal average KPI shall be over 2.66 for three consecutive years. 5% of total shares will be released. Timing II: Complete EG1206A out-licensing or Phase 3 and employee personal average KPI shall be over 2.66 for three consecutive years. 10% of total shares will be released. Condition E: New plant in Zhubei start running and complete 1,000L or 2*2,000L scale process validation and employee personal KPI The new plant in Zhubei starts running, and complete 1000L or 2*2000L scale process validation and employee personal average KPI shall be over 2.66 for three consecutive years. 10% of total shares will be released. Condition F: Complete IPO in TPEx and employee personal KPI Complete IPO in TPEx and employee personal average KPI shall be over 2.66 for three consecutive years. 10% of total shares will be released.	
Restricted Conditions	1. During the vesting period, the employee may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted stock awards 2. Voting right in Shareholders' Meeting: The same as common stock. 3. Dividend: The same as common stock.	
Depository methods of new shares	The Employee Restricted Stock issued may be deposited in a security trust account.	
Handling of an employee's failure to meet the vesting conditions	1. No matter of the Voluntary departure from employment, Dismissal from employment, Retirement, Death or Job position transfer to an affiliate, EirGenix shall buy back and cancel all Restricted Stock Awards. 2. Sufferers of disability due to an occupational accident: EirGenix shall buy back and cancel Restricted Stock Awards unless the permission by the Board. 3. Employees will not have to return the stock dividend or cash dividend occurred by forfeited restricted stock awards 4. Employees who have not reached the vesting conditions: Employees who has subscribed but fail to meet the grant conditions, EirGenix shall buy back and cancel Restricted Stock Awards in accordance with the laws.	
Bought-back or canceled new shares of Restricted Stock Awards	141,700 shares	0 shares
Shares of Unrestricted Stock Awards	83,250 shares	11,800 shares
New shares of Restricted Stock Awards	680,750 shares	82,400 shares
Percentage of new shares of Restricted Stock Awards to Total Issued Shares (%)	0.22 %	0.03 %
Impacts on Shareholders' Equity	The ratio accounted for by the new shares with restricted rights that have not yet been lifted is a mere 0.25%. There is no major impact to the existing shareholders of the Company.	

April 30th, 2022

Type of Stock Option	1st Employee Restricted Stock in 2021	
Regulatory approval date	September 10th, 2021	
Issue date	October 15th, 2021	January 15th, 2022
Units issued	612,500 shares	184,000 shares
Strike price	NT$ 0	
Restricted Stock Awards shares to be issued as a percentage of outstanding shares	0.20 %	0.06%
Conditional conversion periods and percentages	Condition A: Company operation performance and employee personal KPI Achieve a positive income before tax for 3 quarters, and employee personal average KPI shall be over 2.66 for three consecutive years. 33.3% of total shares will be released Condition B: Employee job tenure and employee personal KPI Work in EirGenix for ten years, and employee personal average KPI shall be over 2.66 for three consecutive years. 16.7% of total shares will be released Condition C: Development of biosimilar EG12014 and employee personal KPI Timing I: Complete EG12014 Phase 3 and employee personal average KPI shall be over 2.66 for three consecutive years. 11.1% of total shares will be released. Timing II: EG12014 Launched to market and employee personal average KPI shall be over 2.66 for three consecutive years. 11.1% of total shares will be released. Condition D: Development of biosimilar EG1206A and employee personal KPI Timing I: Complete EG1206A Phase 1 and employee personal average KPI shall be over 2.66 for three consecutive years. 5.6% of total shares will be released. Timing II: Complete EG1206A out-licensing or Phase 3 and employee personal average KPI shall be over 2.66 for three consecutive years. 11.1% of total shares will be released. Condition E: New plant in Zhubei start running and complete 1,000L or 2*2,000L scale process validation and employee personal KPI The new plant in Zhubei starts running, and complete 1000L or 2*2000L scale process validation and employee personal average KPI shall be over 2.66 for three consecutive years. 11.1% of total shares will be released.	
Restricted Conditions	1. During the vesting period, the employee may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted stock awards 2. Voting right in Shareholders' Meeting: The same as common stock. 3. Dividend: The same as common stock.	
Depository methods of new shares	The Employee Restricted Stock issued may be deposited in a security trust account.	
Handling of an employee's failure to meet the vesting conditions	1. No matter of the Voluntary departure from employment, Dismissal from employment, Retirement, Death or Job position transfer to an affiliate, EirGenix shall buy back and cancel all Restricted Stock Awards. 2. Sufferers of disability due to an occupational accident: EirGenix shall buy back and cancel Restricted Stock Awards unless the permission by the Board. 3. Employees will not have to return the stock dividend or cash dividend occurred by forfeited restricted stock awards 4. Employees who have not reached the vesting conditions: Employees who has subscribed but fail to meet the grant conditions, EirGenix shall buy back and cancel Restricted Stock Awards in accordance with the laws.	
Bought-back or canceled new shares of Restricted Stock Awards	24,000 shares	0 shares
Shares of Unrestricted Stock Awards	4,000 shares	0 shares
New shares of Restricted Stock Awards	584,500 shares	184,000 shares
Percentage of new shares of Restricted Stock Awards to Total Issued Shares (%)	0.19 %	0.06 %
Impacts on Shareholders' Equity	The ratio accounted for by the new shares with restricted rights that have not yet been lifted is a mere 0.25%. There is no major impact to the existing shareholders of the Company.	

(2) List of Executives and the Top 10 Employees Receiving Restricted Stock Awards

April 30th, 2022

	Title	Name	No. of Receiving Restricted Stock Shares	Receiving Restricted Stock Shares as a Percentage of Shares issued	Unrestricted				Restricted			
					No. of Shares Converted	Strike Price	Amount	Converted Shares as a Percentage of Shares issued	No. of Shares Converted	Strike Price	Amount	Converted Shares as a Percentage of Shares issued
Management	President	Lee-Cheng Liu	1,264,000 shares	0.42%	682,000 shares	NT$0	NT$0	0.22%	582,000 shares	NT$0	NT$0	0.19%
	Senior Vice President	Chih-Jung Chang										
	Vice President	Hsiu-Chuan Yang										
	Executive Director	Ae-Ning Lin										
	Executive Director	Shang-Chung Ju										
	Executive Director	Ching-Ying Chen										
	Executive Director	Ren-Yo Forng										
	Senior Director	Hong-Jun Yeh										
	Director	Tsan-Hui Wu										
	Director	Chung-Huan Lin										
	Director	Yu-Wen Liu										
	Director	Tsung-Chih Wang										
	Director	Ming-Tao Pai										
	Director	Yi-Yun Ciou										
Staff	President of EirGenix Europe GmbH	Thomas Schulze	311,000 shares	0.10%	57,000 shares	NT$0	NT$0	0.02%	254,000 shares	NT$0	NT$0	0.08%
	Executive Director of of EirGenix Europe GmbH	Barbara Grohmann-Izay										
	Associate Director	Bo-chin Lei										
	Associate Director	Chien-Hao Chen										
	Senior Manager	Yi-Hsuan Pan										
	Senior Manager	Ying-Chun Chen										
	Senior Manager	Jui-Chi Lee										
	Senior Manager	Hsin-Chieh Wu										
	Senior Project Manager	Ryan Lee										
	Manager	Wen-Yuan Ting										

15. Issuance of new Shares in Connection with Mergers or Acquisitions or With Acquisitions of Shares of Other Companies: None.

16. The Status of Implementation of Capital Allocation Plans

For the period as of the quarter preceding the date of publication of the annual report, Eirgenix did not have the plan to issuance of shares in connection with a merger or acquisition or with the acquisition of shares of any other company. The previous plan for cash capital increase has not been completed, as explained below:

(1)Description of the Plan

For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent three years but have not yet fully yielded the planned benefits, the annual report shall provide a detailed description of the plan for each such public issue and private placement. Such descriptions shall include any and all changes to the plan, the source of funds and the manner of their utilization, the reason(s) for any changes to the plan, the benefits yielded by the funds before and after any change to the plan, the date on which the change to the plan was reported at a shareholders' meeting, and the date on which such information was uploaded to the information disclosure website specified by the FSC: The previous plan for cash capital increase has not been completed, as explained below

(2)Status of Implementation

With respect to funds usage under the plans referred to in the preceding subparagraph, the annual report shall (for the period as of the quarter preceding the date of publication of the annual report) analyze the status of implementation and compare actual benefits with expected benefits. Where implementation has failed to yield the expected progress or benefits, the annual report shall provide specific reasons for such failure, explain any effect it might have upon shareholders' equity, and outline the plan for correcting the situation: The previous plan for cash capital increase has not been completed, as explained below

(3)Cash Capital Increase in 2020

A. Description of the Plan:

(A) Date and document reference number for effective registration: Official letter No.1090379952 on January 28th, 2021 for effective registration. Official letter No. 1100134277appoval on March 31st, 2021, to extend the period of the subscription until July 27th, 2021.

(B) Total Amount of the Plan: NT$ 3,202,500,000.

(C) Source of Funds: Issuance 35,000,000 new common shares for capital increase. Par value is NT$ 10 per shares, issuance price is NT$ 91.5 per share, and the total amount is NT$ 3,202,500,000

(D) Plan item and Expect implementation progress of fund:

Unit: NT$ thousands

Item	Total fund needed	Expect implementation progress of Capital Allocation Plans (Note 1)						
		2021			2022			
		Q2	Q3	Q4	Q1	Q2	Q3	Q4
Replenishment of working capital (Note 2)	3,202,500	400,000	520,000	550,000	510,000	410,000	410,000	402,500

Note 1: If the fund-raising funds are not in place as expected, then the relevant planned projects will be funded by bank loans, and the borrowed bank loans will be repaid after the fund-raising funds are in place.

Note 2: Replenishment of working capital is used to cover research and development expenditure and funds required for daily operations other than EG62054 and EG12021 (non-HER2).

(E) Planned benefit: The total amount of capital increase by EirGenix in this plan is NT$ 3.2025 billion, which will be fully used for replenishment of working capital and R&D expenses except EG62054 and EG12021. Based on the current bank loan interest rate of 1.7970%, it is estimated that EirGenix will save NT$ 38.366 million in 2021 and NT$ 57.549 million in interest expense in the future. After the Capital Allocation Plans completes, the plan not only can cover the funds of product developments and daily operations but also can save the interest expenses effectively, improve the financial structure, decrease the dependence on the bank, enhance the flexibility for future capital allocation, and reduce the operation risk. The plan has useful help on the business and operational development of EirGenix.

(F) Date of entering to MOPS: January 28th, 2021

(G) Change the content of the plan, the reason for changing, and the benefit of changing: Not Applicable.

B. Implementation status

Unit: NT$ thousands

Item	Implementation status			Advance or delay of plans and the reasons
	2022		Q1	On schedule.
Replenishment of working capital	Used Amount	Expect	1,429,737	
		Actual	44.64%	
	Actual Implementation	Expect	1,980,000	
		Actual	61.83%	

A. The impact on shareholders' rights and interests

The fundraising will be completed in the second quarter of 2021, which has no major difference from the expected schedule. The raised funds are used to cover research and development expenses and daily operation funds other than EG62054 and EG12021 (non-HER2), as well as the research and development expenses for investing its products and completing the research and development schedule of each stage of the products, to achieve a sound financial structure, enhance solvency, maintain the working capital requirements needed for its operation and further enhance the competitiveness. In the long run, there should be no significant adverse impact on shareholders' rights and interests

B. Expect the Implementation Benefit

(A) Replenishment of working capital

The total amount of capital increase by EirGenix in this plan is NT$ 3.2025 billion, which will be fully used for replenishment of working capital. Through the long-term and stable capital infusion to ensure the company's daily operation. At the same time, it can implement the drug development smoothly and increase the operation scale and value of the company, also can improve the financial structure, and avoid increasing the financing costs to ensure the company operation normally and decrease the operation risk. Based on the current bank loan interest rate of 1.7970%, it is estimated that EirGenix will save NT$ 38.366 million in 2021 and NT$ 57.549 million in interest expense in the future.

(B)Improve financial structure

Unit: NT$ thousands: %

Item \ Year		2020 (Before Capital increase)	2021 (After Capital Increase)
Basic Financial Information	Current assets	1,494,307	9,070,266
	Total assets	3,835,215	11,440,873
	Current liabilities	642,163	703,216
	Total liabilities	1,929,598	1,012,122
	Shareholders' equity	1,905,617	10,428,751
	Operation revenue	1,071,838	1,697,359
	Interest expenses	28,500	21,149
	Earnings per share	(5.41)	(0.18)
Financial structure	Debt Ratio	50.31%	8.85%
	Ratio of long-term capital to property, plant and equipment	172.42%	569.09%
Solvency	Current ratio	232.70%	1,289.83%
	Quick ratio	195.19%	1,215.91%

To meet the capital demand for operation, EirGenix conducted this capital increase, with the raised amount of NT$ 3.2025 billion, which was fully used for replenishment of working capital, to enhance EirGenix's capital, make the financial structure sounder, further reduce EirGenix's operating risks, increase long-term capital stability and enhance market competitiveness. The estimated time of completion for this capital increase is 2012Q2, and this capital increase will replenish the working capital. The Ratio of long-term capital to property, plant and equipment will increase from 172.42% to 569.09%; the current ratio and quick ratio increased from 232.70% and 195.19% to 1,289.83% and 1,215.91%; Its financial structure will improve compared with that before the capital increase; can maintain the solvency and the stability of the financial structure at the same time when expanding the scale of operation and the flexibility for future capital allocation will be maintained. If EirGenix had failed to raise funds this time, it would have increased its financial burden. Therefore, the capital increase this time to replenish working capital will help fulfill the operation funs, and its benefits will be reasonable.

(4) Private Placement in 2021

A. Description of the Plan:

(A) Date and document reference number for effective registration: Official letter No.11001199560 on November 18th, 2021.

(B) Total Amount of the Plan: NT$ 5,032,500,000.

(C) Source of Funds: Issuance 55,000,000 new common shares for capital increase. Par value is NT$ 10 per shares, issuance price is NT$ 91.5 per share, and the total amount is NT$ 5,032,500,000

(D) Plan item and Expect implementation progress of fund:

Unit: NT$

Item	The Usage of funds	Budget Amount
Replenishment of working capital	R&D expenses	3,000,000,000
Building factory	Expansion and building factory	500,000,000
Others	Repay bank loans and replenish horizontal and vertical integration, and other operational funding needs	1,532,500,000

(E) Planned benefit:

a. To accelerate the product developing efficiency as well as the process of the same drug series to complete the production line. By the comprehensive effect of expanding the market, it can establish EirGenix's unique status in the international biosimilars and CDMO field.

b. Expand the facility and equipment and increase the production scale to meet the needs of the CDMO business expansion and self-development product commercial operation.

c. Repay bank loan NT$316,322,000 and save annual interest expenses roughly about NT$5,684,000 which calculating under the current EirGenix loan rates of 1.797%. Other unused funds will follow the plan and demonstrate effects continuously.

(F) Date of entering to MOPS: May 4th, 2021

(G) Change the content of the plan, the reason for changing, and the benefit of changing: Not Applicable.

B. Implementation status

Unit: NT$

The Usage of funds	Budget Amount	Implementation as of 2022 First Quoter
R&D expenses	3,000,000,000	Unused, deposit in EirGenix bank account
Expansion and building factory	500,000,000	Unused, deposit in EirGenix bank account
Repay bank loans and replenish horizontal and vertical integration, and other operational funding needs	1,532,500,000	Repay bank loan 316,322,000 and deposit other funds in EirGenix bank accounts

C. The impact on shareholders' rights and interests

Boost EirGenix's operating scale, horizontal and vertical integration, and product or market development collaboration, assist EirGenix to improve technology, efficiency, expand the operational scale, and elevate the market status. It has positive benefits in creating EirGenix and shareholder value.

D. Expect the Implementation Benefit

(A) To accelerate the product developing efficiency as well as the process of the same drug series to complete the production line. By the comprehensive effect of expanding the market, it can establish EirGenix's unique status in the international biosimilars and CDMO field.

(B) In December 2021, EirGenix submitted documents to the FDA of the United States and EMA of the European Union to apply for drug marketing inspection and registration review. In January 2022, EirGenix submitted the 1st case for Taiwan CDE accelerated approval pilot project review.

(C) In January 2022, EirGenix submitted EG1206A documents to the EMA of the European Union to apply for drug phase I clinical trial.

(D) To expand the capacity for the microbial-derived biologic CDMO business and the internal product commercialization, the Board of Directors resolution of the Establishment of Phase II Facility and Production Equipment in Hsinchu Biomedcal Science Park, the upper limit is NT$1.6 billion (tax included).

(E) Improve financial structure

Unit: NT$ thousands: %

Item \ Year		2021 Q3 (Before Capital increase)	2021 Q4 (After Capital Increase)
Basic Financial Information	Current assets	4,451,420	9,070,266
	Total assets	6,804,041	11,440,873
	Current liabilities	862,482	703,216
	Total liabilities	1,463,501	1,012,122
	Shareholders' equity	5,340,540	10,428,751
	Operation revenue	1,273,814	1,697,359
	Operating cost	401,661	604,305
	Operating profit	872,153	1,093,054
	Interest expenses	17,161	21,149
	Earnings per share	(0.20)	(0.18)
Financial structure	Debt Ratio	21.51%	8.85%
	Ratio of long-term capital to property, plant and equipment	318.70%	569.09%
Solvency	Current ratio	516.12%	1,289.83%
	Quick ratio	461.55%	1,215.91%

To meet the capital demand for operation, EirGenix conducted this capital increase, with the raised amount of NT$ 5.0325 billion, which was fully used for replenishment of working capital. The private placement can enhance equity capital, make the financial structure sounder, further reduce EirGenix's operating risks, increase long-term capital stability and enhance market competitiveness. The Ratio of long-term capital to property, plant and equipment in 2021 increased from 318.70% to 569.09%; the current ratio and quick ratio increased from 516.12% and 461.55% to 1,289.83% and 1,215.91%; the financial structure improved compared with that before the capital increase; can maintain the solvency and the stability of the financial structure at the same time when expanding the scale of operation and the flexibility for future capital allocation will be maintained. Therefore, the capital increase this time to replenish working capital will help fulfill the operation funs, and its benefits will be reasonable.

V. Operational Highlights

1. Business Activities

(1) Business Scope

A. Main areas of business operation

①C199990 Other Food Manufacturing Not Elsewhere Classified

②C802041 Drugs and Medicines Manufacturing

③C802060 Animal Use Medicine Manufacturing

④C802990 Other Chemical Products Manufacturing

⑤F107990 Wholesale of Other Chemical Products

⑥F108021 Wholesale of Drugs and Medicines

⑦F108031 Wholesale of Drugs, Medical Goods

⑧F208021 Retail Sale of Drugs and Medicines

⑨F208031 Retail sale of Medical Equipments

⑩F401010 International Trade

⑪I199990 Other Consultancy

⑫IC01010 Pharmaceuticals Examining Services

⑬IG01010 Biotechnology Services

⑭IG02010 Research Development Service

⑮ZZ99999All business items that are not prohibited or restricted by law, except those that are subject to special approval.

EirGenix is a R&D company for biosimilars and new drugs, provides the bio-pharmaceutical CDMO (Contract Development & Manufacturing Organization) services, cell line building platform, process development platform, analytical science, protein identification and PIC/S manufacturing plant, and provides production of clinical trial drugs, etc.

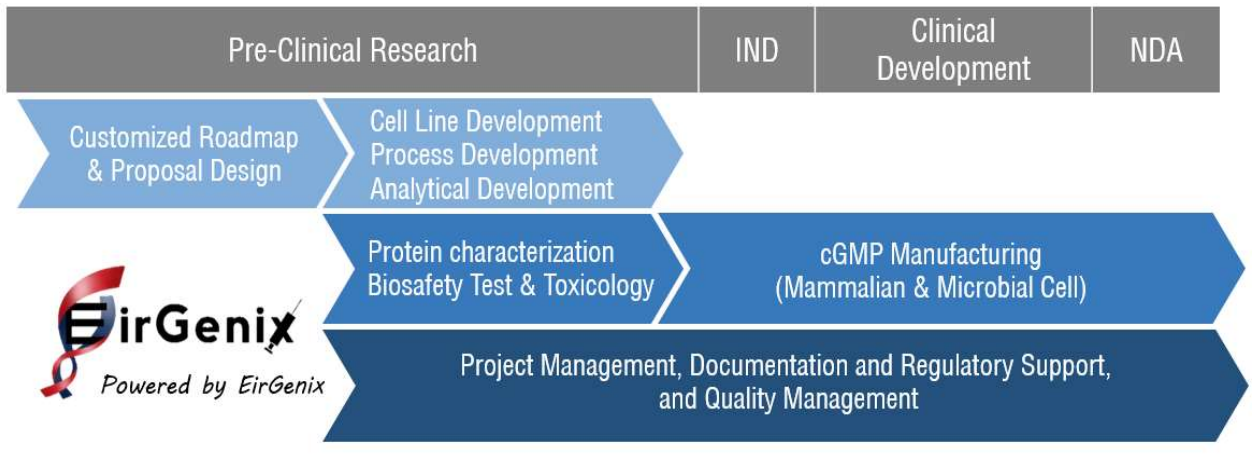
EirGenix adopts the dual-track mode of bio-pharmaceutical CDMO and Product Development for operation, to make good use of the company's cGMP production equipment and high-level technical manpower of the company. The core competitiveness of EirGenix is mainly based on the two major technologies: mammalian cell development and microbial strain fermentation development, and the professional energy of R&D, manufacturing, and analysis. Through the vertically integrated operation mode, the company can master the quality and cost control. In view of the high price of bio-pharmaceuticals, they are not affordable for many patients and the burden of medical costs on government is increasing. Therefore, the purpose of EirGenix's establishment is to provide customers with high-quality and cost-effective services and to develop Biosimilar, while the medium to long-term goal is to develop Niche biologics to enhance human and social well-being and improve the quality of life. EirGenix aims to become an international biopharmaceutical corporate "located in Taiwan and offering the service to clients around the world."

B. Revenue distribution

Unit: NT$ thousands

Item \ Year	2019		2020		2021	
	Revenue	%	Revenue	%	Revenue	%
Service Revenue	297,577	62.51	572,344	53.40	864,515	50.93
Sales Revenue	107,282	22.53	38,695	3.61	336,755	19.84
Licensing Revenue	71,226	14.96	460,799	42.99	496,089	29.23
Total	476,085	100.00	1,071,838	100.00	1,697,359	100.00

C. Main products (Service)



EirGenix has developed the following CDMO-related core technologies and platforms: (A) cell line development; (B) process development and process amplification; (C) development and validation of analytical methodology; (D) product identification; (E) GMP production and stability tests for clinical trials; (F) CMC (chemical, manufacturing, and control) documents, which are stated separately as follows:

(A) Cell line development platform

In order to speed up the R&D/clinical/marketing speed of bio-pharmaceutical products, EirGenix focus on the development of cell line/strain-the first important key technology in the bio-pharmaceutical development stage. The development of cell line/strain includes the development and optimization of high-yield cell lines/strains, the optimization of medium and culture methods, and the establishment of MCB (master cell bank/seed cell bank)/WCB (working cell bank/production cell bank). The focus of this stage is on how to maximize the production and quality of cell lines/strains (recombinant protein drugs or monoclonal antibody drugs, etc.) with the best host cells (animal cells such as CHO, Sp2/0, NS0, Hybridoma, HEK 293, and PER.C6 cells; in microbiology, such as E. coli., S. cerevisiae, and Pichia) together with medium and process development. The mode of execution is to insert a gene expressing a protein into a vector, carry out transfection of the constructed expression system into the host cell (which have been adapted to serum-free and suspension culture), and then select the cell line with stable and high yield, compare the stability of the yield and quality, establish master cell bank and working cell bank, and select or develop cell culture medium for production at the same time.

(B) Process development and process amplification platform

The upstream process development and process amplification mainly focus on the process development and optimization of high cell density fed-batch culture of cell line/strain for production, as well as the scalability and manufacturing friendliness of the production process.

The downstream process development and process amplification focus on the recovery and purification process development, virus clearance experimental research, process amplification (currently 100 liters), dosage form development, and the needs for providing products/materials to support animal experimental research, reference standards, and quality control (QC).

(C) Analytical method development and validation platform

The development of analytical method and validation are related to the quality confirmation of products, including:
(A)Identification: SDS-PAGE, Western blot, IEF, peptide mapping, IEC-HPLC
(B)Quantitative determination: BCA/Bradford, A280
(C)Purity: SEC-HPLC, RP-HPLC, SDS-PAGE
(D)Activity: ELISA, cell-base assay
(E)Impurity: Host cell DNA, host cell protein, ProA residue, endotoxin, bioburden
These analysis methods will be validated through linearity & range, accuracy, and precision, etc.

(D) Product identification platform

As protein identification has been paid more attention by regulatory organizations year by year, EirGenix has established a set of HPLC and LC/MS/MS system to perform Peptide mapping, complete sequence, N-/O-linked carbohydrates, disulfide linkages, Oxidation, Deamination, post-modifications, N-/C-terminal variants, secondary and higher-order structures, and other analysis work

(E) GMP production and stability test platform for clinical trials

In the pilot run part, drugs need to pass animal toxicology test, early stability test data and reference standards can be provided, and sufficient operating parameters as the basis for GMP production preparation can also be provided. GMP production includes GMP engineering run, GMP production, End of production cell banking and testing, virus clearance experimental research (limited to mammalian cell culture), stability test, and clean validation.

(F) CMC files

EirGenix provides complete CMC file service for customers to apply for a clinical trial of subsequent products; at every stage of new drug research, sufficient CMC data should be submitted to provide a proper guarantee for the identification, quality, purity, potency, and stability of new drugs, and the CMC data required to vary with different research stages, proposed test periods, dosage forms and the amount of other available data. For example, stability data are necessary for all stages of a new drug in the test to prove that the physical and chemical properties of the raw material and the drug are within acceptable limits during the predetermined research period. CMC files can be compared to the resume data of the manufacturing process and can be used as an important basis for the safety assessment of regulatory organizations.

D. The new products (services) are planning to development

(A)EG12014

EG12014 is the first Trastuzumab biosimilar developed by EirGenix. Trastuzumab, marketed under the brand name Herceptin by Genentech (acquired by Roche in March 2009) and got approval for marketing in September 1998. As a recombinant monoclonal antibody, Trastuzumab is a drug against breast cancer with high expression of oncogene (HER2/neu), which is mainly used in the treatment of patients with early breast cancer (EBC), metastatic breast cancer (MBC), and metastatic gastric cancer (mGC) of HER2 over-expression or HER2 gene amplification. For early breast cancer (EBC), it includes (1) adjuvant therapy after surgery and chemotherapy (preoperative or postoperative). (2) adjuvant therapy of Doxorubicin and Cyclophosphamide combined with Paclitaxel or Docetaxel. (3) adjuvant therapy of Docetaxel combined with Carboplatin. (4) Preoperative chemotherapy and postoperative adjuvant therapy are used to treat locally advanced (including inflammatory) breast cancer or tumor (diameter > 2 cm); For metastatic breast cancer (MBC), (1) it is used alone for metastatic breast cancer that has been treated with chemotherapy once or more; Unless the patient is not suitable for using Anthracycline or Taxane, the previous chemotherapy should include at least Anthracycline or Taxane. It is used for patients positive in hormone receptors who have failed in hormone therapy unless the patient is not suitable for hormone therapy. (2) Combined with Paclitaxel or Docetaxel for patients with metastatic breast cancer that has not been treated with chemotherapy. (3) Combined with aromatic cyclase inhibitors for patients with hormone receptor-positive metastatic breast cancer; In metastatic gastric cancer (mGC), combined with capecitabine (or 5-fluorouracil) and cisplatin for the treatment for metastatic gastric adenocarcinoma (or gastroesophageal junction adenocarcinoma) of HER2 over-expression that has not been treated with chemotherapy.

The Phase I clinical trial results of EG12014 in Europe show that, compared with the reference drug produced by Roche in the United States and Europe, EG12014 has reached bioequivalence; the Phase III clinical trial in humans, which started in late 2018 and was approved by food and drug administration in 11 countries including the United States, Taiwan, Georgia, Russia, Belarus, South Korea, India, Ukraine, Chile, South Africa, and Colombia, also successfully enrolled 807 subjects in March 2020. In November 2020, the last subject in Phase III clinical trial completed preoperative treatment and tumor resection. In March 2021, the analysis results of the Phase III clinical trial indicator data reached the bioequivalency. In December 2021, EirGenix submitted documents to the FDA of the United States and EMA of the European Union to apply for drug marketing inspection and registration review. In January 2022, EirGenix submitted the 1st case for Taiwan CDE accelerated approval pilot project review.

In terms of a marketing promotion plan, in April 2019, EirGenix Inc. signed a global licensing agreement with Sandoz AG, a global leader in generics and biosimilars. The licensing agreement authorized Sandoz AG to the exclusive commercial rights of EirGenix's EG12014 (Trastuzumab biosimilar) in all global markets except mainland China and Taiwan. The licensing agreement includes a signing fee and milestone payments, and additional royalty payment in the authorized markets after product launch. EirGenix, Inc. also undertook the post-marketing production of EG12014. Sandoz and Novartis Group are the world leaders in the field of generic drugs and biosimilar drugs, with 136 years of long history and rich experience in drug development and sales for biosimilar drugs and cancer drugs. This strategic cooperation is expected to improve the global competitiveness of EirGenix's product line, thus expanding EirGenix's overall operating scale and increasing profits, which is of great positive help to financial and business development. Once the product goes on the market, it can provide more treatment options and opportunities for patients with breast cancer patients with HER2 expression.

(B) EG12021

EG12021 is a Bevacizumab biosimilar, which is a monoclonal antibody drug for inhibiting tumor angiogenesis, preventing cancer cells from growing, and reducing metastasis. EG12021 has been approved for metastatic colorectal cancer (mCRC), metastatic breast cancer (mBC), malignant glioma (WHO Grade 4)-neuroglioblastoma, advanced, metastatic or recurrent non-squamous non-small cell lung cancer (NSCLC), epithelial ovarian, fallopian tube or primary peritoneal cancer, persistent, recurrent, or metastatic cervical cancer, and others. At present, EirGenix has completed the development of the EG12021 cell line and 2-liter small-scale production. After the upstream and downstream process development is completed, several 50-liter scale productions

will be carried out continuously, and a complete biological similarity comparison will be carried out on the product to confirm further that there is no clinical difference in physical and chemical properties and biological activities between EG12021 and the reference drug of the original manufacturer. In the future, it is expected that the cell line and process of this product will be out-licensed, targeting emerging countries.

(C)TSY0110 (EG12043)

TSY0110 (EG12043), an antibody-drug conjugate (ADC), is a next-generation treatment option with the ability to accurately target highly cytotoxic drugs at malignant tumors without affecting the characteristics of other normal tissues. The ADC developed by EirGenix not only retains the original anti-cancer efficacy of Trastuzumab but also enables the powerful cytotoxic drugs attached to it to exert stronger efficacy, mainly for the treatment of breast cancer. In response to the increasing demand for research and production of antibody-drug conjugates and highly cytotoxic/potent substances, many foreign CDMO and CMO companies have successively expanded their service energy, especially for highly cytotoxic/potent active pharmaceutical ingredient (API) and final products. For example, the plants of CordenParma in Plankstadt (Germany), Latina (Italy), and Boulder (Colorado) can provide the manufacture of highly cytotoxic/potent API and drugs. Aesica, located in the United Kingdom, has also opened their highly cytotoxic/potent substance plant in Queenborough to provide final product preparations and further upgraded their API production plants in Cramlington and Queenborough to produce the highly cytotoxic/potent API.

With the cGMP plant, EirGenix has the capability of developing and manufacturing monoclonal antibody drug processes. At the same time, the company forms a strategic alliance with Formosa Laboratories, which has the most experience in developing and manufacturing high-activity raw materials in Taiwan, and integrates experienced antibody drug development technology, cGMP production practice talents and international cooperation network resources, so as to assemble these advantages into a technological platform conducive to the development of ADC. At present, the company has screened out anti-HER2 +/neu ADC molecules with therapeutic effects and will gradually complete pre-clinical trials as planned and further promote the process of clinical trials.

(D)EG74032

EG74032 is modified from diphtheria toxin (Diphtheria toxin) and is no longer toxic after modification by amino acid. Therefore, it can be used as a carrier in manufacturing the conjugate vaccine to promote immune efficacy. CRM197 is an unpatented carrier protein for assisting vaccine immunity. EirGenix can produce high-purity EG74032 with the unique microbial expression system and process. Compared with other products in the current market, EG74032 has a high competitive advantage. EirGenix's development strategy for EG74032 is to provide small amounts of reagent products (5 mg, 10 mg) to reagent suppliers and research institutes for research and development and to provide products with GMP specifications above gram level to research and development manufacturers for drug development. EG74032 can be used not only by manufacturers that are developing vaccine biosimilars but also by other manufacturers that are developing new vaccine products. At present, EirGenix has completed the development and pilot run of EG74032 process, with the current production scale reaching a 150-liter fermentation tank, which has been sold at home and abroad.

(E)EG62054

EG62054 is an Aflibercept biosimilar with corresponding extensibility of EG12021. As a recombinant fused protein, EG62054 is composed of the extracellular domains of human VEGF receptors 1 and 2 and the Fc part of human immunoglobulin (IgG1). As a soluble bait receptor, EG62054 can bind to VEGF-A and PlGF with higher affinity than their natural receptors, thus inhibiting the binding and activation of these homologous VEGF receptors. Its approved indications are (1) angiogenic (wet) age-related macular degeneration, (2) visual impairment caused by macular edema secondary to central retinal vein occlusion (CRVO), (3) visual impairment caused by diabetic macular edema (DME), (4) visual impairment caused by macular edema secondary to branch retinal vein occlusion (BRVO). (5) visual impairment caused by choroidal neovascularization (CNV) secondary to pathological myopia (PM). In addition to the related treatment in the field of ophthalmology, EG62054 can also be used to treat patients with malignant metastatic colorectal cancer. At present, this plan is in the pre-clinical development stage.

(F) EG1206A

EG1206A is a Pertuzumab biosimilar with corresponding extensibility of EG12014. EG1206A is used in combination with Trastuzumab and Docetaxel to treat patients with HER2-positive metastatic breast cancer who have not been treated with anti-HER2 or chemotherapy after metastasis. EG1206A has different binding mechanisms to HER2 receptor, which can produce the effect of Dual Blockade. EG1206A is a recombinant humanized monoclonal antibody targeting the extracellular dimerization domain (Sub-domain II) of HER2. Therefore, it can block ligand-dependent heterodimerization of HER2 and other members of the HER family (including EGFR, HER3, and HER4). Therefore, mitogen-activated protein (MAP) kinase and phosphoinositide 3-kinase (PI3K) can be generated through two main signal pathways to inhibit ligand-initiated intracellular signaling. When these

signaling pathways are inhibited, cell growth stop and apoptosis will be caused, respectively. The original manufacturer is also planning to expand the indications to diseases such as early breast cancer and gastric cancer so as to expand the scope of treatment and market potential. In Jan 2022, EirGenix submitted EG1206A documents to the EMA of the European Union to apply for drug phase I clinical trial. Once EG1206A commercialized, it can be combined with EG12014 in breast cancer treatment and provide benefit for patients.

(G)EG13074

EG13074 is a new subcutaneous injection dosage form of EG12014. The approved indications of EG13074 are the treatment of patients with early breast cancer (EBC), metastatic breast cancer (MBC) of HER2 overexpression, or HER2 gene amplification. In early breast cancer (EBC), it includes (1) adjuvant therapy after surgery and chemotherapy (preoperative or postoperative). (2) Adjuvant therapy of Doxorubicin and Cyclophosphamide combined with Paclitaxel or Docetaxel. (3) Adjuvant therapy of Docetaxel combined with Carboplatin. (4) Preoperative chemotherapy and postoperative adjuvant therapy are used to treat locally advanced (including inflammatory) breast cancer or tumor (diameter > 2 cm); In metastatic breast cancer (MBC): (1) it is used alone for metastatic breast cancer that has been treated with chemotherapy once or more; Unless the patient is not suitable for using Anthracycline or Taxane, the previous chemotherapy should include at least Anthracycline or Taxane. It is used for patients positive in hormone receptor who have failed in hormone therapy unless the patient is not suitable for hormone therapy. (2) Combined with Paclitaxel or Docetaxel for patients with metastatic breast cancer that has not been treated with chemotherapy. (3) Combined with aromatic cyclase inhibitors for patients with hormone receptor-positive metastatic breast cancer. EirGenix's development strategy is different from Roche's way of opening the absorption pathway of subcutaneous tissue with the enzyme Hyluronidase. At present, in the current research and development direction, the high-concentration preparation and innovative syringe design and development for subcutaneous injection are adopted to solve the problem of large-volume subcutaneous injection. At present, this plan is in the stage of dosage form development.

(2) Industry Overview

A. The Current Status and Development of the Industry

In the biopharmaceutical industry, drugs can be divided into two categories including large molecule drug and small molecule drug according to the size of the molecule. With a long history of development, most small molecule drugs are manufactured in chemical synthesis. Common antibiotics, analgesics, and hypnotics are all small molecule drugs. The large molecule drugs, also known as biologics, with the molecular weight much larger than that of the small molecule drugs, are mainly genetically modified from microorganisms and plant or animal cells for the production of therapeutic biopharmaceuticals, such as insulin and targeted drugs for cancer treatment. Biosimilars also belong to the category of large molecule drug, which can be defined as follows according to FDA: "When the drug patent of the original manufacturer expires, the bio-pharmaceuticals developed and marketed by other companies through biotechnology are highly similar to the bio-pharmaceuticals of the original manufacturer(reference drugs) with no clinical difference in safety, quality and curative effect, and they are marketed after being checked and approved by the health authorities, which are collectively referred to as biosimilars. " Different from traditional small molecule drugs, biologics have stable chemical structure, whose molecular weight is relatively large and structure is complex. After being approved for marketing, most biologics can become blockbuster drugs in a short time after marketing because of their specificity, high safety, and remarkable curative effect for disease treatment. With the increasingly serious problems of safety and drug resistance caused by chemical drugs, biologics can make up for the shortcomings of chemical drugs in the field of treatment, whose growth rate continues to rise higher than that of the overall pharmaceutical market.

EirGenix and its subsidiary, focus on the CDMO of biologics, accept the commission of biotech and pharmaceutical companies to provide services related to the development and manufacture of biotechnological products and biologics, such as product evaluation and design, overall development and marketing process, cell lines and strains required from CMC development to production, process, culture medium, clinical trial drugs, raw materials production and process amplification. Compared with small molecule drugs, the development and production of biologics have a relatively high threshold. In addition to huge infrastructure investment, the production procedures are also more complicated and more difficult during the process amplification. The capacity utilization rate of small and medium-sized biologics CMO companies is higher than that of large biologics CMO companies, mainly because small and medium-sized biologics CMO companies have higher flexibility in adjusting production capacity, which can provide different production capacity and product production demand for clients.

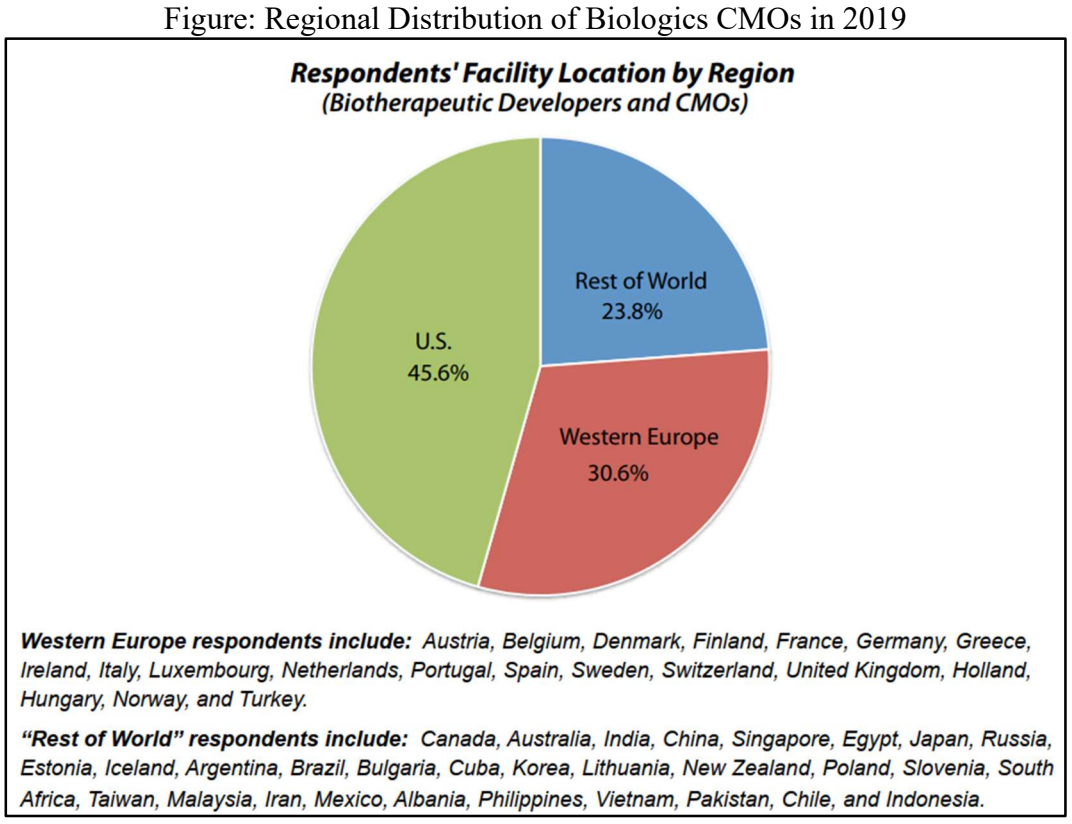
According to the research report of Mordor Intelligence in 2021, the biologics CDMO market started from US$ 9.93 billion in 2020 and continued at a double-digit high growth rate every year to reach US$ 18.63 billion in 2026. In order to seize the opportunity of this global trend, EirGenix has been actively expanding its plants and preparing for the market demand in the next 5 to 10 years. In addition to the sales of self-developed products, the company has also been actively seizing the contract

manufacturing market where biologics manufacturing and demand are growing greatly, of which biosimilars are the focus of the fastest growth.

According to the cell category of the report on the manufacture and application of biologics investigated, the fermentation and production of microbial cells tended to decrease gradually, while the application of mammalian cells showed a relative growth trend. This phenomenon is due to the fact that the therapeutic dose of biotechnological products such as monoclonal antibodies produced by mammalian cells is much higher than that of protein drugs produced by microbial cells, and the production volume is higher. At present, the biosimilars developed by the company are mainly monoclonal antibodies. Therefore, the company will first expand the establishment of mammalian cell plants, reserve the space for microbial cell production plants, continuously observe market changes and trends, and then evaluate the timing of plant construction for microbial cell fermentation. According to the investigation report, the global production capacity of mammalian cell systems had reached the situation where demand exceeded production capacity in 2017. However, most CDMOs are still conservative in the strategy of expanding production capacity, and the expanded production capacity is mainly Multiple-2,000 liters of SUB, which is a scale-out design concept, aiming to enable the new facilities and equipment to be used more flexibly and effectively achieve the purpose of reducing development risks.

According to the market survey of BioPlan Associates in 2020, nearly 80% of Biologics CMO plants is mainly in European and American countries in 2019 whole year, of which the main reason is that large-scale biologics patents have expired one after another in the world, and the medical systems of various countries with European and American standards as indicators are also actively seeking high-quality biosimilars with price advantages as an effective solution to relieve the financial pressure of the medical and health care system. At present, EirGenix is actively developing biosimilars. After the completion of the plant expansion, the company can not only meet the market demand of self-owned products, but also provide the rest of production capacity to domestic and foreign clients for contract production. In this way, the Company can be located in Taiwan and offer the service to clients around the world as well as seize the profit base of competition in the global market.

Figure: Regional Distribution of Biologics CMOs in 2019



(A) Biosimilars

Small molecular generic drugs are generic drugs developed and marketed by other pharmaceutical companies after the drug patent of the original manufacturer expires; however, because of its complex structure, large molecular bio-pharmaceuticals cannot be copied 100% by the original manufacturer. Therefore, the large molecular drug products developed with marketed biopharmaceuticals as reference drugs, according to relevant laws and regulations, must be highly similar to the biological drugs of the original manufacturer (reference drugs) in molecular structure, physics, chemistry, and biology, with no clinical difference in safety, quality and curative effect, which can be called biosimilars only after being checked and approved for marketing by the health authorities. The investment and schedule of biosimilar R&D are much higher than small molecular generic drugs. It is different from the development of new drugs in that the reverse engineering of front-end cell lines and manufacturing processes can make the products highly similar to the original drugs in molecular structure and physical, chemical, and biological product characteristics. This screening cell line and reverse engineering technology and know-hows are difficult thresholds in developing biosimilars. After the process is developed, two stages of human clinical trials are still needed, with the first stage being the Phase

I clinical comparison of bioequivalence of drug dynamics in human body, and the second stage being the comparison of bioequivalence of drug efficacy between similar drugs and original drugs. If there is a reliable Biomarker, it can also be used as the main clinical test endpoint. The development of biosimilars is different from that of innovative drugs. The time and cost for the development of innovative drugs are relatively considerable. Especially in the development of later clinical experiments, the failure rate is quite large. On the other hand, if the products of biosimilars reach highly similar and the clinical human dynamic comparison reaches bioequivalence, the failure rate in Phase III clinical practice can be almost negligible.

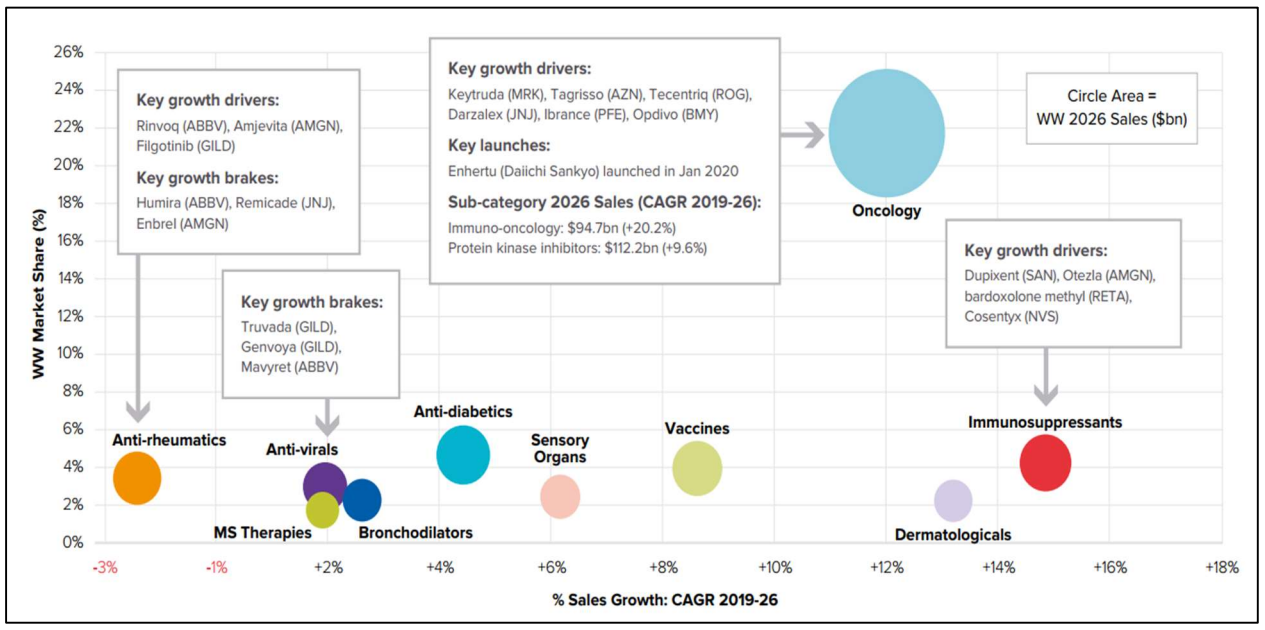
Since the United States passed The Patient Protection and Affordable Care Act (Affordable Care Act) in 2010, according to the law passed by this Congress, BPCI Act (Biology Price Competition and Innovation) has been formulated to give FDA the legal basis for examining biosimilars. Since February 2022, FDA has approved 34 biosimilars with 11 components. The American regulatory agencies are actively speeding up the review of biosimilars. In addition, in June 2017, the Supreme Court of the United States ruled that "in BPCI Act, producers of biosimilars shall submit CMC files submitted for review to the original manufacturer of biologics for review whether they violate the original process patent" is considered selective rather than necessary; the second is a decisive judgment on the timing of the manufacturers of biosimilars to notify the original manufacturer 180 days before the marketing, that is, the manufacturers of biosimilars can notify the original manufacturer in advance without waiting for FDA approval, which is believed to remove the current obstacles to the marketing of biosimilars and accelerate the speed of their marketing in the United States.

The price of biosimilars will not drop significantly as generic drugs. When the product is initially put on the market, it is estimated that there will be only a decrease of about 20 ~ 35%. However, due to the high cost of treatment, the slight price reduction will contribute to the reduction of the overall medical expenditure and the drug economy. Countries will increase the application of biosimilars drugs to reduce the medical expenditure, thus bringing expected business opportunities and due profits to manufacturers of biosimilars. From the experience of using biosimilars in Europe so far, it can be observed that the price reduction rate is much slower than that of generic drugs, and although the unit price decreases, the total sales volume increases instead, for which two main factors can be summarized: (1) Doctors will start to try active treatment before the patient's condition deteriorates; (2) Patients who could not afford it can have the opportunity to use biosimilars with no clinical difference in safety, quality, and efficacy from drugs of the original manufacturer (reference drugs).

European regulations on biosimilars were established in 2001; Since Europe approved the Omnitrope®-the world's first biosimilar in April 2006, as of February 2022, 70 biosimilars of 15 categories had been approved, of which Granulocyte colony-stimulating factor (G-CSF) had the largest number of approvals, with a total of 15, followed by MabThera® (Rituxan®) of Roche with a total of 6. Other biosimilars with the biologics of Humira ®, Forsteo ®, Herceptin ®, and Humalog ® as reference drugs have also been obtained with the marketing licenses or are waiting for review. In addition to the rapid growth of biosimilars in European and American markets, more and more biosimilars in Japan have been obtained with marketing licenses, and the overall market continues to grow at an extremely fast speed.

According to the EvaluatePharma report in 2020, it is estimated that the global cancer drug market will continue to maintain strong growth momentum in 2019-2026, driven by the advent of new drugs mainly based on immunotherapy drugs (with a compound growth rate of 20.2%), and reach a spectrum of US$ 311 billion in 2026, accounting for 21.7% of the total global drug expenditure. In response to the launch of new drugs with high cost but excellent therapeutic effects, European and American countries have actively use biosimilars to replace the biologics with expired patents under the promotion of the government, which can not only relieve the financial pressure on the world's increasingly precarious health care system but also accelerate the application popularization of next-generation therapeutic drugs. Therefore, up to now, the application of biosimilars in European and American countries, including Japan and other advanced countries, has reached a certain proportion in a short period of time, indirectly bringing certain benefits to the manufacturers of biosimilars.

Figure: Estimated Drug Expenditure in Global Top 10 Treatment Fields (2026)



Reference：EvaluatePharma_World Preview 2020, Outlook to 2026

According to FrostSullivan's forecast in 2020, the market size of biosimilars in the world has reached about US$ 30.4 billion in 2020 and then continues to show leap-forward growth, with an estimated high compound growth rate of 17.3% to exceed US$ 79.2 billion in 2026. It is a rare big wave in the history of pharmaceutical development. The main market growth opportunities focus on biosimilar markets such as the United States, which start relatively late, and more cost-effective regions such as Asia Pacific and Latin America, which have the strongest growth strength.

Affected by the slowdown of global economic growth and the rapid growth of the elderly population in the health care systems of various countries, the burden of medical expenditure on governments of various countries has become increasingly heavy, and the price of biologics with significant effects and low side effects has remained high due to the high development cost. In response to this background, the mode of replacing biologics from the original manufacturers whose patents have expired with biosimilars that have no difference in safety, quality, and efficacy but the relatively low price has become one of the effective methods for health care systems around the world to solve the current predicament. The expiration of biologics patents has brought about the growth momentum of biosimilars. According to the Frost & Sullivan report, only in the United States, 11 biologics faced the expiration of patents before 2020, including important star biologics of Herceptin, Avastin, and Remicade, and biosimilars will accelerate to replace the market occupied by biologics from the original manufacturers.

(B) Monoclonal antibody-drug conjugate (ADC)

Antibody-Drug Conjugates (ADCs) are linked to the monoclonal antibody (mAb) with highly cytotoxic small molecules, which are a new type of drugs with strong drug specificity and antibody characteristics that can accurately target these cytotoxic drugs into malignant tumors in a "target" manner without affecting other normal tissues. Highly cytotoxic small-molecule drugs can show super-strong activity to inhibit cell growth at Picomolar (pM) concentration. In order to keep pace with the development trend of new drugs, the international CDMO companies are combining the technology of High Potency Active Pharmaceutical Ingredients (HPAPIs) with the main production and development capabilities of amplified ADCs. There is no doubt that ADC technology and products have become the development trend of new antibody drugs. If ADC technology and products can be combined with CDMO business to become the partners of small and medium-sized biotech companies, it will lay a new market position and continue the development opportunity of biosimilars and new antibody drugs.

The market of next-generation antibody therapeutics includes ADC, bi-specific antibodies, Fc fusion antibodies, antibody fragments, and antibody proteins. According to the 2020 Market Data Forecast report, the ADC market reached US$ 11.8 billion in 2020 and will exceed US$ 35.6 billion in 2025 with a high compound growth rate of 24.7%. By 2020, 11 ADC drugs had been approved and successfully marketed, including Zylonta (2021)、Blenrep (2020)、Trodelvy (202)、Enhertu(2019)、Padcev (2019)、Polivy (2019)、Lumoxiti (2018)、Besponsa (2017)、Mylotarg (2017)、Kadcyla (2013) and Adcetris (2011).

At present, the ADC manufacture used in the market requires expensive upstream mammalian cell bioreactor and downstream protein purification equipment, special antibody and chemical connection technology, and a special manufacturing plant for highly toxic small-molecule chemical drugs. These factors lead most ADC drug manufacturers to commission only a few specific CDMO companies that can provide a number of different technical services, including monoclonal antibodies, chemical Linker, and Cytotoxins. However, only a few companies can provide technical services for one-time integrated connection development of ADC drugs. In the next ten years, it is expected that more than ten new ADC commercial products will drive the growth of the whole market. At present, EirGenix combines the small molecule technology capability of Formosa Laboratories and cooperates for this platform service, eager to take the next biotech train and set a new milestone for Taiwan in the international market

B. The Links Between the Upstream, Midstream, and Downstream Segments of the Industry Supply Chain

The new drug research and development process can generally be divided into five stages: new drug exploration, pre-clinical trial, clinical trial, inspection and registration, and post-marketing testing. Usually, the whole research and development process takes decades of painstaking efforts and high-risk capital investment. EirGenix and its subsidiary, in terms of CDMO business, have both contract development and manufacturing energy, have mastered the key technologies of biopharmaceutical development and manufacturing, have the ability to apply international regulations, and can provide differentiated services with high added value. In the development of biosimilars, new drug exploration and pre-clinical tests are omitted, but the test items of product comparison and structure analysis are added, focusing on the CMC (Chemical, Manufacturing, and Controls) of drugs.

EirGenix and its subsidiary are one of the few companies that have both plants and facilities of upstream Mammalian Cell and Microbial strain Fermentation production as well as a complete downstream protein purification system, which can provide clinical manufacturing; and has built a new plant for post-marketing commercial manufacturing in the Zhubei Biomedical Park. The service items of EirGenix and its subsidiary include cell line development, bio-pharmaceutical process development, and optimization, development and validation of relevant analysis methods, quality control appraisal meeting regulatory requirements, and GMP pilot run. The establishment of professional biopharmaceutical CMC and the customer single-window project management mechanism can provide bio-pharmaceuticals with high efficiency and stable quality that meet international standards and have both safety, efficacy, and economic benefits. EirGenix and its subsidiary, in terms of CDMO business, have both contract development and manufacturing energy, have mastered the key technologies of biopharmaceutical development and manufacturing, have the ability to apply international regulations, and can provide differentiated services with high added value. EirGenix's cGMP (Current Good Manufacturing Practice) plant (Xizhi plant) has received a PIC/S GMP certificate from TFDA.

In 2017, EirGenix was nominated for Best Process Technology by the Biology Manufacturing Asia (BMA), received the Grand Winner of Best Bioprocess Excellence in Taiwan, received the excellence award for Antibody Drug Conjugate platform at the same time, and won international recognition in bioprocess technology. Received the "Asia's Best CMO (Contract Manufacturing Organization) Award" in Asia-Pacific Bioprocessing Excellence Awards 2018. Won the Grand Winner of Best Bioprocess Excellence in Taiwan Award in Singapore again in 2019.

In addition, EirGenix received an official certificate from Japan MHLW of Accreditation Certificate of Foreign Drug Manufacturer, with the accreditation category of "biological products" and effective date from October 31, 2017, to October 30, 2022, which granted biological products manufactured by EirGenix in Taiwan to be sold in Japan within the effective period. The independently administered Pharmaceuticals and Medical Devices Agency (PMDA), under Japan's Ministry of Health, Labour, and Welfare, carried out an on-site inspection of EirGenix's biopharmaceutical manufacturing facility from September 9th to September 12th, 2019. On February 3rd, 2020, EirGenix received PMDA's official approval in its issued GMP Compliance Inspection Result Notification, proclaiming EirGenix's compliance with relevant Japanese regulations regarding the quality, effectiveness, and safety of pharmaceutical manufacturing, which represented a remarkable milestone for EirGenix as the first GMP biopharmaceutical manufacturing facility in Taiwan to receive the authority's approval; not only the only one in both sides of the Taiwan Straits but also one of the few biopharmaceutical manufacturers in Asia receiving Japan's PMDA approval. EirGenix formally signed a long-term supply contract with a Japanese pharmaceutical factory on March 2, 2021, becoming the first long-term bio-pharmaceutical supplier of biologics marketed in Japan. Before the signing of this contract, the Japanese pharmaceutical factory had begun purchasing raw materials from EirGenix to produce preparations for sales in Japan. This product is a necessary drug for cancer treatment, accounting for more than 30% of the same products in the Japanese market. Through the sales performance of the product in Japan, EirGenix's competitive advantage in the Japanese market will be further expanded.

C. Development Trends

(A) EG12014

EG12014 is a biosimilar to the biologics Herceptin marketed by Roche, mainly used to treat patients with metastatic breast cancer, pre-breast cancer, and gastric cancer who have a high phenotype of an oncogene (HER2/neu oncogene) and have failed to be treated by one (or more) chemotherapy. According to the annual financial report of Roche in 2021, the global annual sales of this product reached CHF 2.69 billion, of which the European and American markets accounted for 44%. In recent years, the global sales of Roche, the original manufacturer of Herceptin, have been declining year by year due to the competition of biosimilars entering the market. However, the global sales of related products developed with its principal component Trastuzumab as the main axis, due to continuous increase of clinical users by the rising incidence of breast cancer and the marketing of biosimilars (as of the publication date, five items have been approved by American FDA and six items have been approved by EMA of the European Union), maintains growth. With the example of Amgen's Herceptin biosimilar KANJINTI, the sales in 2021 were US$ 5.72 million, with the US market injecting 83.7% of the revenue.

(B) EG12021

EG12021 is a biosimilar of Roche's marketed biologics Avastin, whose main function is to inhibit tumor angiogenesis, prevent cancer cells from growing and reduce metastasis; at present, it has been approved as the first-line therapeutic drugs for metastatic colorectal cancer and non-small cell lung cancer. According to the latest annual financial report of Roche in 2021, the global annual sales of this product reach CHF 3.06 billion, of which the European and American markets account for 44%.

(C) TSY0110 (EG12043)

At present, dozens of cancer clinical trials for Trastuzumab antibody-drug conjugates are in process, including breast cancer, gastric cancer, and brain cancer. In August 2011, FDA approved the new drug application of Brentuximab Vedotin (Adcetris) produced by Seattle Genetics and approved indications of Refractory Hodgkin's lymphoma (HL) and another rare lymphoma-systematic anaplastic large-cell lymphoma (sALCL). This ADC acting on CD30 is not only the first anticancer drug approved by the FDA for the treatment of HL since 1977 but also the first drug approved for the treatment of ALCL. The successful marketing of Adcetris also represents the beginning of antibody-drug conjugates entering one of the mainstream clinical applications. According to the annual financial report of Roche in 2021, the ADC products developed and marketed by the company with Trastuzumab as the main axis: Kadcyla's global annual sales reach CHF 1.98 billion, with an annual growth rate of 16%, while the European and American markets account for 76% of the revenue contribution.

(D) EG74032

This product is widely used in vaccine products, used as a carrier to make conjugate vaccines. Many vaccines of this product have been put on the market, and many vaccines are also under clinical development. With the example of Prevnar® 13 produced by Pfizer, this vaccine chemically conjugates carbohydrate suspensions of capsular antigens of Streptococcus pneumonia serotypes 1, 3, 4, 5, 6A, 6B, 7F, 9V, 14, 18C, 19A, 19F, and 23F with this carrier protein to prepare the conjugate vaccines. At the same time, it has also been applied to the clinical development products of many large international pharmaceutical companies (such as Novartis and Mitsubishi Tanabe Pharma Corporation) for the production of various conjugate vaccines such as Haemophilus B vaccine, typhoid vaccine or meningitis vaccine, showing its wide application.

(E) EG62054

EG62054 is a biosimilar of Bayer's product Eylea, which can be used in the treatment of ophthalmic diseases and cancer (trade name: Zaltrap). Priority will be given to the development of this product for macular degeneration treatment, and the product development for metastatic colorectal cancer indications will be started as appropriate. Since Aflibercept obtained FDA approval for the first indication-angiogenic (wet) age-related macular degeneration in 2011, sales have started to grow significantly every year. In 2014, Aflibercept obtained FDA approval for the treatment of visual impairment caused by macular edema after central retinal vein occlusion (CRVO) and reached global sales of US$ 2.8 billion in the same year. In addition, after Aflibercept obtained FDA approval for the treatment of metastatic colorectal cancer in 2012, Zaltrap immediately reached the annual scale of US$ 66.8 million in 2013; the sales of two drugs with the same ingredient of Aflibercept in the global market are still increasing year by year. According to the financial reports of Bayer and Regeneron, the global sales scale for macular degeneration indications has reached US$ 7.7 billion in 2020.

(F)EG1206A

It is a biosimilar of the HER2-targeted antibody-drug Perjeta. Since its marketing in 2013, its annual sales have grown rapidly. In 2020, Roche obtained FDA approval for marketing Phesgo, a subcutaneous injection product used in combination with Pertuzumab and Trastuzumab. It can be predicted that the follow-up product development and therapeutic application of EG1206A will be more extensive. According to the annual financial report of Roche in 2021, the global annual sales of this product reach CHF 3.96 billion, with an annual growth rate of 4%, while the European and American markets account for 64% of the revenue contribution

(G)EG13074

It is a new subcutaneous injection dosage form of EG12014. So far, the proposed indications of EG13074 are the treatment of patients with early breast cancer (EBC), metastatic breast cancer (MBC) of HER2 overexpression or HER2 gene amplification. In early breast cancer (EBC), it includes (1) adjuvant therapy after surgery and chemotherapy (preoperative or postoperative). (2) Adjuvant therapy of Doxorubicin and Cyclophosphamide combined with Paclitaxel or Docetaxel. (3) Adjuvant therapy of Docetaxel combined with Carboplatin. (4) Preoperative chemotherapy and postoperative adjuvant therapy are used to treat locally advanced (including inflammatory) breast cancer or tumor (diameter > 2 cm); In metastatic breast cancer (MBC): (1) it is used alone for metastatic breast cancer that has been treated with chemotherapy once or more; Unless the patient is not suitable for using Anthracycline or Taxane, the previous chemotherapy should include at least Anthracycline or Taxane. It is used for patients positive in hormone receptors who have failed in hormone therapy unless the patient is not suitable for hormone therapy. (2) Combined with Paclitaxel or Docetaxel for patients with metastatic breast cancer that has not been treated with chemotherapy. (3) Combined with aromatic cyclase inhibitors for hormone receptor-positive metastatic breast cancer. Roche's subcutaneous injection dosage form of Herceptin was marketed in 2013. Since 2013, the annual sales have gradually increased. According to the global research report of the market research company IQVIA, in 2019, among the countries where the subcutaneous injection dosage form of Herceptin had been marketed in Europe, many countries had reached a proportion of more than 40% Herceptin (in combination with lyophilized injection biosimilar and subcutaneous injection dosage form). Moreover, it was

approved by FDA for marketing in the United States in February 2019

D. Competition for the Company's Products

The world is optimistic about the future development potential of the biosimilar market. Major international companies have invested in this market, including major biotechnology companies Amgen and Biogen, famous multinational pharmaceutical companies Eli Lilly, Merck, Sandoz, and Viatris, and small molecular generic pharmaceutical companies Actavis, Hospira, and Teva, which are also optimistic about the future potential of large molecule drugs and transform to biosimilars. Among them, Amgen cooperated with Actavis to develop biosimilars in 2014. In addition to actively exploring the field of biosimilars through joint cooperation or M&A, there are also many small and medium-sized pharmaceutical companies joining the war, but due to the size of the company or their own capabilities, they can only strategically cut into one part of the biosimilar value chain; For example, Coherus, which was listed on NASDAQ in 2014, focuses on research and development strategically, but due to lack of production capacity, CMO is needed for the future products; however, due to the lack of R&D and analysis talents, some companies take CMO as their strategic orientation, which virtually limits their development space and competitiveness.

However, different from other small and medium-sized biopharmaceutical companies, EirGenix and its subsidiary strengthen the company’s own competitive advantage in the world on the basis of CDMO, whose profit points are as follows: A. master the development capability of cell lines and keep the exclusive technology and manufacturing capability in Taiwan through the research and development energy of the teams in Taiwan; B. carry out process research and development, product analysis and manufacturing technology through teams with international experience; C. simultaneously possess that technical platform of Mammalian (mammalian cell strain development) and Microbial (microbial cell fermentation); D. have completed commercial production base in Zhubei to systematically retain the production technology capacity and provide competitive production costs and profits; E. have legal experience in European clinical application and drug approval

(A) Market Competition Analysis of EG12014

As of February 2021, there are 7 biosimilar companies in the world with Trastuzumab-related products that have been approved for marketing. The R&D target quality and competitive market advantage of these companies are subject to continuous observation and evaluation after the products are marketed in individual regions. Among them, the R&D products of Amgen, Viatris in the United States, as well as Celltrion and Samsung Bioepis in Korea, have been licensed by FDA in the United States and EMA in the European Union; the Henlius in China first obtained the EMA license from the European Union (July 2020). In addition, the R&D products of Biocad in Russia have obtained the license for marketing in Russia. In the future, it is inevitable that the Trastuzumab biosimilar-related products of these companies will become the main competitors of EirGenix and its subsidiary. In addition to speeding up development, improving quality and similarity, and cooperating with pharmaceutical factories in complementary regions are the best guarantee of market competitiveness and are also the key to improving the competitiveness of EirGenix and its subsidiaries. Therefore, in April 2019, EirGenix Inc. signed a global licensing agreement with Sandoz AG, a global leader in generics and biosimilars. The licensing agreement authorized Sandoz AG to the exclusive commercial rights of EirGenix's EG12014 (Trastuzumab biosimilar) in all global markets except mainland China and Taiwan. The licensing agreement includes a signing fee and milestone payments, and additional royalty payment in the authorized markets after product launch. Sandoz and Novartis Group are leaders in the field of generic and biosimilar drugs and also pioneers in emerging digital prescription therapy, with a long history and rich experience in drug development and sales for biosimilars and cancer drugs. This strategic cooperation is expected to improve the global competitiveness of EirGenix's product line, thus expanding EirGenix's overall operating scale and increasing profits, which is of great positive help to financial and business development.

(B) Market Competition Analysis of EG12021

The patents of the marketed drug Avastin are expected to expire in January 2022 in Europe and July 2019 in the United States. At present, Amgen and Pfizer have obtained the FDA licenses in 2018 and 2019 to market Avastin biosimilars one after another, and there are still many 15 pharmaceutical factories at home and abroad actively investing in development. Although the products of these companies, once successfully developed, will become potential competitors of EirGenix in the future, biosimilars are a greatly growing market in the treatment fields of colorectal cancer and others. Moreover, because the demand for the treatment of colorectal cancer is increasing, various countries have formulated clearer laws and regulations one after another in the opening of biosimilars, and EirGenix has the advantages of vertical integration in technology and manufacturing, at present, EG12021 cell line has been developed, and 2-liter small-scale production has been completed. It is expected that several 50-liter scale productions will be carried out continuously after the upstream and downstream process development is completed, and a complete bio-similarity comparison will be carried out on the product to confirm that the physical and chemical

properties and biological activities of EG12021 are similar to those of the original drugs. In the future, it is expected that the cell line and process of this product will be authorized externally, targeting Emerging Countries.

(C) Market Competition Analysis of TSY0110 (EG12043)

In response to the increasing demand for research and production of anti-drug conjugates and highly cytotoxic/potent substances, many foreign CDMOs and CMOs have begun to expand their service energy, especially for highly cytotoxic/potent active pharmaceutical ingredient (API) and final products. For example, the plants of CordenParma in Plankstadt (Germany), Latina (Italy), and Boulder (Colorado) can provide the manufacture of highly cytotoxic/potent active pharmaceutical ingredient (API) and the production of drugs. Aesica, located in the UK, started to open its highly toxic/potent substance plant in Queenborough at the end of 2011 to provide final product preparations. This company later upgraded their Active Pharmaceutical Ingredient (API) production plants in Cramlington and Queenborough to manufacture highly toxic/potent active pharmaceutical ingredients (API). With the cGMP plant, EirGenix has the capability of developing and manufacturing a monoclonal antibody drug process. At the same time, EirGenix forms a strategic alliance with Formosa Laboratories, which has the most experience in developing and manufacturing high-activity raw materials in Taiwan and has experienced antibody drug development and cGMP production talents and international cooperation networks, which is conducive to the development of ADC platform technology.

(D) Market Competition Analysis of EG74032

At present, there are very few manufacturers with the production capacity of this product in the market. The main manufacturers are as follows:

Company	Location of Manufacturing Plant	Products
SynCo Bio Partner	Netherlands (Amsterdam)	Production of CRM197 with mutant Diphtheria Bacillus; Provision of Prevnar® and Meningites® manufactured by Pfizer, and Menveo® manufactured by Novartis
Pfenex, Inc.	India	Provision of various specifications of CRM197 raw materials, including raw materials conforming to cGMP specifications (CRM197 is expressed with pseudomonas fluorescent as host)

In addition to SynCo Bio Partner "Exclusively" providing CRM197 to the original manufacturers (Pfizer and Novartis), only Pfenex, a manufacturing plant located in India, can provide this raw material, indicating that there are very few competitors with this production capacity in the market at present. If EirGenix can complete the EG74032 process development in a short time, EirGenix will successfully enter the market and become one of the major suppliers.

The microorganism (E. Coli.) performance system and process used by EirGenix and its subsidiary can produce high-purity EG74032, which will have a competitive advantage over other products in the current market. Moreover, the vaccine patents currently on the market are about to expire, so the real-time scheduling can fully meet the market demand. In addition to being provided to some manufacturers for developing products with expired patents, this product can also be used in other new vaccine products under development, whose wide application is expected to open the market door and increase the corporate revenue.

(E) Market Competition Analysis of EG62054

Due to the late approval date of the corresponding EG62054 marketed drug and the long validity period of patents, at present, besides EirGenix, 8 other biosimilar pharmaceutical factories are known to go into development (Viatris、Samsung Bioepis、Amgen、Formycon、Sandoz、Celltrion、Alteogen、Ocumension), whose progresses are in the phase I~III clinical trials. EirGenix and its subsidiary are also actively accelerating the pace of research and development to seize the market opportunity of macular degeneration treatment.

(F)Market Competition Analysis of EG1206A

At present, there are few developers of EG1206A biosimilar in the market. However, the technical feasibility and progress of EirGenix's research and development and production of EG1206A are relatively clear and optimistic. At present, the development of cell lines has been completed, and the integration of upstream and downstream process development is also actively underway. In Jan 2022, EirGenix submitted EG1206A documents to the EMA of the European Union to apply for drug phase I clinical trial. According to the planned schedule and marketing, EirGenix can quickly seize the global market opportunities, and at the same time, it can jointly produce maximum benefits of synergy in the market with EG12014, EG13074, and TSY0110 (EG12043) products

(G) Market Competition Analysis of EG13074

The EG13074 developed and produced by EirGenix, and its subsidiary is a brand-new subcutaneous injection dosage form of EG12014. At present, no competitive products have been completed with the front-end development except the original manufacturer. At present, the development of syringes is underway. As long as it is carried out step by step according to the plan, it can seize the market opportunities and produce maximum benefits of synergy in the market together with EG12014, EG1206A, and TSY0110 (EG12043) products

(3) An overview of the company's technologies and its research and development work

A. The company's technologies and its research and development work

EirGenix is a professional biopharmaceutical company with a high density of technology and experience, whose business strategy is mainly in two directions:

(A) Provide a commissioned process development and production service with high quality and market competitiveness for biopharmaceutical development companies at home and abroad. EirGenix has cGMP-related facilities that conform to relevant international regulations and standards (US FDA and PIC/S) and can be used for clinical/market production of biopharmaceuticals. At the same time, with two cGMP plants for mammalian cell and microbial fermentation and related technical manpower, the integrity and complementarity of clinical trials and marketed biopharmaceutical production systems are greatly improved.

(B) At the same time, develop biopharmaceuticals with high quality and market competitiveness. At present, the drugs under development include four biosimilars, a new dosage form of bio-pharmaceutical, an antibody-drug conjugate (ADC), and a multi-functional carrier protein that can be used in vaccines.

Through the above two business axes, EirGenix expects to provide customers with high-quality and cost-effective biopharmaceutical manufacturing services and jointly develop high-quality and cost-effective biopharmaceuticals with partners to benefit the entire public

B. Research and Development Implementation Progress

Item	Indications	Implementation Progress
EG12014	Breast cancer, Metastatic breast cancer/ Metastatic gastric cancer	In March 2021, the analysis results of the Phase III clinical trial indicator data reached bioequivalency. In December 2021, EirGenix submit documents to the FDA of the United States and EMA of the European Union to apply for drug marketing inspection and registration review. In January 2022, EirGenix submitted the 1st case for Taiwan CDE accelerated approval pilot project review. In April 2019, EirGenix Inc. signed a global licensing agreement with Sandoz AG, a global leader in generics and biosimilars. The licensing agreement authorized Sandoz AG to the exclusive commercial rights of EirGenix's EG12014 (Trastuzumab biosimilar) in all global markets except mainland China and Taiwan. The licensing agreement includes a signing fee and milestone payments, and additional royalty payment in the authorized markets after product launch.EirGenix will maintain responsibility for the manufacturing of the EG12014.
EG12021	Metastatic colorectal cancer /Metastatic breast cancer / malignant glioma / Advanced, metastatic or recurrent non-squamous non-small cell lung cancer / Epithelial ovarian, fallopian tube or primary peritoneal cancer / Persistent, recurrent, or metastatic cervical cancer	EirGenix has completed the development of the EG12021 cell line and 2-liter small-scale production. After the upstream and downstream process development is completed, several 50-liter scale productions will be carried out continuously, and a complete biological similarity comparison will be carried out on the product to further confirm that there is no clinical difference in physical and chemical properties and biological activities between EG12021 and the reference drug of the original manufacturer. In the future, it is expected that the cell line and process of this product will be out-licensed, targeting Emerging countries.
TSY0110	Breast cancer /Gastric cancer	At present, EirGenix has screened out anti-HER2 +/neu ADC

Item	Indications	Implementation Progress
(EG12043)		molecules with therapeutic effects and will gradually complete pre-clinical trials as planned and further promote the process of clinical trials.
EG74032	Conjugate vaccine	At present, EirGenix has completed the development and pilot run of the EG74032 process, with the current production scale reaching a 150-liter fermentation tank, which has been sold at home and abroad.
EG62054	Macular degeneration, Metastatic colorectal cancer	At present, this plan is in the pre-clinical development stage.
EG1206A	Breast cancer	In Jan 2022, EirGenix submitted EG1206A documents to the EMA of the European Union to apply for drug phase I clinical trial.
EG13074	Early breast cancer, Metastatic breast cancer	At present, this plan is in the stage of dosage form development.

C. Education of development personnel

Unit: person

Year		2020	2021	As of April 2022
Education	Ph.D.	18	20	21
	Master's	57	64	76
	Bachelor's	3	4	3
	High School	0	0	0
Total development personnel		78	88	100
Average Tears of Service		3.30	3.51	3.2

D. R&D Expenses As of the date of issuance for the annual report in the latest 5 year

Unit: NT$ thousands; %

Item \ Year	2017	2018	2019	2020	2021
R&D Expenses(A)	199,346	344,199	959,610	1,561,722	893,510
Net Operation Revenue(B)	297,866	282,209	476,085	1,071,838	1,697,359
(A) / (B)	67	122	202	146	53

E.Successfully Developed Technique or Product

EirGenix and its subsidiary provide contracted process development and production service with high quality and market competitiveness for biopharmaceutical development companies at home and abroad. EirGenix has CGMP-related facilities that conform to international regulations and standards and can be used for biopharmaceuticals' clinical/market production. At the same time, EirGenix has two CGMP plants for mammalian cell and microbial fermentation and related technical manpower, greatly improving the integrity and complementarity of clinical trials and market biotech drug production systems. EirGenix has accumulated technology for many years, continuously introduced international talents and novel equipment to maintain international competitiveness and meet the requirements of international laws and regulations, and continuously carried out technology development.

The products currently developed by EirGenix and its subsidiary need to undergo human clinical trials. At present, for the self-developed product EG12014, the Phase I clinical trials in the European Union have been completed. Compared with the reference drugs originally manufactured in the United States and Europe, EG12014 has reached bioequivalence; The Phase III clinical trials were conducted in late 2018, with the approval of 11 national food and drug administrations in the United States, Taiwan, Georgia, Russia, Belarus, South Korea, India, Ukraine, Chile, South Africa and Colombia for the Phase III clinical trials in human. And 807 subjects were enrolled in March 2020; In November 2020, the last subject in Phase III clinical trial completed preoperative treatment and tumor resection. In March 2021, the analysis results of the Phase III clinical trial indicator data reached bioequivalency. In December 2021, EirGenix submit documents to the FDA of the United States and EMA of the European Union to apply for drug marketing inspection and registration review. In January 2022, EirGenix submitted the 1st case for Taiwan CDE accelerated approval pilot project review. At present, other products are in the preclinical stage or are about to undergo human clinical trials, and there is no self-owned product on the market.

(4) Long-term and Short-term Development

A. Short-term Development

The short-term development strategy is “Build up the foundation and move forward step by step.” The strategy plans for products in development and CDMO sales & marketing development are as follows:

(A) Self-developed products

a. EG12014 drug certification applications will approve by the U.S. FDA、TFDA and European Union EMA.
b. EG1206A will complete the phase I clinical trials.
c. EG62054 will complete cell line and 2-50 liter process development and analysis on biosimilarity.
d. EG13074 will conduct preclinical meetings with the U.S. FDA.

(B) CDMO sales

In order to expand the current capacity and the need for commercialized mass production of future products, a biopharmaceutical plant is built in Hsinchu Biomedical Science Park. The current target is to cope with the phase III clinical trial of EG12014. It could also attract international and domestic clients with the late developmental stage products for large-scale production and commercial manufacturing after product launches. The overseas sales expansion has made great progress in Japan. In addition, a subsidiary is set up in Germany to focus on the clinical development of ongoing and future products in development.

B. Long-term Development

The medium and long-term development strategy is “Products are developing and launching one after another to promote stable growth in revenue. The strategy plans for products in development and CDMO sales development are as follows:

The medium to long term goal of EirGneix is focusing on Niche Biologics development to benefit to the human and the society and improve the life quality. EirGenix insists on making the technology first with excellent quality as the foundation and is responsible for customer’s success. The goal is to become an international biotechnology and medicine company that begins in Taiwan and focuses on the global market.

(A) Obtain drug certificates and product launches for products in development.

(B) CDMO sales:

Since the facility at the new factory in Zhubei is more suitable for products developed at late developmental stage (such as mass production for phase III clinical trials) or commercial production; therefore, the short-term sales expansion will focus on the clients with early-stage development and production projects which could be executed in Xizhi plant while establishing a global customer network for late-stage development projects or mass production projects. Zhubei plant is expected to expand the production capacity to 25,500L after completion. It could meet the demand of various biopharmaceutical process development for mammal cells. It can not only meet the demand for the products in development but also be useful for CDMO business in the future. Moreover, EirGenix is the only biopharmaceutical factory in Taiwan and China and one of a few Asian biopharmaceutical factories that were GMP inspected and authorized by the Japanese official agency, PMDA. With this accreditation, it would increase the willingness and confidence of Japanese and international biotechnology companies to contract to manufacture and enhance sales promotion.

2. Market and Sales Overview

(1) Market Analysis

A. Sales (Service) Region

Unit: NT$ thousands; %

Year / Area	2021		2020	
	Amount	%	Amount	%
Taiwan	611,808	36.04	229,779	21.44
Japan	149,949	8.83	93,563	8.73
USA and Canada	373,492	22	192,550	17.96
Europe	549,259	32.36	542,733	50.64
Other	12,851	0.76	13,213	1.23
Total	1,697,359	100	1,071,838	100

B. Market Share

At present, the CDMO business of EirGenix is extremely competitive in the market. In addition to a certain proportion of the market share in Taiwan, EirGenix has actively expanded to Asian markets such as Japan and the mainland; In the future, EirGenix will be committed to increasing the market share of Europe, America, and other regions. The self-developed products of EirGenix have not been sold on the market before, so there is no market share analysis at present

C. Supply and Demand of the Market and Growth in the Future

(A) EG12014

EG12014 is a biosimilar to a biologics Herceptin marketed by Roche. According to the annual financial report of Roche in 2021, the global annual sales of this product reach CHF 2.69 billion, of which the European and American markets account for 44%. In recent years, the global sales of Roche, the original manufacturer of Herceptin, have been declining year by year due to the competition of biosimilars entering the market. However, the global sales of related products developed with its principal component Trastuzumab as the main axis, due to continuous increase of clinical users by the rising incidence of breast cancer and the marketing of biosimilars (as of the publication date, five items have been approved by American FDA and six items have been approved by EMA of the European Union), maintains growth. With the example of Amgen's Herceptin biosimilar KANJINTI, the sales in 2021 were US$ 5.72 million, with the US market injecting 83.7% of the revenue.

In 2020, the second place in Taiwan's top ten cancer NHI expenditures was breast cancer, about NT$ 16.96 billion (with an average growth rate of 9.03% from 2016 to 2020); In the part of drug expenditure, for Herceptin-a target drug for breast cancer, a total of NT$1.66 billion was paid by the NHI in 2019. According to the latest NHI drug price in Taiwan in 2021, the payment price of the lyophilized injection dosage form is NT$ 43,844/piece. At present, the NHI stipulates that Herceptin is paid to patients with early breast cancer (EBC), metastatic breast cancer (MBC), and metastatic gastric cancer (MGC). Taiwan has more and more new patients with breast cancer and gastric cancer every year, and the medical expenses will increase accordingly. EirGenix expects the biosimilar EG12014 to be marketed in Taiwan at the same time as the world or even ahead of the world, which can benefit patients in need of treatment in Taiwan and the world. At the same time of reducing the medical expenditure, the expected clinical efficacy can also be achieved by using breast cancer-targeted protein drug EG12014, which is highly similar to Herceptin with no clinical difference in safety, quality, and efficacy, thus achieving the goal of truly benefiting the public.

(B) EG12021

EG12021 of EirGenix and its subsidiary is a biosimilar of Roche Avastin (Bevacizumab). As early as 2004, it was approved to treat colorectal cancer in the United States, followed by non-small cell lung cancer, kidney cancer, brain tumor, and others in 2006 and 2009. In 2014, it was approved to treat patients with ovarian cancer and cervical cancer combined with chemotherapy drugs. Therefore, the application and market will continue to expand. According to the financial report of Roche in 2021, its turnover was CHF 3.06 billion. In the distribution of global market sales, the United States accounted for about 30%, Europe 14%, Japan 22%, and other countries about 34%.

In terms of cancer treatment strategy, targeted therapy has become the mainstream in the development of new cancer drugs and gradually replaced the traditional chemotherapy because it can block or poison specific cells, reduce damage and side effects to normal cells and reduce discomfort and pain caused by traditional chemotherapy drugs; Such monoclonal antibody drugs, including Avastin, are generally expensive. The marketing of biosimilars will reduce the cost of medication and enable patients who cannot afford them to choose targeted therapy. The demand in emerging markets will also greatly increase the number of patients who can receive treatment due to the decrease in medical costs.

(C) TSY0110 (EG12043)

Recently, Roche's Trastuzumab emtansine (T-DM1) has been successfully marketed by using Linker to bind Trastuzumab antibody and cytotoxic chemical DM-1. The conjugate (Linker, Connector) of T-DM1 will not affect the antibody-dependent cytotoxic activity and will not interfere with the antibody neutralization activity dominated by HER2. Therefore, T-DM1 not only retains the anticancer effect of Trastuzumab but also enables the powerful cytotoxic drugs attached to it to exert a stronger effect. In Phase III clinical trials (EMILIA trial*) for patients with advanced breast cancer patients of HER2 overexpression and who have used Trastuzumab or Taxane, it was found that patients receiving T-DM1 treatment have a longer and better progression-free survival (T-DM1: 9.6 months; Lapatinib plus capecitabine: 6.4 months)(HR: 0.65; 95%CI: 0.55-0.77; P<0.001) and overall survival (T-DM1: 30.9 months; Lapatinib plus capecitabine: 25.1 months) (HR: 0.68; 95% CI: 0.55-0.85; P < 0.001) over patients treated with Lapatinib in combination with Capecitabine. It shows that this kind of treatment is progress that cannot be ignored in both clinical medicine and pharmacology.

As far as the global market is concerned, there are very few companies in the world that can provide ADC development services. EirGenix has formed a strategic alliance with Formosa Laboratories. According to the schedule plan, they will jointly become one of the world's leading manufacturers in the ADC field in the shortest possible time to expand their competitive advantage

(D) EG74032

This product is a carrier protein made of diphtheria toxin through genetic improvement and amino acid replacement. At present, it has been applied in commercially available vaccines of Pfizer and Novartis, with annual sales of billions of US dollars. In 2015, the global vaccine market value was nearly US$ 30 billion, while the market value of conjugate vaccines with carrier protein reached up to US$ 7 billion. These show that the future market for such products is quite amazing.

This protein has been widely used in commercially available products and clinical development products. There are more than 60 completed or ongoing clinical trials with relevant products on ClinicalTrials.gov of the National Institute of Health. Among them, only Novartis has carried out more than 20 clinical trials, which shows that the conjugate vaccine with this carrier protein has a great market.

In addition to the traditional vaccines for infectious disease, the research and development of cancer vaccines have attracted much attention in recent years. Both R&D organizations and biotech companies at home and abroad are actively investing in the development of cancer vaccines, hoping to bring a glimmer of light to all kinds of cancers that have no effective therapy yet.

In the early process, Corynebacterium diphtheria was used for production, followed by downstream recovery, purification, and other steps, and the yield and recovery rate was usually relatively low. In addition, for the acquisition of the strain, a license agreement needs to be signed with a specific organization, and the production organization needs to have a biological protection level that meets the standards before production. Compared with the above processes, the microbial expression platform is used for the EG74032 process developed by EirGenix, which will achieve the effects of a quite high yield and purity as well as immune enhancement. Compared with traditional processes or other products on the market, EirGenix's products will be competitive in quality and price and are expected to be widely used in research and development or marketing products.

EirGenix and its subsidiary CRM197 is expected to occupy a certain market share in the academic and pre-clinical markets.

(E) EG62054

The original drug of EG62054 was approved for marketing by FDA in 2011 and 2012 and approved for marketing by EMA in Europe in 2012 and 2013. The first major indication on the market is macular degeneration, of which the global market is huge. In 2020, the global sales of macular degeneration indications had reached about US$ 7.7 billion. As this drug has better clinical efficacy than Lucentis, another macular degeneration drug, in Phase III clinical trials, and other indications such as macular edema caused by diabetes and visual impairment caused by macular edema secondary to retinal vein occlusion are subsequently added, the subsequent market potential cannot be underestimated.

(F)EG1206A

After EG1206A was marketed, its annual sales in 2014 were CHF 660 million (Fierce Pharma 2015). In 2020, Roche obtained FDA approval for marketing Phesgo-a subcutaneous injection product used in combination with Pertuzumab and Trastuzumab drugs. It can be predicted that the follow-up product development and therapeutic application of EG1206A will be more extensive. According to the financial report of Roche in 2021, the global sales volume of Perjeta had rapidly reached CHF 3.96 billion, whose market growth is amazing.

(G)EG13074

In terms of EG13074 products, according to the global research report of IQVIA in 2019, among the more than 100 countries where subcutaneous injection form of Herceptin had been marketed, many countries had reached a proportion of more than 40% Herceptin (in combination with lyophilized injection biosimilar and subcutaneous injection dosage form), Moreover, it was approved by FDA for marketing in the United States in February 2019.

D.Competitive niche

(A) The advanced technology platform of EirGenix helps customers shorten the time schedule of biopharmaceutical development

a. Cell line building platform

Customers only need to provide a DNA expression sequence or amino acid sequence of the protein, and EirGenix can complete the establishment of a CHO-S cell line with high expression volume. EirGenix is familiar with the growth mode of CHO-S cell line from the major international factory Life Technologies, can increase the yield of CHO-S cell line with the

exclusive culture medium selected based on rich experience, can reach the antibody protein yield of 2g per liter under normal culture time, and reduce the cost of customers in the drug development stage and commercial mass production stage.

b. Process development platform

In terms of cell culture process, with Ambr™ micro bioreactor, EirGenix can simulate the culture conditions of the large-volume bioreactor in a 10ml test tube and can control and adjust a number of parameters on a small scale to achieve the comprehensive effect of saving time and cost.

In terms of process amplification, at present, many plans, including the customer's products and the EG12014 plan within EirGenix, have successfully entered the cGMP plant for the product at 500/1,000 liters or more. EirGenix has mastered the setting of various important parameters in bio-fermentation tanks of various scales in the process amplification of the cGMP plant. Once the culture condition parameters of small-scale fermentation tanks from 2 to 5 liters are available, they can be successfully amplified to a scale of 200, 500, 1,000, to 2,000 liters. This technology platform can save customers the time and various costs required in the process amplification.

c. Protein analysis and identification

Due to the characteristics of bio-pharmaceuticals, in the production process, each batch of products cannot be 100% the same. A large number of analytical methods are needed to identify the characteristics of the protein drugs produced. In addition, corresponding analytical methods are needed to detect the amino acid sequence of the protein, the purity of the product, impurity produced in the process, the activity of the protein, and the monitoring of microorganisms that may cause pollution. The team of EirGenix has established the complete identification and analysis methods of protein drugs in Taiwan to ensure the strictest control of product quality and safety at all stages and reduce the risks caused by unstable product quality in the drug development process.

d. Provide a full range of services to meet the needs of customers

At the same time, EirGenix has two PIC/S cGMP plants for mammalian cell culture and microbial fermentation and can provide complete services according to customers' needs.

In addition, in the mammalian cell cGMP plant, EirGenix has built two upstream cell culture production lines, including a 20-100-500 liter stainless steel bioreactor production line and a 50-200-1,000 liter single-use bioreactor production line. Stainless steel bioreactor has the advantages of relatively low batch production cost with a maximum scale of more than 5,000 liters. The single-use bioreactor has the advantage of reducing cross-contamination and hard equipment construction. In the stage of drug development, EirGenix provides customers with the greatest flexibility and diversified choices in process development to meet the needs of customers for different drug development products and plans.

(B) EirGenix has formed the strategic industrial alliance with Formosa Laboratories in large molecule drugs and small molecular drugs

At present, Formosa Laboratories, with a number of raw materials and anti-sunburn series active ingredient products marketed all over the world as well as ISO certificate, has successfully passed the GMP plant inspection certification of Taiwan Department of Health, FDA of the United States, BGV of Germany, EDQM of the European Union and PMDA of Japan, which is a major manufacturer of small molecule raw materials in the world. At present, Formosa Laboratories has built a high-activity raw material production plant for the production of small molecule drugs with high toxicity. In combination with EirGenix's ability to produce large molecule antibody drugs, EirGenix and Formosa Laboratories have jointly established a production platform for ADC, with EirGenix producing antibodies, Formosa Laboratories producing small molecule drugs and carrying out antibody-drug conjugation, and EirGenix carrying out various identification and analysis related to ADC products. The establishment plan of this production platform has been subsidized and supported by the Ministry of Economy's Industry Development Technology Plan. The alliance between EirGenix and Formosa Laboratories has made the establishment of the ADC production platform completed and will make EirGenix one of the few CMO companies in the world that can produce antibody-drug conjugates.

(C) EirGenix also collaborates with Medigen Vaccine Biologics Corporation, a domestic vaccine manufacturer, and provides antigen protein production development and GMP mass production service. This is awarp speed development project for vaccine development and production. It required to develop the S-2P antigen protein from the cDNA plasmid into a testing vaccine for COVID-19 within 5 to 9 months and begin human testing.

E. Favorable and Unfavorable Factors in the Long Term

(A) Favorable factors

a. EirGenix has protein drug development platform technology and a cGMP pilot plant. In coordination with the toxicology laboratory and bio-safety testing laboratory previously established by the Biotechnology Center, EirGenix can integrate the

upstream, midstream, and downstream protein drug R&D chains and provide a series of complete technical services.

b. At the same time, EirGenix has rich experience in cell line cloning and microbial process technology development and continues to introduce domestic and foreign experienced and technical talents. Good production and development quality, good manpower quality, low turnover rate, and high work efficiency can shorten the biopharmaceutical development time.
c. The relevant GMP production facilities comply with international regulations (including FDA GMP and PIC/S GMP), which is conducive to obtaining foreign sources of cases. Through business cooperation with strategic alliance partners, CDMO business has expanded rapidly.
d. The protein-drug market continues to grow, and there is still a wide range of therapeutic applications to be developed. Drugs have entered preclinical and Phase I/II clinical trials one after another. There is a high demand for CDMO at this scale at home and abroad. Upstream R&D organizations at home and abroad have invested heavily in the research and development of biopharmaceuticals. The number of pipelines for bio-pharmaceuticals continues to increase. There is an urgent need for mid-stream research and development institutions that can undertake research and development results in order to extend the results to pre-clinical and Phase I/II clinical trials. The demand for microbial fermentation systems is gradually increasing in biopharmaceutical companies at home and abroad. The establishment of a CGMP microbial fermentation system can be applied not only to mature microbial expression systems such as E. coli and Pichia but also to the mass production and development of DNA vaccines.
e. The government actively constructs an environment conducive to the development of the bio-pharmaceutical industry, including tax exemption and tax relief, to further enhance the competitiveness of domestic manufacturers.
f. EirGenix's development of biosimilars follows the international development route, and its quality has the competitive strength of major international factories. In the future, with the gradual development of products, active international cooperation will be conducive to the deep roots of the brand.

(B) Unfavorable factors and countermeasures

a. Due to the short-term lack of CGMP production facilities in commercial mass production-grade, CDMO required for mass production of animal cells in Phase III clinical trials cannot be provided
   Countermeasures: EirGenix will complete the construction of the large-scale production plant in Zhubei Biomedical Park and continue to contact large factories at home and abroad to strive for cooperative development opportunities continuously.
b. Foreign bio-pharmaceutical manufacturers have been actively deployed, and their brand advantages will form pressure.
   Countermeasures: EirGenix has established an experienced R&D team to continuously enter the market as early as possible with the development efficiency of new products (Biosimilar, Biobetter, etc.) through the improvement of R&D technology capabilities and to reduce the threat of price competition through the expansion of factories under the reduction of production costs. In addition, EirGenix has actively cooperated with local pharmaceutical companies to carry out clinical development, product production, and marketing.
c. For biotech products, such as biosimilars, the R&D time is long, and the fund investment is high.
   Countermeasures: EirGenix has evaluated the R&D of a series of new indications related to HER2 with its professional development capability so as to expand the product market effectively and continuously carry out product life cycle management; has also sought strategic alliances and shared with domestic and foreign partners, and combined with the capital market to ensure the smooth marketing of products

(2) Production Procedures of Main Products

A. Major Products and Their Main Uses

(A) EG12014

So far, there are three approved indications of Trastuzumab by the FDA of the United States, including the treatment of patients with early breast cancer (EBC), metastatic breast cancer (MBC), and metastatic gastric cancer (mGC) of HER2 overexpression or HER2 gene amplification. In early breast cancer (EBC), it includes (1) adjuvant therapy after surgery and chemotherapy (preoperative or postoperative). (2) Adjuvant therapy of Doxorubicin and Cyclophosphamide combined with Paclitaxel or Docetaxel. (3) Adjuvant therapy of Docetaxel combined with Carboplatin. (4) Preoperative chemotherapy and postoperative adjuvant therapy are used to treat locally advanced (including inflammatory) breast cancer or tumor (diameter > 2 cm); In metastatic breast cancer (MBC): (1) it is used alone for metastatic breast cancer that has been treated with chemotherapy once or more; Unless the patient is not suitable for using Anthracycline or Taxane, the previous chemotherapy should include at least Anthracycline or Taxane. It is used for patients positive in hormone receptors who have failed in hormone therapy unless the patient is not suitable for hormone therapy. (2) Combined with Paclitaxel or Docetaxel for patients with metastatic breast cancer that has not been treated with chemotherapy. (3) Combined with aromatic cyclase inhibitors for patients with hormone receptor-positive metastatic breast cancer; In metastatic gastric cancer (mGC), combined with

capecitabine (or 5-fluorouracil) and cisplatin for the treatment for metastatic gastric adenocarcinoma (or gastroesophageal junction adenocarcinoma) of HER2 over-expression that has not been treated with chemotherapy.

(B) EG12021

It is known that cancer cells can release growth factors, causing surrounding tissues to generate new blood vessels due to the action of growth factors, allowing cancer cells to obtain more nutrients for proliferation and spread. Therefore, inhibiting the vascular proliferation of cancer cells is one of the mechanisms for cancer treatment. As a cancer drug inhibiting tumor neovascularization, EG12021 is an IgG-1 anthropomorphic monoclonal antibody with a molecular weight of 149kDa; The drug can combine with vascular endothelial growth factor (VEGF) to further block neovascularization and tumor cell proliferation caused by the combination of VEGF and VEGF receptor on endothelial cells; The mechanism of action of the cancer drug is to inhibit angiogenesis and make tumor cells shrink due to lack of nutrients and oxygen; The therapeutic administration of EG12021 is combined with traditional chemotherapy drugs (such as 5-FU, paclitaxel, oxaliplatin, etc.), because EG12021 reduces the high interstitial fluid pressure of tumors, allowing chemotherapy drugs to enter tumor tissues and poison tumor cells. This special therapeutic mechanism enables the treatment of EG12021 to be applied and developed in diseases related to vascular hyperplasia

(C) TSY0110 (EG12043)

Antibody-drug conjugates (ADC) are undoubtedly the most selective anti-cancer therapy for tumors, but their performance is not protruding in drug delivery. Therefore, antibody-drug conjugates (ADC) need to be combined with powerful drugs. At present, ADCs are commonly combined with maytansinoids (T-DM1) and dolastatin analogs (brentuximab vedotin), which act on microtubules and can inhibit microtubule kinetics. Once reaching picomolar concentration (pM), these drugs can show super activity to inhibit cell growth; Therefore, ADC is expected to kill the enemy more effectively by accurately "targeting" these cytotoxic drugs into the anti-cancer battlefield. After T-DM1 passes the examination at an extremely fast speed, the research on ADC becomes hot.

(D) EG74032

It is mainly used in vaccine products and used as a carrier to make conjugate vaccines. There are many commercially available conjugate vaccines, including Pfizer's Prevnar® and Prevnar® 13, Wyeth/Pfizer's Meningitec® and Novartis's Menveo®. At present, as a variety of products have been approved as infectious disease vaccines in Europe and the United States, representing that regulatory organizations have no doubts about the safety and effectiveness of CRM197 in improving immunity, and the subsequent technical and regulatory risks of acting as the raw material of conjugate vaccines are small, much academic research and clinical development projects are in progress.

(E) EG62054

The active component of EG62054 can be used for the treatment of macular degeneration and cancer. Eylea, a marketed ophthalmic drug, has been approved by FDA for the treatment of many indications, such as macular degeneration, macular edema caused by diabetes, visual impairment caused by macular edema secondary to retinal vein occlusion. Zaltrap, a marketed drug with the same ingredient, can be used in combination with 5-Fluorouracil, Leucovorin, and Irinotecan-(FOLFIRI) to treat patients with metastatic colorectal cancer who have failed to respond to or got worse after the chemotherapy containing Oxaliplatin.

(F) EG1206A

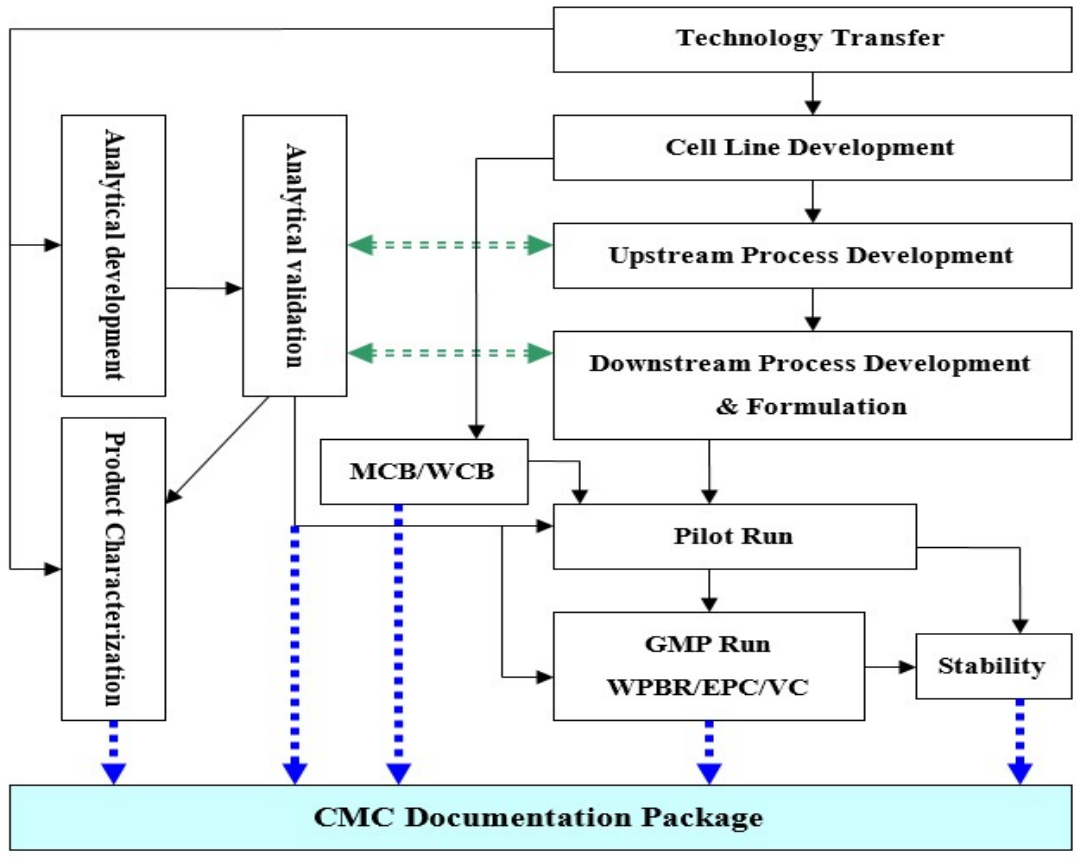
EG1206A is very promising in clinical efficacy and sales prospect. As the incidence of breast cancer tends to be younger year by year and the 5-year recurrence rate of HER2+ early breast cancer is 17~40%, the utilization rate of EG1206A will continue to grow. It is estimated that the market demand for this drug will gradually increase in the future.

(G) EG13074

It is a new subcutaneous injection dosage form of EG12014. At present, the indications of EG13074 are metastatic and early breast cancer. Since 2013, the annual sales have gradually increased. According to the global research report of the market research company IQVIA, in 2019, among the countries where Herceptin subcutaneous injection dosage forms have been marketed in Europe, many countries had reached a proportion of more than 40% Herceptin (in combination with lyophilized injection biosimilar and subcutaneous injection dosage form), Moreover, it was approved by FDA for marketing in the United States in February 2019.

B. Major Products and Their Production Processes

EirGenix's main core value in the product production process lies in the vertical integration of the upper, middle, and lower reaches of the industrial value chain. From cell line development and cell culture to process development and amplification to downstream product purification and drug stability analysis, EirGenix can master the industrial chain by itself, accurately master technology, and control costs.



Note: MCB/WCB (mother cell bank/working cell bank); WPBR (work production lot report); EPC (end production cell); VC (viral effectiveness)

(3) The supply situation for the company's major raw materials

EirGenix's main service items are bio-pharmaceutical contract development & manufacturing organization (CDMO) and self-developed monoclonal antibody bio-similar drugs. The main raw materials are culture medium, buffer solution, chromatographic resin, single-use filter element, packaging materials, etc. The supply sources shall conform to international medical standards. In order to ensure the stable supply of raw materials, an inventory of qualified manufacturers is established to ensure that other supply sources meet the quality requirements.

(4) A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the two most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures. Where the company is prohibited by contract from revealing the name of a client, or where a trading counterpart is an individual person who is not a related party, it may use a code in place of the actual name

A. Major Suppliers Information for the Last Two Calendar Years

As of the date of issuance for the annual report, the business of EirGenix is development of Biosimilars and new drugs, and the major revenue comes from CDMO.

Unit: NT$ thousands

Item	2020				2021				2022 Q1			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	%	Relation with Issuer	Company Name	Amount	%	Relation with Issuer
1	Pall Singapore	42,814	23.95	No	Life Tech	94,000	21.57	No	Merck	28,677	21.66	No
2	Merck	26,757	14.97	No	Merck	52,363	12.02	No	Pall Singapore	20,186	15.25	No
3	Life Tech	25,860	14.47	No	Sartorius	48,335	11.09	No	Mitek	17,400	13.14	No
4	Sartorius	18,474	10.33	No	Pall Singapore	47,459	10.89	No	Everscience	15,960	12.05	No
5	Others	64,860	36.28	No	Global Life Sciences	46,211	10.60	No	Global Life Sciences	13,862	10.47	No
6	-	-	-	-	Others	147,416	33.83	No	Others	36,324	27.43	No
	Net	178,765	100	No	Net	435,784	100	No	Net	132,409	100	No

	Purchases				Purchases				Purchases			

Description of change:

EirGenix and its subsidiary mainly provide biopharmaceutical contract development & manufacturing organization (CDMO) business, and raw materials are mainly purchased according to the progress of each production process. Therefore, the main suppliers set different purchase prices according to the progress of their cases every year.

The industries of EirGenix and its subsidiary are bio-similar drug research and development and CDMO services. The main items purchased are protein ion exchange resin, culture medium, culture bag, filter element, reagent, and general consumables. In order to ensure stable supply quality and consistent comparison basis of experimental data, and some raw materials will be purchased from specific manufacturers according to project requirements. Raw materials cannot be arbitrarily changed in each process stage to avoid affecting test results, so it is a characteristic of the industry that a designated supplier supplies a single source of raw materials. Among the suppliers, Pall Singapore mainly supplies some cell culture medium and purified colloid. Merck mainly supplies reagents and culture bags, and Life Tech mainly supplies culture medium. All three companies are internationally renowned biotechnology research and development factories. Apart from good quality and stable supply, they can also provide relevant data and technical support and supporting documents required for drug inspection and registration.

In the development of the Company's products, the applicability of the products is still used to test and screen the required raw materials. Except for some CDMO customers who demand specified materials, the raw materials selected by the Company will be put into production lines only after research and development tests and evaluations. The raw materials of the three major companies are on the candidate list and have no absolute dependence.

Major international biotech factories have a stable supply. If there is any commodity shutdown for the project to be shut down, they will announce in advance and propose alternative commodity schemes and provide sample tests to solve the risk of refueling or material cut-off connection. At present, the newly developed cases of EirGenix and its subsidiary, the medium protein ion exchange resin, colloid, filter, and bag, have been successfully replaced by other brands. The raw materials selected by the Company can be put into the production line only after research and development tests and evaluations. Consider providing customers with better quality and competitive advantages in price, and increasing alternative applicable materials of suppliers, research and development units will also consider using other alternative products or collecting relevant information on products in the market at the initial stage of research and development or testing, so as to cope with and reduce the risk of over-reliance on specific manufacturers.

If there are supply risks in the future, the Company has the ability to select suitable alternative materials from other supply brands through the research and development technology platform to reduce the risks and make the supply risks within the controllable range.

B. Major Clients Information for the Last Two Calendar Years

Unit: NT$ thousands

Item	2020				2021				2022 Q1			
	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer	Company Name	Amount	Percent	Relation with Issuer
1	Company SA	460,799	42.99	No	Company SA	496,089	29.23	No	Company SA	189,814	52.50	No
2	Company BO	122,013	11.38	No	Company MV	355,074	20.92	No	Others	171,732	47.50	No
3	Others	489,026	45.63	No	Company BO	283,557	16.71	No	-	-	-	-
4	-	-	-	-	Others	562,639	33.14	No	-	-	-	-
	Net Sales	1,071,838	100	No	Net Sales	1,697,359	100	No	Net Sales	361,546	100	No

Description of change:

At present, the main source of income for EirGenix and its subsidiary is the bio-pharmaceutical contract development & manufacturing organization (CDMO). As service income and GMP production are recognized according to various contracts, services provided, or undergoing production progress, the sales amount of major sales clients varies according to the progress of their cases each year. In addition, in April 2019, the Company signed a license agreement for the co-development of the breast cancer biosimilar EG12014 (Trastuzumab Biosimilar) with SA. By the end of 2021, the Company had completed the requirements of milestones from Phase I to Phase IV. Therefore, the revenues of contract payment and milestone payment from Phase I to Phase IV were recognized in stages in accordance to standard accounting procedures.

All revenues from the main clients of EirGenix and its subsidiary are presently recognized as the revenue from development and manufacturing services, except for the revenue from the license agreement for the co-development gradually recognized

with SA over time. At present, for the development and manufacturing services commissioned by clients, the service contents include the preliminary development work and the back-end GMP production, including process verification and verification work. Several clients are close to the listing stage and are also discussing the long-term production of future listing supply. Once the client's products are successfully listed, it is expected to have a long-term stable income from said product supply. As revenue is still growing in the past few years, in the future, with the launch of production plants year by year, the Company will look for potential clients of later products and products to be marketed closely and continue to maintain stable, productive creation and considerable revenue. At the same time, the continuous expansion of foreign cases is also a medium-term plan to create value. It is obvious that European and American clients are increasing year by year. Due to its characteristics, if a good client relationship is well maintained and quality is ensured, then it is also the key way to obtain stable considerable revenue. In addition to client maintenance, EirGenix and its subsidiary have also obtained the certification of foreign factories from Japan's Ministry of Health, Labour, and Welfare. It is expected that in the future, they will gradually obtain internationally important legal certifications from the European Union, the United States, and other countries, which will be more conducive to accelerating the growth of revenue.

(5) An indication of the production volume for the two most recent fiscal year

The Company is a CDMO company, and its output value is determined according to the work items of the commissioned case, and there are no products with fixed mass production. The self-developed bio-similar drug products are still in the research and development stage and have not been officially mass-produced and sold, so they are not applicable.

(6) An indication of the volume of units sold for the two most recent fiscal year

Unit: NT$ thousands

Volume / Year / Major goods	2020				2021			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Service Revenue	-	195,327	-	377,017	-	540,230	-	324,285
Sales Revenue	-	34,451	-	4,244	-	71,578	-	265,177
Licensing Revenue	-	-	-	460,799	-	-	-	496,089
Total	-	229,778	-	842,060	-	611,808	-	1,085,551

Description of change:

The major revenue of EirGenix is a CDMO business, and its output value is determined according to the work items of the commissioned case, and there are no products with fixed mass production. Due to EirGenix increases the contract from current clients and finds new clients to make the performance grow stably. In April 2019, EirGenix Inc. signed a global licensing agreement for EG12014 (Trastuzumab Biosimilar) with Sandoz AG. As of the 2022 Q1, EirGenix has received the signing fee and fulfilled the requirements of its first to the fourth milestone; the revenue from the milestone payment will be recognized in stages in accordance with standard accounting procedures.

3. The number of employees employed for the two most recent fiscal years and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels

Unit: Person; age; years;%

Year		2020	2021	2022 until the end of April
Employees	Management	14	17	19
	Supervisor	22	20	21
	Staff	203	266	303
	Total	239	303	343
Average Years of Age		36.30	36.29	36.2
Average Tears of Service		3.08	2.93	2.85
Education	Ph.D.	10.9	9.9	9.04
	Master’s	66.1	65.7	67.93
	Bachelor’s	23	24.4	23.03
	High School	0	0	0

4. Disbursements for Environmental Protection

(1) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental

pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

Since its establishment, EirGenix has been committed to environmental protection, which complies with relevant laws and policies of government on environmental protection. Therefore, the Company has not had any environmental pollution as of the date of issuance for the annual report in the last two years. In the future, the Company will continue to adhere to its consistent philosophy to maintain the best environmental protection results.

5. Labor Relations

(1) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests

A. Employee Reward System

The Company rewards system relates to employee individual performance, his/her contribution to the company, and his/her personal work profession and job levels, as well as the Company's business performance. While the Company is profitable in the current year, 1-5% of the Company annual profit shall be issued to employees as a reward. Employee compensation consists of three parts: salary, bonus, and welfare. Employee salary is related to his/her work profession and position, while the bonus is connected to individual performance, department contribution, and annual company business performance results. As for welfare to employees, it must be not only in compliance with laws and regulations from the government and also designed to meet employee's needs from all aspects. The Company also issues stock-related rewards as welfare, such as Employee Stock Options, Restricted Stock Units, IPO/SPO reserved stock options for employees. All these non-cash rewards to employees are provided to share our accomplishments and also to retain and grow with employees. The company's average salary was adjusted to 2%~6% in 2021.

B. Workplace diversity and equality

Males and females at the Company enjoy equal pay for equal work and equal promotion opportunities. In 2021, the average percentage of female employees is 42.9%, and the average percentage of female managerial personnel is 31.7%.

C. Employee Welfare

(A) In order to promote employee physical and mental health to reach the work-and-life balance, the Company holds an inhouse Employee Welfare Committee according to the Employee Welfare Fund Act. The Company appropriates funds for the Committee to handle welfare issues for employees to promote internal morale and a cozy work environment.

(B) Employee Leave Policy – Superior to the regulated standards of Labor Standards Act and the Regulations of Leave-Taking of Workers
   a. Paid leave available since employee's Day 1.
   b. Paid family care leave.
   c. Other than a and b, the regulations of government are the baseline.

(C) Other benefits include flexibility of starting and finishing daily working time, wedding leave, funeral leave, hospitalization allowance, maternity allowance, pregnancy leave, employee lunch allowance, department teambuilding feasts, transportation allowance, welfare committee activities, employee outing allowance, lottery draw in the annual feast, group insurance, and occupational injury insurance.

D. Training and Development

Starting from the beliefs in lifelong learning, the Company provides learning for positive inter-promotion between work effectiveness, quality, and efficiency. The training program is annually planned to provide employee pre-service and on-the-job training. In addition to the 1st-day training for the newcomer to the Company, it covers three training topics, including professional, leadership and management, and core competency. Through these training courses, the profession of talents, the employee morale to the Company, and the competitiveness of the Company in the global industry are expected to develop in the meantime.

EIRGer's Learning Center is built to shape the EirGenix into a learning organization. Also known as ELC, it provides the employees with diversified training courses annually. Professional courses take the majority and follow with leadership program and core competency training:

(A) Experts Program. The training covers professional topics such as cGMP, CMC, biologics, and manufacturing.
(B) Leadership Program. This program is designed for the current managers and potential supervisors, in which management skills, team building, communication, coaching, strategical thinking, and leadership mindset are provided.

(C) Common Knowledge Program, as known as core competency training, in which ELC intends to build up morale and teamwork for employees, and also most common knowledge education and training courses are designed to develop employees.

In 2021, ELC offered 17 courses over 84-course hours, with a total of 1,408 participants and a total of 4,636 study hours.

E. Retirement Policy

Employees may apply for retirement under any of the following conditions:

(A) Where the employee attains the age of 55 and has worked for 15 years.

(B) Where the employee has worked for more than 25 years.

(C) Where the employee attains the age of 60 and has worked for 10 years.

In compliance with the Labor Pension Act and the "Monthly Contribution Classification of Labor Pension" issued by the government, the Company has the obligations to bear pension contribution amounts for each employee no less than 6% of his/her monthly salary and save in his/her personal pension account. Since the establishment of the Company, one employee has retired, and retirement-related matters have been handled in accordance with the provisions of the Labor Pension Act.

The Company has set up a benefits trust fund program, which inspires employees through linking long-term benefit plans with the Company's operating performance.

F. Labor-Management Dispute

The Company communicates with employees not only through Town Hall Meeting and Labor-Management Meeting but also through internal emails, office displays, and suggestion boxes for employees to provide their opinions at any time. The Company also meets the needs of employees in a timely manner through communication, education, and incentive mechanisms. The Company has not had any dispute between employers and employees requiring settlements in 2021.

G. Other Employee Rights Mechanism

The Company has a sound system, which sets out various management policies, specifies the employee rights, obligations, and welfare, and regularly reviews and revises the welfare contents to safeguard the rights and interests of all employees.

(2) List any losses suffered by the company in the most recent two fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided:

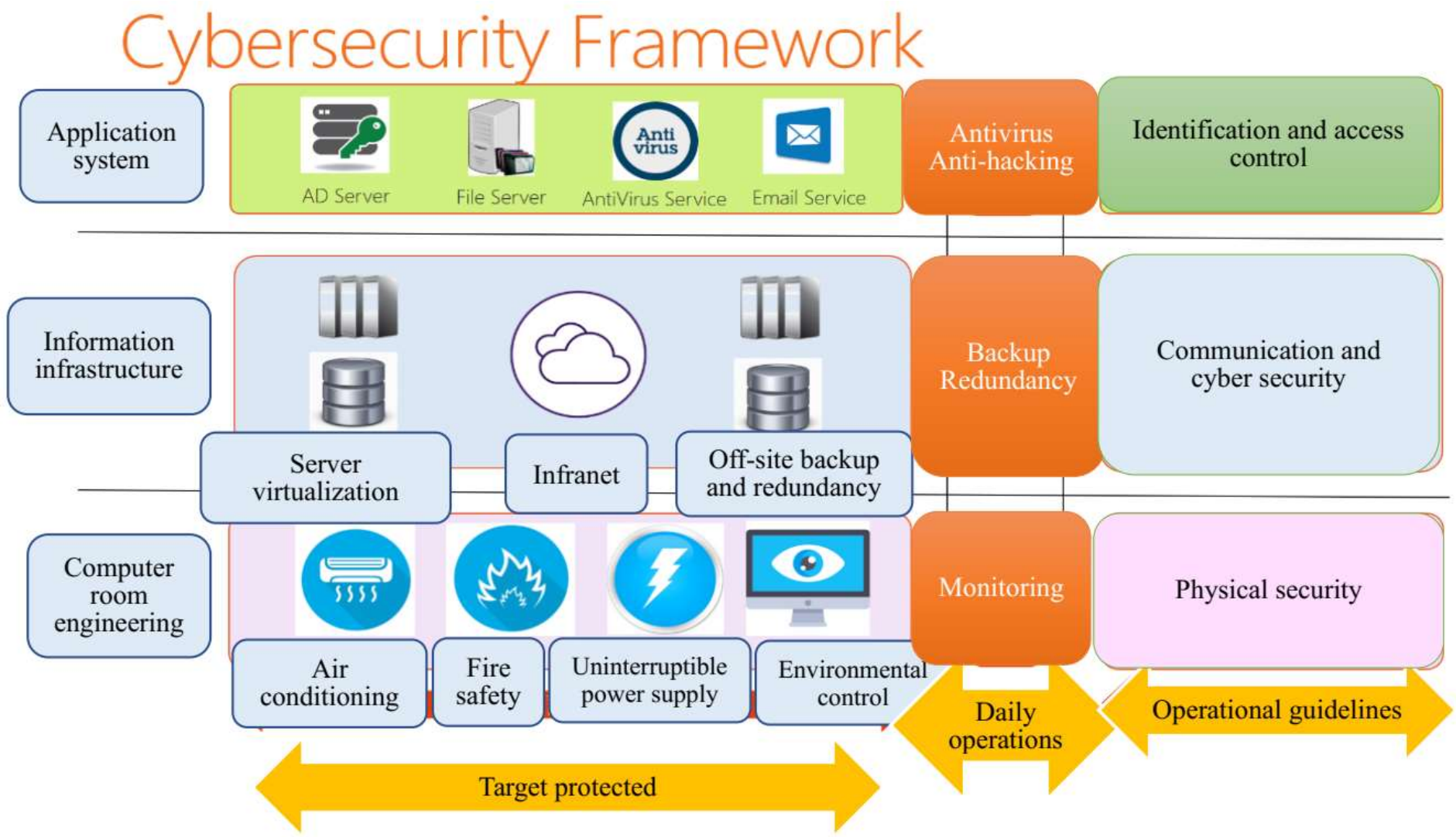
Since the establishment, the Company's labor relations have been harmonious without any loss caused by the labor-management dispute. In the future, both employees and the Company should complement each other and grow together to manage the relationships with the heart to avoid the risks of loss caused by the labor-management dispute.

6. Cyber security management

The Company has included information security in the annual audit project, regularly reviewed and evaluated security measures, and regularly changed various security settings, while updating the system and working with professional vendors to ensure information and network security. Furthermore, to ensure that our information system can continue to provide stable services, we have established various redundancy mechanisms and backup systems and improved relevant processes as appropriate and upgraded computer software and hardware in response. The Information Technology Department often sends information security information to employees via emails and reported information security issues to the Board on March 22, 2022.

(1) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

We have also established an information security risk management framework to reduce the risk of unknown information security threats caused by changes in the internal and external information environment. To reduce the unknown information security risks caused by new information technologies adopted and changes in the external environment, the Information Technology Department is responsible for coordinating information security and relevant matters and formulating internal information security plans. After such plans are approved, the department should conduct information security risk management as per the standard operating procedures, regularly examine internal information security, raise personnel’s awareness of information security, and perform information security drills. The Company's information security framework is designed in a layered manner, and the structure is as follows:



It aims to achieve the purpose of corporate sustainable development, ensure the effective operations of the Company's information systems to support the normal operations of various business activities, and ensure continuous operations to minimize operating losses. When all employees of the Company use information-related systems, this information security management policy is used as the basis for management and compliance.

The information system security policy is divided into the aspects below:

a. System and regulations: Update relevant information security management regulations, infrastructure, systems, and information security protection technologies in line with relevant laws and regulations and changes in the Company's business and information technologies, to maintain the confidentiality, integrity, and availability of our important information systems, and continuously protect information from various threats. The permissions management and changes of the important information systems should be recorded as a basis for auditing.

b. Information technology management: Update and evaluate information systems in real time and execute necessary control measures to ensure the security of data, systems, networks, and information infrastructure.

c. Personnel and organization: The Information Technology Department should offer information security education and training to raise internal personnel’s awareness of information security and improve their relevant professional skills.

The Company actively strengthens the security of the overall information system. Relevant matters, from the information security regulations to the design of information infrastructure, system maintenance and upgrading, professional personnel’s training, and raising of employees’ awareness of information security, are all included in the scope of information security. We self-examine information security every year to see if relevant systems are aligned with the changes in the environment and make timely adjustments according to needs. We adopted the Taiwan Intellectual Property Management System (TIPS) in 2021 to strengthen the management of the Company's confidential information. Our specific information security management measures implemented are as follows:

Category	Description	Operating method
Permissions management	Personnel and group accounts and verification methods management, permissions management, and system management permissions	● Personnel accounts management operations should proceed or be changed after an application is filed and approved by responsible managers in accordance with the operating procedures. Each user's use permissions should be immediately revoked after resignation or job change to prevent unauthorized access. ● Regularly review system-related permissions. ● Manage system account life cycle and permissions accounts.

Category	Description	Operating method
	management	● Adopt multi-factor authentication and designated login to manage important systems.
Access management	Data flow control and auditing, physical equipment access management, audit records, and incident investigation	● Revise data flows into and out of important information systems and keep records of the access for auditing. ● Conduct physical security protection of the information system console. ● Analyze audit records and issue automatic warnings of abnormalities. ● Identify the information security level according to the importance and the degree of risk. ● Adopt digital rights management technology for important files to control the data flow to avoid unauthorized access.
Threat and risk management	Rate the information risks that may be caused by internal employees, external personnel, and potential vulnerabilities in the systems and take measures to reduce risks	● Standardize the user's computer preset. ● Launch operating regulations for external vendors to access the Company's information systems. ● Launch risk assessment procedures for adoption of new technologies. ● Deploy multiple brands' multi-layer firewalls and cloud email filtering to reduce the chance of external cyber attacks and intrusion of phishing emails. ● Strengthen endpoint security, regularly update users' computers, and install antivirus software. ● Regularly offer information security education and training to improve personnel's awareness of information security .
System integrity and availability management	Maintain the availability and integrity of data and systems to resume normal operations in the event of a disaster or damage	● The host has been virtualized in a cluster to improve the availability of systems. ● Adopt large storage devices, regularly automate on-site and off-site backups, and perform recovery tests as planned to ensure the integrity and availability of systems. ● Adopt multiple redundancy mechanisms for infrastructure, multiple UPS systems with automatic generators, N+1 and 1+1 fan coil units, as well as multiple redundancy measures for internal and external network wires and equipment to reduce the chance of information service interruption.

(2) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

7. Important Contracts

Type of Agreement	Counterparty	Period	Major Contents	Restrictions
Lease contract	Department Center for Biotechnology	2018/4～2023/3	Lease offices, laboratories, and plants	No
Lease contract	Hsinchu Science Park Bureau, Ministry of Science and Technology	2016/11~2036/11	Lease the land for plant construction in Biomedical Park	No
CDMO	Company O	2019/1 until the production and sales to this project	Accept commissioned process development and recombinant protein GMP production	No
CDMO	Company HB	Form 2020/5 until the project complete the IND application	Accept commissioned cell line development, process development and recombinant protein and antibody GMP production	No
CDMO	Company G	2021/4 until project completion	Recombinant GMP production	No
CDMO	Company MV	2021/4 until project completion	Recombinant protein GMP production	No
CDMO	Company GN	2021/4 until project completion	Tech transfer, process development & GMP production	No
CDMO	Company BO	2021/5 until project completion	Sale of antibody drug substance for clinical trials	No
CDMO	Company MV	2021/11 until project	Recombinant protein GMP production	No

Type of Agreement	Counterparty	Period	Major Contents	Restrictions
		completion		
CDMO	Company AS	2021/9 until IND application	Process development and GMP production	No
CDMO	Company HB	2021/2 until project completion	Recombinant protein 1,000L GMP Production	No
CDMO	Company HB	2021/2 until project completion	Recombinant protein 1,000L GMP Production	No
CDMO	Company OM	2022/1 until project completion	Tech transfer, process development & GMP production	No
CDMO	Company AP	2022/3 until project completion	Tech transfer, process development & GMP production	No
License agreement for sales	Company SA	2019/4~	Grant the exclusive rights to globally commercialize the biosimilar EG12014 in all markets excluding China and Taiwan.	In accordance with that contract
Credit contract	Hua Nan Commercial Bank Ltd	2022/2~2027/3	Establishment of Facility and Production Equipment.	The funds are used to purchase machinery and equipment.

VI. Financial Information

1. Condensed balance sheets and income statements for the past five fiscal years, showing the name of the auditor CPA and the auditor CPA's opinion given

(1) Condensed Balance Sheet – Based on IFRS

A. Condensed Balance Sheet- Consolidated

Unit: NT$ thousands

Items \ Years		Financial Summary for The Last Five Years					
		2017	2018	2019	2020	2021	Until Mar. 31st, 2022
Current assets					1,494,307	9,070,266	8,915,376
Property, Plant and Equipment					1,851,850	1,886,824	1,950,390
Intangible assets					33,129	19,553	16,642
Other assets					455,929	464,230	745,883
Total assets					3,835,215	11,440,873	11,628,291
Current liabilities	Before distribution				642,163	703,216	628,942
	After distribution				642,163	703,216	Not dicided yet
Non-current liabilities					1,287,435	308,906	357,271
Total liabilities	Before distribution				1,929,598	1,012,122	986,213
	After distribution				1,929,598	1,012,122	Not dicided yet
Equity attributable to shareholders of the parent					1,905,617	10,428,751	10,642,078
Capital stock					2,063,751	3,003,845	3,029,129
Capital surplus					2,813,974	10,475,952	10,586,641
Retained earnings	Before distribution				(2,930,919)	(2,973,500)	(2,959,648)
	After distribution				(2,930,919)	(2,973,500)	Not dicided yet
Other equity interest					(41,189)	(77,546)	(14,044)
Treasury stock					-	-	-
Non-controlling interest					-	-	-
Total equity	Before distribution				1,905,617	10,428,751	10,642,078
	After distribution				1,905,617	10,428,751	Not dicided yet

Note : The financial data for the most recent years has been audited and attested by CPAs.

B. Condensed Balance Sheet- Individual

Unit: NT$ thousands

Item \ Years		Financial Summary for The Last Five Years				
		2017	2018	2019	2020	2021
Current assets		824,281	1,237,397	1,048,257	1,491,466	9,064,044
Property, Plant and Equipment		740,541	1,628,384	1,878,776	1,851,325	1,885,858
Intangible assets		61,013	53,914	42,434	32,840	19,553
Other assets		69,536	55,583	448,318	456,627	466,522
Total assets		1,695,371	2,975,278	3,417,785	3,832,258	11,435,977
Current liabilities	Before distribution	341,484	286,370	480,325	639,798	698,320
	After distribution	341,484	286,370	480,325	639,798	698,320
Non-current liabilities		209,073	601,203	1,082,589	1,286,843	308,906
Total liabilities	Before distribution	550,557	887,573	1,562,914	1,926,641	1,007,226
	After distribution	550,557	887,573	1,562,914	1,926,641	1,007,226
Equity attributable to shareholders of the parent		1,144,814	2,087,705	1,854,871	1,905,617	10,428,751

Capital stock		1,032,991	1,490,664	1,693,041	2,063,751	3,003,845
Capital surplus		785,618	1,633,288	2,055,782	2,813,974	10,475,952
Retained earnings	Before distribution	(660,536)	(1,028,324)	(1,889,249)	(2,930,919)	(2,973,500)
	After distribution	(660,536)	(1,028,324)	(1,889,249)	(2,930,919)	(2,973,500)
Other equity interest		(13,259)	(7,923)	(4,703)	(41,189)	(77,546)
Treasury stock		-	-	-	-	-
Non-controlling interest		-	-	-	-	-
Total equity	Before distribution	1,144,814	2,087,705	1,854,871	1,905,617	10,428,751
	After distribution	1,144,814	2,087,705	1,854,871	1,905,617	10,428,751

Note : The financial data for the most recent years has been audited and attested by CPAs.

(2) Condensed Statement of Comprehensive Income – Based on IFRS

1. Condensed Statement of Comprehensive Income- Consolidated

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years					
	2017	2018	2019	2020	2021	Until Mar. 31st, 2022
Operating revenue				1,071,838	1,697,359	361,546
Gross profit				750,667	1,093,054	245,645
Income (Loss) from operations				(986,004)	(58,311)	(35,193)
Non-operating income and expenses				(55,319)	17,146	49,381
Income (Loss) before tax				(1,041,323)	(41,165)	14,188
Income (Loss) from Continuing Operation				(1,041,670)	(42,581)	13,852
Income (Loss) from Discontinued Operation				-	-	-
Net income (Loss)				(1,041,670)	(42,581)	13,852
Other comprehensive income (income after tax)				259	5,335	41,412
Total comprehensive income (Loss)				(1,041,411)	(37,246)	55,264
Net income attributable to shareholders of the parent				(1,041,670)	(42,581)	13,852
Net income attributable to non-controlling interest				-	-	-
Comprehensive income attributable to Shareholders of the parent				(1,041,411)	(37,246)	55,264
Comprehensive income attributable to non-controlling interest				-	-	-
Earnings per share				(5.41)	(0.18)	0.05

Note : The financial data for the most recent years has been audited and attested by CPAs.

2. Condensed Statement of Comprehensive Income- Individual

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years				
	2017	2018	2019	2020	2021
Operating revenue	297,866	282,209	476,085	1,071,838	1,697,359
Gross profit	115,199	79,223	254,667	750,667	1,093,054
Income (Loss) from operations	(175,043)	(376,477)	(847,671)	(987,766)	(60,518)
Non-operating income and expenses	44	8,655	(13,254)	(53,557)	18,126
Income (Loss) before tax	(174,999)	(367,822)	(860,925)	(1,041,323)	(42,392)
Income (Loss) from Continuing Operation	(174,855)	(367,788)	(860,925)	(1,041,670)	(42,581)
Income (Loss) from Discontinued Operation	-	-	-	-	-

Item \ Year	Financial Summary for The Last Five Years				
	2017	2018	2019	2020	2021
Net income (Loss)	(174,855)	(367,788)	(860,925)	(1,041,670)	(42,581)
Other comprehensive income (income after tax)	-	-	-	259	5,335
Total comprehensive income (Loss)	(174,855)	(367,788)	(860,925)	(1,041,411)	(37,246)
Net income attributable to shareholders of the parent	(174,855)	(367,788)	(860,925)	(1,041,670)	(42,581)
Net income attributable to non-controlling interest	-	-	-	-	-
Comprehensive income attributable to Shareholders of the parent	(174,855)	(367,788)	(860,925)	(1,041,411)	(37,246)
Comprehensive income attributable to non-controlling interest	-	-	-	-	-
Earnings per share	(1.70)	(2.97)	(5.39)	(5.41)	(0.18)

Note : The financial data for the most recent years has been audited and attested by CPAs.

(3) Auditors' Opinions from 2017 to 2021

Year	CPA	Accounting Firm	Audit Opinion
2017	Shu-Fen Yu、Hui-Chin Tseng	PricewaterhouseCoopers Taiwan	Unmodified Opinion
2018	Shu-Fen Yu、Hui-Chin Tseng	PricewaterhouseCoopers Taiwan	Unmodified Opinion
2019	Shu-Fen Yu、Hui-Chin Tseng	PricewaterhouseCoopers Taiwan	Unmodified Opinion
2020	Sheng-Wei Deng、Shu-Fen Yu	PricewaterhouseCoopers Taiwan	Unmodified Opinion
2021	Sheng-Wei Deng、Yu-Fang Yen	PricewaterhouseCoopers Taiwan	Unmodified Opinion

2. Five-Year Financial Analysis

(1) Consolidated Financial Analysis – Based on IFRS

Items for Analysis \ Year		Financial Analysis for the Most Recent Five Years					
		2017	2018	2019	2020	2021	2022 Q1
Financial structure	Debt Ratio (%)				50.31	8.85	8.48
	Ratio of long-term capital to property, plant and equipment (%)				172.42	569.09	563.96
Solvency	Current ratio (%)				232.70	1,289.83	1,417.52
	Quick ratio (%)				195.19	1,215.91	1,312.19
	Interest coverage ratio				-	-	704.00
Operating Ability	Receivables turnover rate (times)				7.92	19.54	16.35
	Average collection days for receivables				46.09	18.68	22.32
	Inventory turnover rate (times)				1.98	2.10	0.96
	Payables turnover rate (times)				11.08	9.47	4.40
	Average days for sale				184.34	173.81	380.21
	Property, plant and equipment turnover (times)				0.57	0.91	0.75
	Total assets turnover rate (times)				0.30	0.22	0.13
Profitability	Return on assets (%)				(28.10)	(0.34)	0.55
	Return on equity (%)				(55.40)	(0.69)	0.53
	Ratio of income before tax to paid-in capital				(50.46)	(1.37)	1.87

Items for Analysis \ Year		Financial Analysis for the Most Recent Five Years					
		2017	2018	2019	2020	2021	2022 Q1
	(%)						
	Profit margin before tax (%)				(97.19)	(2.51)	3.83
	Earnings per share (NT$)				(5.41)	(0.18)	0.05
Cash flow	Cash flow ratio (%)				-	-	-
	Cash flow adequacy ratio (%)				-	-	-
	Cash reinvestment ratio (%)				-	-	-
Leverage	Operating leverage				-	-	-
	Financial leverage				-	-	-

Analysis of financial ratio differences for the last two years (2020 & 2021) (Increase or decrease over 20%):

1. Debt Ratio: Mainly due to the repayment of the joint loan in advance to reduce the interest expenses.
2. Ratio of long-term capital to property, plant and equipment: The high level of capital is mainly due to the completion of the cash capital increase in May 2021 and the private placement in Oct 2021.
3. Current ratio: The high level of capital is mainly due to the completion of the cash capital increase in May 2021 and the private placement in Oct 2021.
4. Quick ratio: The high level of capital is mainly due to the completion of the cash capital increase in May 2021 and the private placement in Oct 2021.
5. Receivables turnover rate (times) and Average collection days for receivables: Mainly due to the operating revenue increase in 2021.
6. Property, plant and equipment turnover (times): Mainly due to the operating revenue increase in 2021.
7. Total assets turnover rate (times): The asset increases significantly, and the operating revenue increases in 2021.
8. Return on assets: Mainly due to the net loss before tax decrease in 2021.
9. Return on equity: Mainly due to the net loss before tax decrease in 2021.
10. Ratio of income before tax to paid-in capital: Mainly due to the net loss before tax decrease in 2021.
11. Profit margin before tax: Mainly due to the R&D expenses decrease and the operating revenue increases in 2021.

Note: The following calculation formulas shall be listed at the end of this Table in the annual report:

A. Financial Structure

(A) Debt-asset ratio = total liabilities / total assets

(B) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net worth of property, plant and equipment

B. Solvency

(A) Current ratio = current assets / current liabilities

(B) Quick ratio = (current assets – inventory – prepaid expenses) / current liabilities

(C) Interest coverage ratio = income before income tax and interest expenses / current interest

C. Operating ability

(A) Receivables (including accounts receivable and notes receivable arising from business operations) turnover rate = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period

(B) Average collection days for receivables = 365 / receivables turnover rate

(C) Inventory turnover rate = cost of sales / average inventory

(D) Payables (including accounts payable and notes payable arising from business operations) turnover rate = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period

(E) Average days of sale = 365 / inventory turnover rate

(F) Property, plant and equipment turnover rate = net sales / average net worth of property, plant and equipment

(G) Total asset turnover rate = net sales / average total assets

D. Profitability

(A) Return on assets = [net income + interest expenses (1- tax rate)] / average total assets

(B) Return on equity = net income / average total equity

(C) Profit margin before tax = net income / net sales

(D) Earnings per share = (profit and loss attributable to owners of the parent – dividends on preferred shares) / weighted average number of issued shares (Note 4)

E. Cash flow

(A) Cash flow ratio = Net cash flow from operating activities / current liabilities

(B) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend)

(C) Cash flow reinvestment ratio = (Net cash flow from operating activities – cash dividend) / gross property, plant and equipment value + long-term investment + other non-current assets + working capital)

F. Leveraging

(A) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income

(B) Financial leverage = operating income / (operating income / interest expenses)

(2) Individual Financial Analysis – Based on IFRS

Items for Analysis (Note 1) \ Year		Financial Analysis for the Most Recent Five Years				
		2017	2018	2019	2020	2021
Financial structure	Debt Ratio (%)	32.47	29.83	45.73	50.27	8.81
	Ratio of long-term capital to property, plant and equipment (%)	182.82	165.13	156.35	172.44	569.38
Solvency	Current ratio (%)	241.38	432.10	218.24	233.12	1,297.98
	Quick ratio (%)	212.74	347.79	112.01	195.54	1,223.59
	Interest coverage ratio	-	-	-	-	-
Operating Ability	Receivables turnover rate (times)	2.56	2.28	5.20	7.92	19.54
	Average collection days for receivables	142.58	160.09	70.19	46.09	18.68
	Inventory turnover rate (times)	3.25	3.76	2.16	1.98	2.10
	Payables turnover rate (times)	31.75	35.60	17.85	11.08	9.47
	Average days for sale	112.31	97.07	168.98	184.34	173.81
	Property, plant and equipment turnover (times)	0.62	0.24	0.27	0.57	0.91
	Property, plant and equipment turnover (times)	0.19	0.12	0.15	0.30	0.22
Profitability	Return on assets (%)	(11.04)	(15.70)	(26.47)	(28.11)	(0.34)
	Return on equity (%)	(14.27)	(22.76)	(43.67)	(55.40)	(0.69)
	Ratio of income before tax to paid-in capital (%)	(16.94)	(24.68)	(50.85)	(55.46)	(1.41)
	Profit margin before tax (%)	(58.70)	(130.32)	(180.83)	(97.19)	(2.51)
	Earnings per share (NT$)	(1.70)	(2.97)	(5.39)	(5.41)	(0.18)
Cash flow	Cash flow ratio (%)	-	-	-	-	-
	Cash flow adequacy ratio (%)	-	-	-	-	-
	Cash reinvestment ratio (%)	-	-	-	-	-
Leverage	Operating leverage	-	-	-	-	-
	Financial leverage	-	-	-	-	-

Year / Items for Analysis (Note 1)	Financial Analysis for the Most Recent Five Years				
	2017	2018	2019	2020	2021
Analysis of financial ratio differences for the last two years (2020& 2021) (Increase or decrease over 20%): 1. Debt Ratio: Mainly due to the repayment of the joint loan in advance to reduce the interest expenses. 2. Ratio of long-term capital to property, plant and equipment: The high level of capital is mainly due to the completion of the cash capital increase in May 2021 and the private placement in Oct 2021. 3. Current ratio: The high level of capital is mainly due to the completion of the cash capital increase in May 2021 and the private placement in Oct 2021. 4. Quick ratio: The high level of capital is mainly due to the completion of the cash capital increase in May 2021 and the private placement in Oct 2021. 5. Receivables turnover rate (times) and Average collection days for receivables: Mainly due to the operating revenue increase in 2021. 6. Property, plant and equipment turnover (times): Mainly due to the operating revenue increase in 2021. 7. Total assets turnover rate (times): The asset increases significantly, and the operating revenue increases in 2021. 8. Return on assets: Mainly due to the net loss before tax decrease in 2021. 9. Return on equity: Mainly due to the net loss before tax decrease in 2021. 10. Ratio of income before tax to paid-in capital: Mainly due to the net loss before tax decrease in 2021. 11. Profit margin before tax: Mainly due to the R&D expenses decrease and the operating revenue increases in 2021.					

Note 1: The following calculation formulas shall be listed at the end of this Table in the annual report:

A. Financial Structure

(A) Debt-asset ratio = total liabilities / total assets

(B) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net worth of property, plant and equipment

B. Solvency

(A) Current ratio = current assets / current liabilities

(B) Quick ratio = (current assets – inventory – prepaid expenses) / current liabilities

(C) Interest coverage ratio = income before income tax and interest expenses / current interest

C. Operating ability

(A) Receivables (including accounts receivable and notes receivable arising from business operations) turnover rate = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period

(B) Average collection days for receivables = 365 / receivables turnover rate

(C) Inventory turnover rate = cost of sales / average inventory

(D) Payables (including accounts payable and notes payable arising from business operations) turnover rate = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period

(E) Average days of sale = 365 / inventory turnover rate

(F) Property, plant and equipment turnover rate = net sales / average net worth of property, plant and equipment

(G) Total asset turnover rate = net sales / average total assets

D. Profitability

(A) Return on assets = [net income + interest expenses (1- tax rate)] / average total assets

(B) Return on equity = net income / average total equity

(C) Profit margin before tax = net income / net sales

(D) Earnings per share = (profit and loss attributable to owners of the parent – dividends on preferred shares) / weighted average number of issued shares (Note 4)

E. Cash flow

(A) Cash flow ratio = Net cash flow from operating activities / current liabilities

(B) Net cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (capital expenditures + inventory increase + cash dividend)

(C) Cash flow reinvestment ratio = (Net cash flow from operating activities – cash dividend) / gross property, plant and equipment value + long-term investment + other non-current assets + working capital)

F. Leveraging

(A) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income

(B) Financial leverage = operating income / (operating income / interest expenses)

Note 2: When the above formula for calculation of earnings per share is used during measurement, give special attention to the following matters:

A. Measurement should be based on the weighted average number of common shares, not the number of issued shares at year end.

B. In any case where there is a cash capital increase or treasury stock transaction, the period of time in circulation shall be considered in calculating the weighted average number of shares.

C. In the case of capital increase out of earnings or capital surplus, the calculation of earnings per share for the past fiscal year and the fiscal half-year shall be retrospectively adjusted based on the capital increase ratio, without the need to consider the issuance period for the capital increase.

D. If the preferred shares are non-convertible cumulative preferred shares, the dividend of the current year (whether issued or not) shall be subtracted from the net profit after tax or added to the net loss after tax. In the case of non-cumulative preferred shares, if there is net profit after tax, dividend on preferred shares shall be subtracted from the net profit after tax; if there is loss, then no adjustment need be made.

Note 3: Give special attention to the following matters when carrying out cash flow analysis:

A. Net cash flow from operating activities means net cash in-flow amounts from operating activities listed in the statement of cash flows.

B. Capital expenditures means the amounts of cash out-flows for annual capital investment.

C. Inventory increase will only be entered when the ending balance is larger than the beginning balance. An inventory decrease at year end will be deemed zero for calculation.

D. Cash dividend includes cash dividends from both common shares and preferred shares.

E. Gross property, plant and equipment value means the total value of property, plant and equipment prior to the subtraction of accumulated depreciation

Note 4: Issuers shall separate operating costs and operating expenses by their nature into fixed and variable categories. When estimations or subjective judgments are involved, give special attention to their reasonableness and to maintaining consistency.

Note 5: In the case of a company whose shares have no par value or have a par value other than NT$10, for the calculation of the above-mentioned paid-in capital ratio, the ratio of equity attributable to owners of the parent as stated in the balance sheet shall be substituted.

3. Supervisors' /Audit Committee's Report for the Most Recent Year:

Please refer to Appendix 2.

4. Financial statements for the most recent fiscal year, including an auditor's report prepared by a CPA, a two-year comparative balance sheet and income statement, statement of changes in shareholders' equity, cash flow statement, and any attached notes or appendices:

Please refer to Appendix 3.

5. Financial Statements for the Years Ended December 31, 2021 and 2020, and Independent Auditors' Report:

Please refer to Appendix 3.

6. If the company or its affiliates have experienced financial difficulties during the most recent fiscal year or the current fiscal year up to the date of printing of annual report, the annual report shall explain how said difficulties will affect the company's financial situation: None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

1. Financial Conditions

(1) Consolidated Financial Conditions

Unit: NT$ thousands; %

Year / Item	2020	2021	Difference	
			Amount	Amount
Current Assets	1,494,307	9,070,266	7,575,959	507%
Fixed Assets	1,851,850	1,886,824	34,974	2%
Right-of-use Assets	316,642	297,739	(18,903)	(6%)
Intangible Assets	33,129	19,553	(13,576)	(41%)
Other Assets	139,287	166,491	27,204	20%
Total Assets	3,835,215	11,440,873	7,605,658	198%
Current Liabilities	642,163	703,216	61,053	10%
Non-current Liabilities	1,287,435	308,906	(978,529)	(76%)
Total Liabilities	1,929,598	1,012,122	(917,476)	(48%)
Common Stock	2,063,751	3,003,845	940,094	46%
Capital Surplus	2,813,974	10,475,952	7,661,978	272%
Retained Earnings	(2,930,919)	(2,973,500)	(42,581)	1%
Other Adjustments	(41,189)	(77,546)	(36,357)	88%
Common control equity	-	-	-	-
Total Shareholders' Equity	1,905,617	10,428,751	8,523,134	447%

The major reason, impact and the response plan of the difference over 20% and the amount over 10 million:

1. Current Assets: The high level of capital is mainly due to the completion of the cash capital increase in May 2021 and the private placement in Oct 2021.
2. Intangible Assets: Mainly due to the amortization.
3. Other Assets: Mainly due to the increase in prepayment for equipment purchased for the production line expansion and the growth of the Company.
4. Non-current Liabilities: Mainly due to the repayment of the joint loan in advance to reduce the interest expenses.
5. Common Stock: Mainly due to the completion of cash capital increase in May 2021 and private placement in Oct 2021.
6. Capital Surplus: Mainly due to the cash capital increase in May 2021 and private placement in Oct 202, and the share issue at a premium.
7. Other Adjustments: Mainly due to the issuance of restricted stock awards in 2021 and the recognition of employees' unearned remuneration according to actuarial reports.

(2) Individual Financial Condition

Unit: NT$ thousands; %

Year / Items	2020	2021	Difference	
			Amount	%
Current Assets	1,491,466	9,064,044	7,572,578	508%
Fixed Assets	1,851,325	1,885,858	34,533	2%
Right-of-use Assets	314,662	296,973	(17,689)	(6%)
Intangible Assets	32,840	19,553	(13,287)	(40%)
Other Assets	141,965	169,549	27,584	19%
Total Assets	3,832,258	11,435,977	7,603,719	198%
Current Liabilities	639,798	698,320	58,522	9%
Non-current Liabilities	1,286,843	308,906	(977,937)	(76%)

Items \ Year	2020	2021	Difference	
			Amount	%
Total Liabilities	1,926,641	1,007,226	(919,415)	(48%)
Common Stock	2,063,751	3,003,845	940,094	46%
Capital Surplus	2,813,974	10,475,952	7,661,978	272%
Retained Earnings	(2,930,919)	(2,973,500)	(42,581)	1%
Other Adjustments	(41,189)	(77,546)	(36,357)	88%
Common control equity	-	-	-	-
Total Shareholders' Equity	1,905,617	10,428,751	8,523,134	447%

The major reason, impact and the response plan of the difference over 20% and the amount over 10 million:

1. Current Assets: The high level of capital is mainly due to the completion of the cash capital increase in May 2021 and the private placement in Oct 2021.
2. Intangible Assets: Mainly due to the amortization.
3. Non-current Liabilities: Mainly due to the repayment of the joint loan in advance to reduce the interest expenses.
4. Common Stock: Mainly due to the completion of cash capital increase in May 2021 and private placement in Oct 2021.
5. Capital Surplus: Mainly due to the cash capital increase in May 2021 and private placement in Oct 202, and the share issue at a premium.
6. Other Adjustments: Mainly due to the issuance of restricted stock awards in 2021 and the recognition of employees' unearned remuneration according to actuarial reports.

(3) The main reasons for any material change in the company's financial situation during the past 2 fiscal years, and describe the effect thereof:

The Board of Directors resolution of the establishment of Phase II Facility and production equipment in Hsinchu Biomedical Science Park, the upper limit is NT$1.6 billion (tax included). And the Board of Directors resolution of the establishment R&D laboratory、production line and production equipment, the upper limit is NT$10.825 billion (tax included). After completion, can accelerate to meet the demand for international CDMO orders, meet the demand for the marketing products of the self-owned product EG12014, and can also be sufficient to provide Phase III clinical drugs and marketing production demand for subsequent product development. The construction of this new plant will become an efficient engine for the Company's rapid growth in the future and promotion of momentum internationally, which will be of positive help to the Company's finance and business.

The completion of its 5.0325 billion New Taiwan Dollars (NTD) private placement in 2021. With the recent injection of additional capital funding, EirGenix can now accelerate the execution of its future strategic planning. For the product development unit, the product pipeline will be expanded to include more biosimilar drug products. For the CDMO unit, the current facility infrastructure will add additional production lines and facilities to handle even more diversified biological products and break into the field of cell and gene therapy, as well as extension of services to further link upstream, midstream, and downstream development and manufacturing services. Lastly, EirGenix will seek to establish various forms of cooperation with international entities, which include but are not limited to collaborations, strategic alliances, or mergers and acquisitions. Soon EirGenix will become an important hub for biopharmaceutical development and manufacturing on the global stage.

2. Financial Performance

(1) List of Analysis of Financial Performance- Consolidated

Unit: NT$ thousands; %

Item \ Year	2020	2021	Increase (Decrease) Amount	%
Operating revenue	1,071,838	1,697,359	625,521	58%
Operating costs	321,171	604,305	283,134	88%
Gross profit (loss) from operations	750,667	1,093,054	342,387	46%
Operating expenses	1,736,671	1,151,365	(585,306)	(34%)
Net operating income (loss)	(986,004)	(58,311)	927,693	(94%)
Non-operating income	4,678	52,498	47,820	1,022%
Non-operating expenses	(59,997)	(35,352)	24,645	(41%)

Profit (loss) before tax	(1,041,323)	(41,165)	1,000,158	(96%)
Income tax expense	(347)	(1,416)	(1,069)	308%
Net Income (Loss)	(1,041,670)	(42,581)	999,089	(96%)

The main reason for the major change in Operating revenue, Net operating income (loss), and Income tax expense in currently two years:

1. Operating revenue, Operating costs, and Gross profit (loss) from operations: Mainly due to the continuous and stable growth of the Company's biopharmaceutical CDMO business, the increase in the number of raw materials sold, and the gradually recognized revenue of contract payment and Phases I to IV milestone payment from the Company's signing of a license agreement for the co-development of the breast cancer biosimilar EG12014 (Trastuzumab Biosimilar) with Sandoz AG in April 2019.
2. Operating expenses: Mainly due to the decrease in the R&D expenses. Because EG12014 carried through the end of clinical trial phase III, the R&D expenses decreased as compared to last year, and the operating expenses decreased as compared to the same period of last year.
3. Non-operating income: Mainly due to the interest income from fixed deposits.
4. Non-operating expenses: Mainly due to the adverse impact of international exchange rate fluctuations on the exchange profit or loss increases and decrease of miscellaneous expenses.
5. Net operating loss, Loss before tax, and Net loss: Mainly due to the continuous and stable growth of the Company's biopharmaceutical CDMO business, the increase in the milestone payment, and the decrease in the R&D expenses.

Note: All the finance data are audited by CPA.

(2) List of Analysis of Financial Performance- Individual

Unit: NT$ thousands; %

Item \ Year	2020	2021	Difference	%
Operating revenue	1,071,838	1,697,359	625,521	58%
Operating costs	321,171	604,305	283,134	88%
Gross profit (loss) from operations	750,667	1,093,054	342,387	46%
Operating expenses	1,738,433	1,153,572	(584,861)	(34%)
Net operating income (loss)	(987,766)	(60,518)	927,248	(94%)
Non-operating income	6,413	53,445	47,032	733%
Non-operating expenses	(59,970)	(35,319)	24,651	(41%)
Profit (loss) before tax	(1,041,323)	(42,392)	998,931	(96%)
Income tax expense	(347)	(189)	158	(46%)
Net Income (Loss)	(1,041,670)	(42,581)	999,089	(96%)

The main reason for the major change on Operating revenue, Net operating income (loss), and Income tax expense in currently 2 years:

1. Operating revenue, Operating costs, and Gross profit (loss) from operations: Mainly due to the continuous and stable growth of the Company's biopharmaceutical CDMO business, the increase in the number of raw materials sold, and the gradually recognized revenue of contract payment and Phases I to IV milestone payment from the Company's signing of a license agreement for the co-development of the breast cancer biosimilar EG12014 (Trastuzumab Biosimilar) with Sandoz AG in April 2019.
2. Operating expenses: Mainly due to the decrease in the R&D expenses. Because EG12014 carried through the end of clinical trial phase III, the R&D expenses decreased as compared to last year, and the operating expenses decreased as compared to the same period of last year.
3. Non-operating income: Mainly due to the interest income from fixed deposits.
4. Non-operating expenses: Mainly due to the adverse impact of international exchange rate fluctuations on the exchange profit or loss increases and decrease of miscellaneous expenses.
5. Net operating loss, Loss before tax, and Net loss: Mainly due to the continuous and stable growth of the Company's biopharmaceutical CDMO business, the increase in the milestone payment, and the decrease in the R&D expenses.

Note: All the finance data are audited by CPA.

(3) Expected sales volume and its basis

The self-owned biosimilars and new drugs of EirGenix and its subsidiary are still in the development stage and not commercially available. At present, the main source of revenue is the CDMO business, and the Company will continue to provide customized CDMO services. The management team of EirGenix and its subsidiary puts forward the Company's overall objectives and strategies, and then the research and development team put forward various research and development project plans. After feasibility analysis as well as market sales scale and financial evaluation, the implementation of the research and development plan and the timing of marketing sales are decided.

(4) The possible impact and the response plan for the company’s finance and business in the future.

EirGenix and its subsidiary continue to provide bio-drug development technical services and GMP production business and continue to research and develop bio-similar drugs. EirGenix and its subsidiary are financially sound and see no significant adverse impact on the ongoing R&D plan and financial business.

3. Analysis of Cash Flow

(1) Cash Flow Analysis for the Current Year

Unit: NT$ thousands; %

Item \ Year	2020	2021	Increase (Decrease) Amount	%
Operating activities	(419,262)	(29,899)	389,363	(92.87)
Investing activities	(228,357)	(1,756,720)	(1,528,363)	669.29
Financing activities	1,263,554	7,503,731	6,240,177	493.86

Analysis of change in cash flow in the current year:

1. Operating activities: Mainly due to the EG12014 carried through the end of clinical trial phase III, the R&D expenses decreased as compared to last year and purchasing of raw materials in advance because the COVID-19 pandemic causes the delivery postponement.
2. Investing activities: Mainly due to the fixed deposit.
3. Financing activities: Mainly due to the completion of the cash capital increase in May 2021 and the private placement in Oct 2021

Improve plan for insufficient liquidity: None.

(2) Cash Flow Analysis for the Coming Year (2021)

Unit: NT$ thousands

Cash and Cash Equivalents, Beginning of Year (1)	Estimated Net Cash Flow from Operating Activities (2)	Estimated Cash Outflow (Inflow) (3)	Cash Surplus (Deficit) (1)+(2)-(3)	Leverage of Cash Deficit	
				Investment Plans	Financing Plans
6,625,384	(1,596,965)	998,650	6,027,069	-	-

Analysis of change in cash flow in the next year：

1. Operating activities: Mainly due to continuous expansion of personnel and continuous investment in R&D costs.
2. Investing activities: Mainly due to the payment of the plant expansion and purchasing of machinery and equipment.
3. Financing activities: Handling bank loans.

Improve plan for insufficient liquidity: None.

4. The effect of major capital expenditures during the most recent fiscal year on company’s finance and business operations:

Because the existing facility in Xizhi has reached its full capacity, a large-scale commercial production facility that meets the requirement of international PIC/S GMP was built in Hsinchu Biomedical Science Park at the beginning of 2019. It is used for the self-developed biosimilars EG12014 future production needs in the market. It could also attract international and domestic clients with late developmental stage products which required large-scale production and product commercial launches.

5. Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year

(1) Investment Policy

The Company's reinvestment in other companies shall be implemented in accordance with the Investment Cycle and Regulations Governing the Acquisition and Disposal of Assets of the internal control system, which shall be discussed and approved by the Board

of Directors or Shareholders' Meeting.

(2) Reasons of Investment Gain/Loss and its improving plan:

Year	Item	Recognized investment Gain/(Loss)	Investment Policy	Reasons of Loss	Improving Plan
2022 Q1	EirGenix Europe GmbH	502	Development and Research on biotechnology drug and business development.	N/A	N/A

(3) The investment plans for the coming year: None.

(4) Investment plan in next year: The Company set up a German subsidiary in the first quarter of 2020, considering future operational needs and implementation of biosimilar clinical trials, of which the benefits will gradually emerge.

6. Analysis of Risk Management

(1) Effects of Changes in Interest Rates, Foreign Exchange Rates and Inflation on Corporate Finance, and Future Response Measures

A. The effect upon the company's profits (losses) of interest rates and response measures to be taken in the future:

(A) The effect upon the company’s profits (losses)

The Company's interest rate risk mainly comes from long and short-term borrowings from banks; EirGenix considering the future operation needs, the Company has signed short-term credit contracts totaling one billion with 6 banks, which have not yet been used.

(B)Response measures to be taken in the future

EirGenix and its subsidiary will keep abreast of interest rate changes, maintain good interactive communication with banks to obtain preferential interest rates, and match up long and short-term capital planning to reduce the overall financing cost of the Company. At present, there is no effect of change in the interest rate on the company's operating results.

B. The effect upon the company's profits (losses) of exchange rate and response measures to be taken in the future

(A) The effect upon the company’s profits (losses)

EirGenix and its subsidiary mostly denominate receivables and payables in New Taiwan Dollars or important international currencies for current clients and suppliers. The net exchange (losses) gains of the Company for the years 2020 and 2021 amounted to NT$ (22,081) thousand and (9,658) thousand respectively, accounting for (2.06%) and (0.57%) of the net operating revenues for the respective periods, and have not had a significant impact on the Company's operation at present.

(B)Response measures to be taken in the future

In order to reduce the impact of exchange rate changes on the Company's profit or loss in the future, EirGenix and its subsidiary will collect information on the exchange rate at any time, pay attention to the trends and changes in the exchange rate of major currencies in the international exchange market, grasp the exchange rate trends, and maintain a good interactive relationship with banks so as to obtain more extensive foreign exchange information and more preferential exchange rate quotations.

C. The effect upon the company's profits (losses) of changes in the inflation rate and response measures to be taken in the future

(A) The effect upon the company’s profits (losses)

In March 2022, the Chief Accounting Office of the Executive Yuan noted an annual increase rate of 3.27% in the consumer price index. Inflation was slight, and there was no significant impact on the Company's profit or loss.

(B)Response measures to be taken in the future.

In the future, the Company will also continue to track the impact of Inflation on various expenses of the industry and pay attention to market changes at any time as one of the bases for the Company's contingency decisions.

(2) Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-risk, High-leveraged Investments, Lending or Endorsement Guarantees, and Derivatives Transactions

EirGenix has formulated the Procedures for Loaning Funds to Others, Procedures for Endorsements and Guarantees, Regulations Governing the Acquisition and Disposal of Assets, and other methods and has followed the specifications. EirGenix and its subsidiary focus on the development of the industry. As of the date of issuance for the annual report in the latest year, EirGenix and its subsidiary have not engaged in high-risk and highly leveraged investment or derivative merchandise transactions, and have not lent funds or endorsement guarantees to others.

(3) Future Research & Development Projects and Corresponding Budget

A. Future Research & Development Projects:

(A) Project 1-EG12014

EG12014 is the first Trastuzumab biosimilar developed by EirGenix. Trastuzumab, marketed under the brand name Herceptin by Genentech (acquired by Roche in March 2009) and got approval for marketing in September 1998. Trastuzumab is a recombinant monoclonal antibody, which is a drug against breast cancer with high expression of an oncogene (HER2/neu). It is mainly used in the treatment of patients with early breast cancer (EBC), metastatic breast cancer (MBC), and metastatic gastric cancer (mGC) of HER2 overexpression or HER2 gene amplification.

The Phase I clinical trial results of EG12014 in Europe show that, compared with the reference drug produced by Roche in the United States and Europe, EG12014 has reached bioequivalence; the Phase III clinical trial in humans, which started in late 2018 and was approved by food and drug administration in 11 countries including the United States, Taiwan, Georgia, Russia, Belarus, South Korea, India, Ukraine, Chile, South Africa, and Colombia, also successfully enrolled 807 subjects in March 2020. In November 2020, the last subject in the Phase III clinical trial completed preoperative treatment and tumor resection. In March 2021, the analysis results of the Phase III clinical trial indicator data reached bioequivalency. After the detailed analysis report of Phase III clinical trial and the drug manufacturing process and other documents required by the competent authority is completed, it is expected that EirGenix will submitted documents to the FDA of the United States and EMA of the European Union to apply for drug marketing inspection and registration review. In January 2022, EirGenix submitted the 1st case for Taiwan CDE accelerated approval pilot project review.

(B)Project 2-EG12021

EG12021 is a Bevacizumab biosimilar, which is a monoclonal antibody drug for inhibiting tumor angiogenesis, with the main function of inhibiting tumor angiogenesis, preventing cancer cells from growing, and reducing metastasis. EG12021 has been approved for metastatic colorectal cancer (mCRC), metastatic breast cancer (mBC), malignant glioma (WHO Grade 4)-neuroglioblastoma, advanced, metastatic or recurrent non-squamous non-small cell lung cancer (NSCLC), epithelial ovarian, fallopian tube or primary peritoneal cancer, persistent, recurrent, or metastatic cervical cancer, and others. At present, EirGenix has completed the development of the EG12021 cell line and 2-liter small-scale production. After the upstream and downstream process development is completed, several 50-liter scale productions will be carried out continuously, and a complete biological similarity comparison will be carried out on the product to further confirm that there is no clinical difference in physical and chemical properties and biological activities between EG12021 and the reference drug of the original manufacturer. In the future, it is expected that the cell line and process of this product will be out-licensed, targeting Emerging countries

(C)Project 3-TSY0110 (EG12043)

TSY0110 (EG12043), an antibody-drug conjugate (ADC), is a next-generation treatment option with the ability to accurately target highly cytotoxic drugs at malignant tumors without affecting the characteristics of other normal tissues. The ADC developed by EirGenix not only retains the original anti-cancer efficacy of Trastuzumab but also enables the powerful cytotoxic drugs attached to it to exert stronger efficacy, mainly for the treatment of breast cancer.

With the cGMP plant, EirGenix has the capability of developing and manufacturing a monoclonal antibody drug process. At the same time, EirGenix forms a strategic alliance with Formosa Laboratories, which has the most experience in developing and manufacturing high-activity raw materials in Taiwan, and integrates experienced antibody drug development technology, cGMP production practice talents and resources of international cooperation network, so as to assemble these advantages into a technological platform conducive to the development of antibody-drug conjugates (ADC). At present, EirGenix has screened out anti-HER2 +/neu ADC molecules with therapeutic effects and will gradually complete pre-clinical trials as planned and further promote the process of clinical trials

(D) Project 4-EG74032 Carrier Protein

EG74032 is modified from diphtheria toxin (Diphtheria toxin) and is no longer toxic after modification by amino acid. Therefore, it can be used as a carrier in manufacturing the conjugate vaccine to promote immune efficacy. CRM197 is an unpatented carrier protein for assisting vaccine immunity. EirGenix can produce high-purity EG74032 with a unique microbial expression system and process. Compared with other products in the current market, EG74032 has a high competitive advantage. EirGenix's development strategy for EG74032 is to provide small amounts of reagent products (5 mg, 10 mg) to reagent suppliers and research institutes for research and development and to provide products with GMP specifications above gram level to research and development manufacturers for drug development. EG74032 can be used not only by manufacturers developing vaccine biosimilars but also by other manufacturers developing new vaccine products. At present, EirGenix has completed the development and pilot run of the EG74032 process, with the current production scale reaching a 150-liter fermentation tank, which has been sold at home and abroad

(E)Project 5-EG62054

EG62054 is an Aflibercept biosimilar with the corresponding extensibility of EG12021. EG62054 is a recombinantly fused protein, which is composed of the extracellular domains of human VEGF receptors 1 and 2 and the Fc part of human immunoglobulin (IgG1). As a soluble bait receptor, EG62054 can bind to VEGF-A and PlGF with higher affinity than their natural receptors, thus inhibiting the binding and activation of these homologous VEGF receptors. In addition to the related treatment in the field of ophthalmology, EG62054 can also treat patients with malignant metastatic colorectal cancer. At present, this plan is in the pre-clinical development stage.

(F) Project 6-EG1206A

EG1206A is a Pertuzumab biosimilar with a corresponding extension of EG12014. EG1206A is used in combination with Trastuzumab and Docetaxel to treat patients with HER2-positive metastatic breast cancer who have not been treated with anti-HER2 or chemotherapy after metastasis. EG1206A has different binding mechanisms to the HER2 receptor, which can produce the effect of Dual Blockade. EG1206A is a recombinant humanized monoclonal antibody targeting the extracellular dimerization domain (Sub-domain II) of HER2. The original manufacturer is also planning to expand the indications to diseases such as early breast cancer and gastric cancer so as to expand the scope of treatment and market potential. In Jan 2022, EirGenix submitted EG1206A documents to the EMA of the European Union to apply for drug phase I clinical trial. Once EG1206A commercialized, it can be combined with EG12014 in breast cancer treatment and provide benefit for patients.

(G) Project 7-EG13074

EG13074 is a new subcutaneous injection dosage form of EG12014. The approved indications of EG13074 are the treatment of patients with early breast cancer (EBC), metastatic breast cancer (MBC) of HER2 overexpression, or HER2 gene amplification. EirGenix's development strategy is different from Roche's way of opening the absorption pathway of subcutaneous tissue with the enzyme Hyaluronidase. At present, in the current research and development direction, the high-concentration preparation and innovative syringe design and development for subcutaneous injection are adopted to solve the problem of large-volume subcutaneous injection. At present, this plan is in the stage of dosage form development.

B. Expected to Spend on the Research and Development:

EirGenix and its subsidiary are expected to spend about NT$ 1,500,000,000 on the research and development of the above products, clinical trials, and the construction of cell line platforms in 2022. The research and development costs of the product development plans will be planned and adjusted according to the actual progress and plan objectives

(4) Effects of and Response to Changes in Policies and Regulations Relating to Corporate Finance and Sales

The operation of EirGenix and its subsidiary follows the relevant current laws and regulations at home and abroad, and relevant personnel also pay attention to changes in laws and regulations at any time for the reference of the management echelon. Therefore, the Company can grasp and effectively respond to changes in important policies and laws at home and abroad in real-time. As of the date of issuance for the annual report in the latest year, changes in policies and laws at home and abroad have had no significant adverse impact on the Company's finance and business

(5) Effects of and Response to Changes in Technology and the Industry Relating to Corporate Finance and Sale

The government has actively promoted the biotechnology industries in recent years, of which the biopharmaceutical industry has the characteristics of high technical threshold, long R&D cycle, high professional technical demand, and added value. The threshold for the industry is relatively high, so it is not easy to produce drastic changes in a short period of time. Moreover, the Company, with a high degree of professional R&D capability, can closely grasp technological changes and industrial changes and take appropriate countermeasures as needed. As of the date of issuance for the annual report in the latest year, EirGenix and its subsidiary have not had a significant impact on the Company's financial business due to technological changes and industrial changes.

Considering the rapid changes in information technology and the external environment, to reduce the impact of external changes on our finances, the Company plans to revise relevant information security policies suitable for the operations together with external professional information security consultants with reference to the NIST Cybersecurity Framework (CSF) and relevant standards in the industry. We will implement the revised policies accordingly and review and adjust them regularly as the benchmark for evaluation and judgment when adopting various information systems and services.

(6) The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company’s Response Measures

In recent years, EirGenix has deeply cultivated the Taiwan market, has established good relations with Japanese and Chinese clients, and is actively exploring the European and American markets at present, aiming at the professional technical reputation and good international image. EirGenix has always adhered to the professional and sincere enterprise spirit and implemented it in the daily operation and management of the Company so that the Company's systems and colleagues have sufficient ability to cope with possible enterprise crises and reduce the impact of such risks on the Company's operation. As of the date of issuance for the annual report in the latest year, EirGenix and its subsidiary have not had any negative impact on the Company due to changes in corporate image.

(7) Expected Benefits from, Risks Relating to and Response to Merger and Acquisition Plans

As of the date of issuance for the annual report in the latest year, EirGenix didn't have the acquisition plan.

(8) Expected Benefits from, Risks Relating to and Response to Factory Expansion Plans

1. Expected Benefits from Factory Expansion Plans

As the existing Xizhi plant has reached full capacity, at the end of 2016, a new PIC/S GMP biopharmaceutical plant with commercial mass-production scale situated in the Zhubei Biomedical Park broke ground, and a disposable bioreactor (SUB) process was built. After the start of the operation, it can attract international and domestic clients' demand for large-scale production and contract production of products on the market in the future. From the completion of plant construction to 2021, in addition to the process validation of self-owned products and Phase III clinical trial drugs, part of the production capacity will be used to undertake CDMO business, to expand the utilization rate of production capacity, and to continue to make profits; After the self-owned products are put on the market in 2022, Zhubei plant will be responsible for the production of self-owned products and continue to undertake CDMO business.

In the future, the new plant is expected to expand the production capacity to 25,500 L after the gradual construction is completed and is expected to provide a number of needs for the product development of mammalian cell biologics, which not only can meet the production needs of self-developed drugs but can also be conducive to accepting the clients' contract development in the future. After the completion of the construction, it is expected to increase the revenue from the technical service of biopharmaceutical contract development

2. Risks Relating to and Response to Factory Expansion Plans

The increased production capacity of the new plant will fluctuate with the market of biologics, research and development status, and the receipt of orders for contract development cases. In addition to actively striving for domestic biopharmaceutical contract development orders, the Company will continue to expand and seek overseas orders. It is expected that the expanded commercial plant will be conducive to the development of contract development cases and commission orders for biologics.

(9) Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

1. Risks Relating to and Response to Excessive Concentration of Purchasing Sources

Among the top ten suppliers of EirGenix and its subsidiary in the last two years, Pall from Singapore as well as Merck and Life Science from Taiwan make up over 15%. Because the raw materials for biotechnology research and development products have a high manufacturing technology threshold and strict quality requirements, their suppliers that can be internationally recognized are limited. The Company takes international pharmaceutical companies as its main customers. Therefore, the source of raw materials is internationally renowned international raw material suppliers with stable supply, which is the general trend of the raw material sources for the research and development of most biotechnology companies and pharmaceutical companies in the world. However, the Company keeps an eye on the changing trend of raw material market supply and is committed to actively developing multiple suppliers to reduce the risk of centralized purchase.

2. Risks Relating to and Response to Excessive Customer Concentration

The proportion of the largest trade debtors of EirGenix and its subsidiary in the last two years was 42.99% and 29.23%, respectively. In terms of technical services for bio-pharmaceuticals, because of its high technical threshold and different characteristics of the developed products, EirGenix, and its subsidiary establish long-term relationships with key clients, with the goal of cooperating in the development of multiple projects or large-scale projects, which is in line with the interests of both parties and the performance of development efficiency. EirGenix has successively developed several stable clients in the past few years and is still continuing to cooperate and establish deep relationships with clients to balance the proportion of sales of individual clients. In the future, the Company will continue to develop clients to reduce the risk of sales concentration.

(10) Effects of, Risks Relating to and Response to Large Share Transfers or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholdings of over 10%: None.

(11) Effects of, Risks Relating to and Response to the Changes in Management Rights

As of the date of issuance for the annual report in the latest year, EirGenix and its subsidiary didn’t have the situation of Changing management rights.

(12) Litigation or Non-litigation Matters

1. Litigation Matters of the company

Involve the company have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such

a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: None.

2. Litigation matters of the company director, company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company:

(1)Litigation Matters of the Director-National Development Fund, Executive Yuan:

The re-invested business of the National Development Fund of the Executive Yuan (hereinafter referred to as the NDF), National Aerospace Fasteners Corporation (NAFCO), was involved in litigation due to the illegal manipulation of financial events by the former chairman. There are still cases in which investors claim compensation from NAFCO and its directors and supervisors, as well as individual shareholders of NAFCO who invested in the Company's shares at the time of the incident. NDF was the representative of the corporate directors and supervisors at the time of the incident, thus was named the defensive. The case has now been decided by the Taiwan High Court and NDF has no obligation to compensate. The Investor Protection Center appealed. The case has not yet been finally determined.

(2) Litigation Matters of the Director- Development Center for Biotechnology:

Jinyi Biotechnology Co., Ltd. (hereinafter referred to as Jinyi Company) filed a lawsuit against the EirGenix director Biotechnology Development Center (hereinafter referred to as Biotechnology Center) in the Taiwan Taipei District Court, claiming that "As Jinyi Company and the Biotechnology Center have signed a new drug license agreement, Jinyi Company believes that, according to the contract, the Biotechnology Center must assist in the approval of IND application and examination. The IND was not approved and caused damages to Jinyi Company. Jinyi Company demanded the Biotechnology Center to pay NT$ 15 million in damages. The Biotechnology Center asserts that, according to the agreement, the condition for the second phase of the payment request by the Biotechnology Center was to complete the IND application procedure rather than approval. The Biotechnology Center took the position that it has completed the IND application procedure, but Jinyi Company did not make payment under the second phase payment of NT$ 15 million according to the contract. Therefore the Biotechnology Center filed a counterclaim, demanding Jinyi Company to pay the second phase payment of NT$ 15 million. The case is still pending in the court of the first instance and has not yet been finalized.

(3) Litigation Matters of the Director- Management Committee of Yaohua Glass Co., Ltd.:

A. The re-invested business of the Management Committee of Yaohua Glass Co., Ltd. (hereinafter referred to as the Yaohua Management Committee) in NAFCO was involved in litigation due to the illegal manipulation of financial events by the former chairman. There are still cases in which investors claim compensation from NAFCO and its directors and supervisors, as well as individual shareholders of the Company who invested in the Company's shares at the time of the incident. Yaohua, as the representative of the corporate directors and supervisors at the time of the incidence, was named a defendant. The case has now been decided by Taiwan High Court and Yaohua Management Committee does not need to pay the judgment. But the Investor Protection Center appealed. The case has not yet been determined.

B. Yaohua Glass Co., Ltd. Management Committee signed an investment agreement with Asia Communication Co., Ltd., and the former subsequently believed that the establishment, registration, and capital increase of the latter were illegal criminally and that the latter signed the investment agreement in violation of public order and good morals, so the investment agreement was invalid. The former then requested the return of an investment amount of NT$242,088,000. This case was rejected by the Taiwan Taipei District Court, and Yaohua Glass Co., Ltd. Management Committee’s appeal is being tried by the Taiwan High Court.

The above litigation cases do not involve EirGenix or its subsidiary or constitute a breach of the principle of integrity. Regardless of the outcome, the above litigation should not have a significant impact on the Company's finance and business

3. Statement in compliance with Article 157 of Securities and Exchange Act

As of the date of issuance for the annual report in the 2022, there has been no confirmed profit from short-term transactions by the directors, managers, and major shareholders holding more than 10% shares of EirGenix. In case of benefit obtainment due to the aforesaid transactions in the future, EirGenix will exercise the right for disgorgement according to law.

4. Major financial matters of the Company’s Directors, Supervisors, Managerial Officers, and shareholders who hold more than 10% of shares: None.

(13) Other Major Risk and Response

Risks in the development of biosimilars and new drugs and their impact on financial business:

New drug development is a high-risk, time-consuming, and capital-consuming industry. From early research to successful drug marketing, it takes about 10~15 years. If a new drug can successfully enter the drug license examination and be approved for marketing from

pre-clinical research through layers of tests, then both the company and investors must realize that the new drug development risk is high, and the investment recovery period is long. The R&D process is long, and huge R&D funds need to be invested from topic selection, process development to clinical trials. If R&D fails, or the net cash flow from operating activities is relatively late, then stable operating revenue will not be smooth, insufficient working capital may occur, and there will be a risk that the new drug R&D plan cannot be completed.

The risk of developing biosimilars is relatively low compared with that of developing new drugs for two reasons. The first concerns whether the reverse engineering technical difficulty of making the product, which is highly similar to the original reference drug in physical, chemical, and biological properties, can be overcome and whether bioequivalence can be achieved in human pharmacokinetic tests (usually Phase I clinical trials). The experience of developing biosimilars in Europe in the past ten years shows that the chances of failure for products to meet the above standards are very small. The second reason is to have sufficient funds for Phase III clinical development and partners for Phase III joint development and sales.

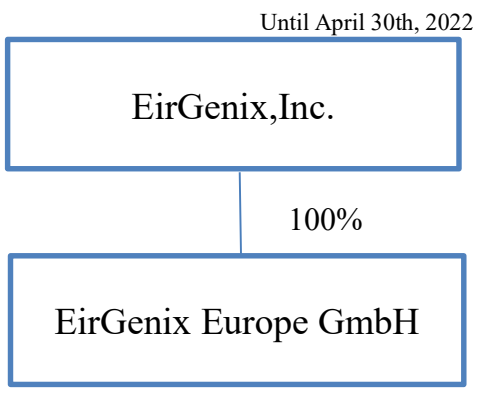
In view of the financial risks in the research and development of biosimilars and new drugs, in addition to generating cash flow by Contract Development & Manufacturing Organization (CDMO) and applying for specialized programs to meet the cash expenditure needs, EirGenix and its subsidiary will also carry out negotiations on the authorization of regional cooperation for products. EirGenix, Inc. has secured a license agreement with Sandoz AG, a Novartis division and a global leader in generic and biosimilar drug manufacturing, in April 2019. The signed license agreement grants Sandoz the exclusive rights to globally commercialize EirGenix's proposed trastuzumab biosimilar drug (EG12014). EirGenix will maintain responsibility for the development and manufacturing of the trastuzumab biosimilar, while Sandoz will maintain rights to commercialize the drug upon approval in all markets, excluding China and Taiwan. Under the terms of the agreement, EirGenix will receive an upfront payment, milestone payments and is entitled to receive profit share payments for sales in the agreed territories. EirGenix, Inc. received a contract payment and the milestone payment and shared the premium revenue for the sales volume of products in the authorized market according to the proportion stipulated in the Contract. EirGenix, Inc. also undertook the post-marketing production of EG12014. In addition, the Company continues to carry out product life cycle management and evaluate the research and development of new indications related to HER2. By virtue of self-owned specialty and lower development risks, the Company effectively expands the market and life cycle of products so as to continuously increase the market value of products and ensure the Company's ability to continue business development.

7. Other important matters: None.

VIII. Special Disclosure

1. Information of Affiliated Companies

(1)Investment Structure



A. Basic information on affiliated enterprises:

Name of Subsidiary	Date of registration	Address	Capital	Main Business Activity
EirGenix Europe GmbH	2020.02.11	Neuhauser Str. 47, 80331 Munchen	EUR25,000	Development and Research on biotechnology drug and business development.

B. In Compliance with Article 369-3 of Company Law, it shall be concluded as the existence of the controlling and subordinate relation: Not Applicable.

C. The industries covered by the business operated by the affiliates overall. Where connections exist among the businesses operated by individual affiliates, a description of the mutual dealings and division of work among such affiliates should be provided: The major tasks of EirGenix Europe GmbH are managing and executing the clinical trial of the durg development. Its main business activity are development and research on biotechnology drug and business development.

D. Directors, Supervisors and President information on affiliated enterprises:

Name of Subsidiary	Title	Name	Shares holding	
EirGenix Europe GmbH	Director	Lee-Cheng Liu	-	-
	President	Thomas Schulze	-	-

E. Operational information on affiliated enterprises

Mar. 31st, 2022 Unit: NT$ thousands

Name	Capital	Asset	Liability	Net worth	Revenue	Operating income	Net Gain after tax	EPS
EirGenix Europe GmbH	845	12,949	9,087	3,862	15,378	738	502	-

F. Consolidated Financial Statements of Affiliated Enterprises:

EirGenix's financial information for the 2020 Q1 was included in the subsidiary EirGenix Europe GmbH and issued consolidated statements. For the 2021 and 2022 Q1, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the entities that are required to be included in the consolidated financial statements of affiliates are the same as the entities required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

G. Information of Affiliated Enterprises for Loaning of Funds, Making of Endorsements/Guarantees and Engaging in Derivatives Trading：None.

H. Major Traging Matter with Affiliated Enterprises: None.

I. Reports on Affiliations: Not Applicable.

2. Private Placement Securities in the Most Recent Years:

Item	2021 First time Private Placement of Securities Issue Date (delivery date): 2021/11/30				
Securities under private placement	Common Stock				
Date of resolution and approved quantity	2021/08/03 55,000,000 shares				
Basis and rationale for price setting	The price determination date is based on the board meeting on 2021/10/01. Reference price is the simple average closing price of the common shares of the TWSE listed or TPEx listed company for either the 1, 3, or 5 business days before the price determination date and each of them is 126.5 dollars, 126.67dollars, and 128.5 dollars. After adjustment for any distribution of stock dividends, cash dividends, or capital reduction, the price is 128.5 dollars; or the simple average closing price of the common shares of the TWSE listed or TPEx listed company for the 30 business days before the price determination date, after adjustment for any distribution of stock dividends, cash dividends, or capital reduction, the price is 128.75 dollars. Select the higher of the above two calculations 128.75 as reference price and actual private placement shall not be lower than 50% of the reference price. The actual private placement price is per share NT$91.5 which is 71.07% of the reference price: NT$128.75 and complies with shareholder meetings' decision that no lower than the price based on the pricing principle: at least 50% of the two above-mentioned prices (the higher one). Consult with Hsiu-Luan Lin, Certified Public Accountant from CHAMPiON accounting firm, to issue a submission of the reasonableness for private placement.				
Selection method of the placees	(1) The placees of the private placement are strategic investors. In accordance with Article 43-6 of the Securities and Exchange Act and Taiwan Finance Certificate (1) No. 0910003455 issued by the Financial Supervisory Commission on June 13, 2002, it states to select those who are beneficial to the long-term development of the Company and improve the operational performance, strengthen competitiveness, and generate benefits for existing shareholders' equity. (2) The purpose of the placees selected this time is to introduce strategic investors. The main targets are strategic investors who have developing experiences in biomedicine and health and can stabilize the Company's equity and capital structure.				
The necessary reason for the Private Placement	(1) With the considerations of the timeliness of financing activities and the uncertainty of the capital market, and the benefit for the Company's long term operating development because of the transfer limit of the private placement common share, it plans to conduct the financial activities with the private placement. (2) To accelerate the product development efficiency as well as the process of the same drug series to complete the production line. By the comprehensive effect of expanding the market, it can establish EirGenix's unique status in the international biosimilars and CDMO field. In order to sustain EirGenix's operation and development, it is necessary to conduct private placement to introduce strategic investors by resolution.				
Date of payment and completion	2021/10/15				
Information on Placees	Placees	Eligibility (note)	Quantity Subscribed	Relationship with EirGenix, Inc.	Participation in Company Operations
	Foxconn Technology Co., Ltd.	Note 2.	27,500,000 shares	None	There is no significant change in managerial control within the 1-year period immediately preceding the day on which the board of directors resolves on the private placement and after the introduction of strategic investors through private placement.
	Yonglin Capital Holding Co., Ltd.		26,500,000 shares		
	Hong Wei Investment Co., Ltd.		1,000,000 shares		
Actual Subscription Price	Per share NT$91.5				
Difference between Actual Subscription	The actual subscribed price is per share NT$91.5, 71.07% of the reference price: NT$128.75.				

price and Reference Price			
Impact of private placement on shareholders' equity	Boost EirGenix's operating scale, horizontal and vertical integration, and product or market development collaboration, assist EirGenix to improve technology, efficiency, expand the operational scale, and elevate the market status. It has positive benefits in creating EirGenix and shareholder value.		
Use of funds from private placement and progress of proposed plans	The Usage of funds	Budget Amount	Implementation as of 2022 First Quoter
	R&D expenses	NT$3,000,000,000	Unused, deposit in EirGenix bank account
	Expansion and building factory	NT$500,000,000	Unused, deposit in EirGenix bank account
	Repay bank loans and replenish horizontal and vertical integration, and other operational funding needs	NT$1,532,500,000	Repay bank loan NT$316,322,000 and deposit other funds in EirGenix bank accounts
Effectiveness of private placement	Repay bank loan NT$316,322,000 and save annual interest expenses roughly about NT$5,684,000 which calculating under the current EirGenix loan rates of 1.797%. Other unused funds will follow the plan and demonstrate effects continuously.		

3. The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years: None.

4. Other Matters that Require Additional Description: None.

5. If any of the situations listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

EirGenix Inc.

Statement of Internal Control System

Date: March 22, 2022

Based on the findings of a self-assessment, EirGenix Inc. (hereinafter "the Company") states the following pertaining to its internal control system during year 2021:

I. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibilities of its Board of Directors and managers. The Company has established such a system with an aim to providing reasonable assurance for the achievement of the following objectives: the effectiveness and efficiency of business operation (including profitability, performance, and safe-guarding of company assets; the reliability, timeliness, transparency, and regulatory compliance of financial reporting and other related reports; and the compliance with applicable laws, regulations and rulings.

II. An internal control system has inherent limitations. No matter how perfectly it is designed, an effective internal control system can provide only reasonable assurance of achieving the three above-mentioned objectives. Moreover, the effectiveness of the internal control system may be subjected to changes of environment or circumstances. Nonetheless, the Company's internal control system comprises of self-monitoring mechanisms, and the Company immediately undertakes corrective measures once a deficiency is identified.

III. The Company assesses the design and operating effectiveness of its internal control system in accordance with the criteria stated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The criteria stipulated in the Regulations identify five essential elements of an internal control system based on managerial control process, including (1). Control environment, (2). Risk assessment (3). Control activities, (4). Information and communication, and (5). Monitoring activities. Each essential element further contains several items. Please refer to the Regulations for the aforementioned items.

IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid criteria.

V. Based on the results of the mentioned assessment above, the Company believes that, as of December 31, 2021, its internal control system, including its supervision and management of subsidiaries, was effective in design and operation and provided reasonable assurance of achievement of operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable laws, regulations, and rulings.

VI. This Statement constitutes an integral part of the Annual Report for the year 2021 and the Prospectus of the Company and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 in the Securities and Exchange Act.

VII. This Statement has been approved by the Board of Directors in their meeting held on March 22, 2022, with none of the ten attending directors expressing dissenting opinions, and the remainder all affirming the contents of this Statement.

EirGenix Inc.

Chairman: Chung-Her Lee

President: Lee-Cheng Liu

EirGenix, Inc.

Audit Committee's Review Report

The Board of Directors has prepared EirGenix's 2021 Business Report, Financial Statement, and Deficit Offset Statement. The CPA Sheng-Wei Deng and Yu-Fang Yen of PricewaterhouseCoopers Taiwan was retained to audit EirGenix's Financial Statement and has issued an audit report relating to the Financial Statement.

The Business Report, Financial Statement, and Deficit Compensation Statement have been reviewed and determined to be correct and accurate by the Audit Committee member of EirGenix. According to relevant requirements of the Securities and Exchange Act and the Company Act, we hereby submit this report.

To

EirGenix, Inc. 2022 Annual Shareholders' Meeting

EirGenix, Inc.

Chairman of Audit Committee: Ming-Thaur Chang

Member of Audit Committee: Ming-Shen Chen

Member of Audit Committee: Fu-Shiow Yin

March 22, 2022

EIRGENIX INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2021 AND 2020

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.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of EirGenix Inc.

Opinion

We have audited the accompanying parent company only balance sheets of EirGenix Inc. (the "Company") as at December 31, 2021 and 2020, 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, 2021 and 2020, 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 generally accepted auditing standards in 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 Accountants 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 Company's 2021 parent company only financial statements of the current period. 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.

The key audit matters for the Company's 2021 parent company only financial statements are stated as follows:

Accuracy of service revenue and authorisation and cooperative development revenue

Description

Refer to Note 4(26) for accounting policy on service revenue and authorisation and cooperative development revenue recognition, Note 5(2) for significant accounting estimates and assumptions, and Note 6(20) for details of operating revenue. The amount of service revenue and authorisation and cooperative development revenue for the year ended December 31, 2021 were NTD 864,515 thousand and NTD 496,089 thousand, respectively.

The Company's service revenue and authorisation and cooperative development revenue primarily arise from offering biopharmaceutical contract development and manufacturing services and authorising intellectual property rights of medicine development to pharmaceutical factory. Revenue is recognised based on the stage of completion at the balance sheet date provided that such transaction amounts can be reliably estimated. Since the information process, recording and maintenance are partially performed manually and the recognition of service revenue and authorisation and cooperative development revenue contained a high degree of uncertainty resulting in a complex calculation process, and revenue recognition is significant to the financial statements, we considered the accuracy of service revenue recognition a key audit matter.

How our audit addressed the matter

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

1. Obtained management's accounting policies on the service revenue and authorisation and cooperative development revenue recognition and confirmed that they are reasonable.

2. Sampled and examined the contract in order to confirm the judgement made by the management was in line with the contract and Generally Accepted Accounting Principle.

3. For the performance obligation which was satisfied over time, sampled and examined each data and assessed whether the method and parameter used to measure the completion of performance obligation are reasonable.

4. Recalculated the accuracy of amount recognised as revenue and respective timing of recognition.

Impairment assessment of property, plant and equipment and intangible assets - professional expertise

Description

Refer to Note 4(17) for accounting policy on impairment of non-financial assets, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to property, plant and equipment and intangible assets and Notes 6(9) and 6(11) for description of property, plant and equipment and intangible assets.

On December 31, 2021, property, plant and equipment amounted to NTD 1,885,858 thousand, which were constructed to extend the production capacity of GMP; and intangible assets - professional expertise amounted to NTD 14,838 thousand, which are externally acquired expertise aiming to develop new drugs. The Company assesses at each balance sheet date the fair value or recoverable value of those assets whether there is an indication that they are impaired based on internal and external information. Since the impairment indication assessment and information and assumptions used to assess recoverable amount of assets have significant impact to property, plant and equipment and intangible assets - professional expertise, we considered impairment assessment of property, plant and equipment and intangible assets - professional expertise a key audit matter.

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 each data in the impairment indications assessment.

2. Assessed the estimation procedure of future cash flows, and checked whether the cash flows listed in assessment is consistent with operating plans.

3. Interviewed management to discuss the Company's operations and reviewed the actual performance of prior years' operating plans in order to understand the Company's intention and ability and ascertained whether there was any significant postponement on research and development.

4. Assessed the reasonableness of the significant assumptions adopted on estimating 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 generally accepted accounting standards in 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 generally accepted accounting standards in the Republic of China, we exercise professional judgment and maintain 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 and its subsidiaries 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 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.

Teng, Sheng-Wei　　Yen, Yu-Fang

For and on behalf of PricewaterhouseCoopers, Taiwan

March 22, 2022

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 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.

EIRGENIX INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 6,619,427	58	$ 905,956	24
1110	Current financial assets at fair value through profit or loss	6(2)	891	-	600	-
1136	Current financial assets at amortised cost	6(3) and 8	1,636,640	14	113,920	3
1140	Current contract assets	6(20) and 7	170,597	1	133,038	3
1150	Notes receivable, net	6(4)	1,139	-	21,052	1
1170	Accounts receivable, net	6(4)	78,474	1	72,532	2
1180	Accounts receivable, net-related parties	7	546	-	-	-
1200	Other receivables		6,818	-	3,114	-
1220	Current income tax assets		1,128	-	307	-
130X	Inventories	6(5)	413,712	4	160,932	4
1410	Prepayments	6(6)	105,783	1	79,486	2
1476	Other current financial assets	6(1) and 8	27,334	-	-	-
1479	Other current assets		1,555	-	529	-
11XX	**Total current assets**		9,064,044	79	1,491,466	39
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	11,607	-	5,956	-
1535	Non-current financial assets at amortised cost	6(3) and 8	8,588	-	8,526	-
1550	Investments accounted for using equity method	6(8) and 7	3,289	-	2,678	-
1600	Property, plant and equipment, net	6(9) and 8	1,885,858	17	1,851,325	48
1755	Right-of-use assets	6(10) and 7	296,973	3	314,662	8
1780	Intangible assets	6(11)	19,553	-	32,840	1
1980	Other non-current financial assets	6(1) and 8	-	-	30,601	1
1990	Other non-current assets	6(9), 7 and 8	146,065	1	94,204	3
15XX	**Total non-current assets**		2,371,933	21	2,340,792	61
1XXX	**Total assets**		$ 11,435,977	100	$ 3,832,258	100

(Continued)

EIRGENIX INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(20) and 7	$ 223,967	2	$ 209,570	6
2170	Accounts payable		86,456	1	41,161	1
2200	Other payables	6(12)	226,655	2	265,838	7
2220	Other payables - related parties	7	10,796	-	6,654	-
2280	Current lease liabilities	7	18,454	-	17,371	1
2320	Long-term liabilities, current portion	6(13)(14) and 8	127,070	1	90,620	2
2399	Other current liabilities		4,922	-	8,584	-
21XX	**Total current liabilities**		698,320	6	639,798	17
	Non-current liabilities					
2527	Non-current contract liabilities	6(20)	20,059	-	64,232	2
2530	Bonds payable	6(13)	-	-	291,985	7
2540	Long-term borrowings	6(14) and 8	-	-	626,081	16
2570	Deferred tax liabilities	6(26)	536	-	366	-
2580	Non-current lease liabilities	7	288,311	3	304,179	8
25XX	**Total non-current liabilities**		308,906	3	1,286,843	33
2XXX	**Total liabilities**		1,007,226	9	1,926,641	50
	Equity					
	Capital	6(17)				
3110	Common stock		3,003,845	26	2,063,751	54
	Capital reserve	6(18)				
3200	Capital surplus		10,475,952	92	2,813,974	73
	Accumulated deficit	6(19)				
3350	Accumulated deficit		(2,973,500)	(26)	(2,930,919)	(76)
	Other equity interest					
3400	Other equity interest		(77,546)	(1)	(41,189)	(1)
3XXX	**Total equity**		10,428,751	91	1,905,617	50
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 11,435,977	100	$ 3,832,258	100

The accompanying notes are an integral part of these parent company only financial statements.

EIRGENIX INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as loss per shsre)

			Year ended December 31			
			2021		2020	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating Revenue	6(20) and 7	$ 1,697,359	100	$ 1,071,838	100
5000	Operating Costs	6(5)(11)(25) and 7	(604,305)	(35)	(321,171)	(30)
5900	Gross Profit		1,093,054	65	750,667	70
	Operating Expenses	6(11)(25) and 7				
6100	Sales and marketing expenses		(34,034)	(2)	(26,928)	(2)
6200	General and administrative expenses		(223,564)	(13)	(148,300)	(14)
6300	Research and development expenses		(895,285)	(53)	(1,563,205)	(146)
6450	Expected credit impairment loss	12(2)	(689)	-	-	-
6000	Total operating expenses		(1,153,572)	(68)	(1,738,433)	(162)
6900	Operating loss		(60,518)	(3)	(987,766)	(92)
	Non-operating Income and Expenses					
7100	Interest income	6(3)(4)(21)	10,366	1	3,093	-
7010	Other income	6(22)	40,195	2	1,571	-
7020	Other gains and losses	6(2)(23)	(12,266)	(1)	(31,483)	(3)
7050	Finance costs	6(10)(24) and 7	(21,116)	(1)	(28,473)	(2)
7070	Share of profit of associates and joint ventures accounted for using equity method	6(8)	947	-	1,735	-
7000	Total non-operating income and expenses		18,126	1	(53,557)	(5)
7900	**Loss before income tax**		(42,392)	(2)	(1,041,323)	(97)
7950	Income tax expense	6(26)	(189)	-	(347)	-
8200	**Net Loss**		($ 42,581)	(2)	($ 1,041,670)	(97)
	Other Comprehensive Income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7)	$ 5,651	-	$ 180	-
8310	Other comprehensive income that will not be reclassified to profit or loss		5,651	-	180	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		(335)	-	98	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	6(26)	19	-	(19)	-
8360	Other comprehensive income that will be reclassified to profit or loss		(316)	-	79	-
8300	**Other Comprehensive Income**		$ 5,335	-	$ 259	-
8500	**Total Comprehensive Loss**		($ 37,246)	(2)	($ 1,041,411)	(97)
	Loss per share	6(27)				
9750	Loss per share		($ 0.18)		($ 5.41)	

The accompanying notes are an integral part of these parent company only financial statements.

EIRGENIX INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

			Capital Reserves						Other equity interest			
	Notes	Common stock	Additional paid-in capital	Donated assets received	Employee stock options	Capital surplus, share options	Restricted stock to employees	Accumulated deficit	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total equity
Year ended December 31, 2020												
Balance at January 1, 2020		$ 1,693,041	$ 2,036,581	$ 2,036	$ 8,915	$ -	$ 8,250	($ 1,889,249)	$ -	$ -	($ 4,703)	$ 1,854,871
Loss for 2020		-	-	-	-	-	-	(1,041,670)	-	-	-	(1,041,670)
Other comprehensive income	6(7)	-	-	-	-	-	-	-	79	180	-	259
Total comprehensive income(loss)		-	-	-	-	-	-	(1,041,670)	79	180	-	(1,041,411)
Issuance of shares	6(17)	350,000	662,427	-	-	-	-	-	-	-	-	1,012,427
Cash capital increase reserved for employee preemption	6(16)	-	15,330	-	-	-	-	-	-	-	-	15,330
Compensation costs of employee stock options	6(16)	-	-	-	6,720	-	-	-	-	-	-	6,720
Employee stock options exercised	6(16)(17)	3,997	8,122	-	(1,837)	-	-	-	-	-	-	10,282
Issuance of employee restricted stocks	6(16)(17)	18,384	-	-	-	-	57,703	-	-	-	(76,087)	-
Redemption of employee restricted stock	6(16)(17)	(1,671)	-	-	-	-	1,671	-	-	-	-	-
Compensation costs of employee restricted stock	6(16)	-	-	-	-	-	-	-	-	-	39,342	39,342
Restricted stocks vested		-	14,964	-	-	-	(14,964)	-	-	-	-	-
Issuance of convertible bonds	6(13)	-	-	-	-	8,056	-	-	-	-	-	8,056
Balance at December 31, 2020		$ 2,063,751	$ 2,737,424	$ 2,036	$ 13,798	$ 8,056	$ 52,660	($ 2,930,919)	$ 79	$ 180	($ 41,448)	$ 1,905,617
Year ended December 31, 2021												
Balance at January 1, 2021		$ 2,063,751	$ 2,737,424	$ 2,036	$ 13,798	$ 8,056	$ 52,660	($ 2,930,919)	$ 79	$ 180	($ 41,448)	$ 1,905,617
Loss for 2021		-	-	-	-	-	-	(42,581)	-	-	-	(42,581)
Other comprehensive income(loss)	6(7)	-	-	-	-	-	-	-	(316)	5,651	-	5,335
Total comprehensive income(loss)		-	-	-	-	-	-	(42,581)	(316)	5,651	-	(37,246)
Issuance of shares	6(17)	900,000	7,329,736	-	-	-	-	-	-	-	-	8,229,736
Cash capital increase reserved for employee preemption	6(16)	-	88,335	-	-	-	-	-	-	-	-	88,335
Compensation costs of employee stock options	6(16)	-	-	-	29,935	-	-	-	-	-	-	29,935
Employee stock options exercised	6(16)(17)	3,865	9,489	-	(1,775)	-	-	-	-	-	-	11,579
Issuance of employee restricted stocks	6(16)(17)	9,525	-	-	-	-	67,567	-	-	-	(77,092)	-
Redemption of employee restricted stock	6(16)(17)	(4,253)	-	-	-	-	4,253	-	-	-	-	-
Compensation costs of employee restricted stocks	6(16)	-	-	-	-	-	-	-	-	-	35,400	35,400
Restricted stocks vested		-	9,552	-	-	-	(9,552)	-	-	-	-	-
Conversion of convertible bonds	6(13)(17)	30,957	139,027	-	-	(4,589)	-	-	-	-	-	165,395
Balance at December 31, 2021		$ 3,003,845	$ 10,313,563	$ 2,036	$ 41,958	$ 3,467	$ 114,928	($ 2,973,500)	($ 237)	$ 5,831	($ 83,140)	$ 10,428,751

The accompanying notes are an integral part of these parent company only financial statements.

EIRGENIX INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 42,392)	($ 1,041,323)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(9)(10)(25)	166,572	157,349
Amortization	6(11)(25)	16,304	13,928
Net loss(profit) on financial assets or liabilities at fair value	6(2)(23)	(1,937)	240
Interest expense	6(24)	21,116	28,473
Interest income	6(21)	(10,366)	(3,093)
Compensation costs of employee stock options	6(16)(25)	153,670	61,392
Share of loss of associates and joint ventures accounted for using equity method	6(8)	(947)	(1,735)
Gain on lease modification	6(10)(23)	-	(14)
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(37,559)	(72,106)
Notes receivable, net		19,913	(21,052)
Accounts receivable, net		(5,942)	98,803
Accounts receivable,net-related parties		(546)	-
Other receivables		(2,887)	2,593
Inventories		(252,780)	3,036
Prepayments		(21,654)	261,469
Other current assets		(1,026)	1,204
Changes in operating liabilities			
Current contract liabilities		(29,776)	(2,526)
Accounts payable		45,295	24,353
Other payables		(42,174)	74,904
Other payables - related parties		4,142	5,028
Other current liabilities		(3,662)	6,987
Cash outflow generated from operations		(26,636)	(402,090)
Interest received		9,549	3,129
Interest paid		(18,464)	(23,303)
Income tax received		77	98
Income tax paid		(898)	(230)
Net cash flows used in operating activities		(36,372)	(422,396)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost		(1,522,782)	(111,288)
Acquisition of investments accounted for using equity method	6(8) and 7	-	(845)
Acquisition of property, plant and equipment	6(9)(28)	(165,927)	(37,534)
Acquisition of intangible assets	6(11)(28)	(3,017)	(4,579)
Decrease(increase) in refundable deposits(shown as other non-current assets)		958	(315)
Decrease in other financial assets		3,266	261
Increase in other non-current assets		(68,222)	(74,004)
Net cash flows used in investing activities		(1,755,724)	(228,304)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of corporate bonds	6(13)(29)	-	297,277
Proceeds from long-term borrowings	6(29)	37,160	715,935
Repayments of long-term borrowings	6(29)	(755,174)	(754,200)
Increase in guarantee deposits received(shown as other non-current liabilities)		-	(382)
Repayments of lease principal	6(10)(29)	(17,734)	(17,010)
Issuance of common stocks		8,229,736	1,012,427
Employee stock options exercised		11,579	10,282
Net cash flows from financing activities		7,505,567	1,264,329
Net increase in cash and cash equivalents		5,713,471	613,629
Cash and cash equivalents at beginning of year		905,956	292,327
Cash and cash equivalents at end of year		$ 6,619,427	$ 905,956

The accompanying notes are an integral part of these parent company only financial statements.

EIRGENIX INC.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2021 AND 2020

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

(1) EirGenix, Inc. (hereinafter referred to as the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in December 2012. In April 2013, the Company obtained all key technologies from the biopharmaceutical pilot plant originally owned by the Development Center for Biotechnology, including its complete core competencies. The Company is primarily engaged in the research and development of biosimilars and new drugs, as well as biopharmaceutical contract development and manufacturing services, which included cell line construction platforms, process development platforms, analytical science and protein identification. Furthermore, EirGenix has two cGMP facilities certified by the Taiwan Food and Drugs Administration (FDA), one for mammalian cells and one for microbial, to provide clinical trial drug production.

(2) The shares of the Company have been listed on the Taipei Exchange since June 28, 2019.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These individual financial statements were authorised for issuance by the Board of Directors on March 22, 2022.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, 'Extension of the temporary exemption from applying IFRS 9'	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, 'Interest Rate Benchmark Reform— Phase 2'	January 1, 2021
Amendment to IFRS 16, 'Covid-19-related rent concessions beyond 30 June 2021'	April 1, 2021(Note)

Note：Earlier application from January 1, 2021 is allowed by FSC.

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 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.

(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
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
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.

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

The individual financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the individual financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

B. The preparation of individual financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers 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 individual financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the individual financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The individual financial statements are presented in New Taiwan dollars, which is the Company's functional and 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 foreign exchange gains and losses 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 subsidiaries, associates and joint arrangements 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; otherwise they are classified as non-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.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-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.

(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) 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.

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 Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

(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. The Company subsequently measures the financial assets 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) 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 both by collecting contractual cash flows and selling financial assets; and

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

B. The Company'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 and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

For debt instruments measured at fair value through profit or loss and 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.

(11) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in,first-out(FIFO) 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 cost of completion and applicable variable selling expenses.

(13) Investments accounted for using equity method - subsidiaries

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company 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.

B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies are eliminated. Accounting policies of 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 recognise loss continuously in proportion to its ownership.

D. In accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the profit or loss and other comprehensive income or loss presented on the parent company only financial statements are consistent with those presented on the individual financial statements. In addition, owner's equity presented on the parent company only financial statements is consistent with equity attributable to owners of parent presented on the individual financial statements.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

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. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. 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:

Machinery and equipment	3 ~ 10 years
Office equipment	2 ~ 10 years
Buildings and structures	20 years
Leasehold improvements	3 ~ 20 years
Other equipment	3 ~ 10 years

(15) Leasing arrangements (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 the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

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; and

(b) Any lease payments made at or before the commencement date.

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.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(16) Intangible assets

The Company's accounting policies on intangible assets are summarised below:

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

B. Professional expertise

Professional expertise is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 to 10 years.

(17) Impairment of non-financial assets

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. 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.

(18) Borrowings

A. 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 amortised over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(19) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Convertible bonds payable

Convertible bonds issued by the Company contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(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 expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense 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 amounts resolved by the shareholders and the actual amounts subsequently distributed 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-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) The restricted stocks issued by the Company cannot be transferred during the vesting period, but voting right and dividend right are not restricted on these stocks. Employees are not required to return the dividends received if they resign during the vesting period.

(c) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, they are considered not meeting the vesting condition from the date of resignation and the Company will redeem and retire those stocks at the initial issuance price.

(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. 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 tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred 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 individual balance sheet. However, the deferred 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 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 tax asset is realised or the deferred tax liability is settled.

D. Deferred 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 tax assets are reassessed.

E. 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

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.

(26) Revenue recognition

A. Service revenue

(a) The Company provides biopharmaceutical contract testing and development services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost relative to the total expected cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) The Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.

B. Sales revenue

The Company sells self-developed products. Sales are recognised when control of the products has been transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products

have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

C. Authorisation and cooperative development revenue

(a) The Company's authorisation and cooperative development transactions mainly arise from authorising intellectual property rights of pharmaceutical products to pharmaceutical factories. Although the Company will continuously provide research and development services on the pharmaceutical products, pharmaceutical factories can access the research and development outcome at any time. Based on the Company's assessment, the Company uses its special technologies in manufacturing pharmaceutical cell lines, which are unique so that pharmaceutical factories would have difficulty finding another similar service provider who offers the same services in terms of the subsequent research and development on the authorised pharmaceutical products. The authorisation and subsequent research and development services provided by the Company are bonded and highly interrelated, which does not meet the criteria of being distinct, and hence are accounted for as a single performance obligation to be delivered over time. Pharmaceutical factories pay a non-refundable up-front payment upon signing of the contracts, and make milestone payments upon each milestone achieved. The transaction prices, net of variable considerations that are not highly probable to be realised, are recognised as revenue based on the progress of performance obligations that are satisfied over time. The aforementioned stage of completion is determined based on the ratio of the actual research and development costs incurred at the end of the reporting period to the estimated total research and development costs for the authorisation contracts. The Company uses input method to measure progress towards the satisfaction of a performance obligation as there is a direct relationship between the transfer of control of services to customers and the Company's inputs, including costs of contract research and development services, contract manufacturing services and medicines. Revenue is only recognised when it is highly probable that a significant reversal will not occur. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. A contract liability recognised as revenue through the performance obligation is satisfied over time.

(b) The Company also entered into contracts with pharmaceutical factories, whereby the Company is entitled to a sales-based royalty in exchange for a license of manufacturing and

the right to sell pharmaceutical products. In accordance with the contracts, the Company will not undertake any activities that will significantly affect the intellectual property to which the customer has rights. The Company recognises revenue at the later of when the performance obligation has been satisfied and the subsequent transfer of control or sale occurs.

(27) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises expenses for the related costs for which the grants are intended to compensate.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these individual 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 amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Impairment on property, plant and equipment and intangible assets - professional expertise

(a) The Company assesses impairment based on its internal and external information and industry characteristics 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 how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Company strategy might cause material impairment on assets in the future.

(b) As of December 31, 2021, the carrying amount of property, plant and equipment as well as intangible assets - professional expertise were $1,885,858 and $14,838, respectively.

B. Recognition of service revenue and authorisation and cooperative development revenue

(a) Service revenue and authorisation and cooperative development revenue are recognised based on the stage of completion. The Company sets the key assumption factors for estimating total future cost based on the past operating experience, and regularly reviews and assesses the reasonableness of the basis for relevant assumptions.

(b) For the year ended December 31, 2021, the service revenue and authorisation and cooperative development revenue amounted to $864,515 and $496,089, respectively.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 51	$ 145
Demand deposits	5,422,756	899,831
Time deposits	1,196,620	5,980
	$ 6,619,427	$ 905,956

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 classified restricted cash and cash equivalents amounting to $27,334 and $30,601 as other current financial assets and other non-current financial assets as of December 31, 2021 and 2020, respectively. Please refer to Note 8.

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

Items	December 31, 2021	December 31, 2020
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Call options and Put options of convertible bonds	$ 362	$ 840
Valuation adjustment	529	(240)
	$ 891	$ 600

A. The Company recognised net gains(loss) amounting to $1,937 and ($240) on financial assets at fair value through profit or loss for the years ended December 31, 2021 and 2020, respectively.

B. Details of the terms of the first domestic secured convertible bonds issued by the Company are provided in Note 6(13).

(3) Financial assets at amortised cost

Items	December 31, 2021	December 31, 2020
Current items:		
Time deposits (Note)	$ 1,636,640	$ 28,480
Pledged time deposits	-	85,440
	$ 1,636,640	$ 113,920
Non-current items:		
Pledged time deposits	$ 8,588	$ 8,526

Note: The deposit period for time deposits ranges between three months and a year.

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2021	2020
Interest income	$ 1,260	$ 2,026

B. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(4) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 1,139	$ 21,052
Accounts receivable	$ 79,163	$ 72,532
Less: Allowance for uncollectible accounts	(689)	-
	$ 78,474	$ 72,532

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2021		December 31, 2020	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 72,291	$ 1,139	$ 56,275	$ -
Up to 30 days past due	2,454	-	3,673	-
31 to 90 days past due	-	-	12,553	6,115
91 to 180 days past due	4,418	-	31	14,937
	$ 79,163	$ 1,139	$ 72,532	$ 21,052

The above ageing analysis was based on past due date.

B. As of December 31, 2021 and 2020, accounts receivable and notes receivable were all from contracts with customers. Also, as of January 1, 2020, the balance of receivables from contracts with customers amounted to $177,111.

C. For the years ended December 31, 2021 and 2020, the interest income is recognised in profit or loss of $342 and $145, respectively.

D. As at December 31, 2021 and 2020, 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 notes and accounts receivable(including related parties) held by the Company was $80,159 and $93,584, respectively.

E. The Company did not hold any collateral.

F. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 338,034	($ 17,315)	$ 320,719
Work in progress	52,374	-	52,374
Finished goods	37,569	-	37,569
Merchandise inventory	3,050	-	3,050
	$ 431,027	($ 17,315)	$ 413,712

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 171,315	($ 10,437)	$ 160,878
Merchandise inventory	54	-	54
	$ 171,369	($ 10,437)	$ 160,932

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2021	2020
Cost of goods used	$ 143,605	$ 63,152
Cost of goods sold	38,422	437
Loss on decline in market value	6,878	5,390
Gain on physical inventory	(90)	(1)
	$ 188,815	$ 68,978

(6) Prepayments

	December 31, 2021	December 31, 2020
Office supplies	$ 12,935	$ 34,595
Prepayments for contracted research expense	12,972	14,403
Excess business tax paid (or Net Input VAT)	1,877	928
Prepayments to suppliers	48,871	9,372
Prepayment for guarantee deposits and handling fee	1,606	3,750
Other prepaid expenses	27,522	16,438
	$ 105,783	$ 79,486

(7) Financial assets at fair value through other comprehensive income

Items	December 31, 2021	December 31, 2020
Non-current items:		
Equity instruments		
Unlisted stocks	$ 5,776	$ 5,776
Valuation adjustment	5,831	180
	$ 11,607	$ 5,956

A. The Company has elected to classify shares 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 $11,607 and $5,956 as at December 31, 2021 and 2020, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2021	2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 5,651	$ 180

(8) Investments accounted for using equity method

	December 31, 2021	December 31, 2020
Subsidiary:		
EirGenix Europe GmbH	$ 3,289	$ 2,678

A. Please refer to Note 4(3) in the individual financial statements for the year ended December 31, 2021 for the information regarding the Company's subsidiaries.

B. Share of profit of subsidiaries, associates and joint ventures accounted for using equity method is as follows:

	Year ended December 31	
	2021	2020
Subsidiary:		
EirGenix Europe GmbH	$ 947	$ 1,735

(9) Property, plant and equipment

	2021							
	Machinery and equipment	Office equipment	Buildings and structures	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total	Prepayments for business facilities (shown as other non-current assets, others)
At January 1								
Cost	$ 723,658	$ 63,999	$ 1,290,377	$ 23,263	$ 22,469	$ 28,246	$ 2,152,012	$ 12,063
Accumulated depreciation	(168,970)	(17,622)	(102,463)	(6,340)	(5,292)	-	(300,687)	-
	$ 554,688	$ 46,377	$ 1,187,914	$ 16,923	$ 17,177	$ 28,246	$ 1,851,325	$ 12,063
Opening net book amount as at January 1	$ 554,688	$ 46,377	$ 1,187,914	$ 16,923	$ 17,177	$ 28,246	$ 1,851,325	$ 12,063
Additions	86,102	3,882	2,685	1,232	4,089	71,716	169,706	64,154
Reclassifications	2,423	-	2,547	-	-	(4,970)	-	-
Transfers from other non-current assets	2,186	-	302	-	-	8,273	10,761	(10,761)
Depreciation charge	(70,715)	(7,217)	(61,756)	(2,634)	(3,612)	-	(145,934)	-
Closing net book amount as at December 31	$ 574,684	$ 43,042	$ 1,131,692	$ 15,521	$ 17,654	$ 103,265	$ 1,885,858	$ 65,456
At December 31								
Cost	$ 813,793	$ 67,037	$ 1,295,911	$ 24,495	$ 26,524	$ 103,265	$ 2,331,025	$ 65,456
Accumulated depreciation	(239,109)	(23,995)	(164,219)	(8,974)	(8,870)	-	(445,167)	-
	$ 574,684	$ 43,042	$ 1,131,692	$ 15,521	$ 17,654	$ 103,265	$ 1,885,858	$ 65,456

	2020							
	Machinery and equipment	Office equipment	Buildings and structures	Lease improvements	Other equipment	Unfinished construction and equipment under acceptance	Total	Prepayments for business facilities (shown as other non-current assets, others)
At January 1								
Cost	$ 648,962	$ 58,588	$ 1,275,969	$ 22,492	$ 17,367	$ 21,214	$ 2,044,592	$ 8,342
Accumulated depreciation	(106,313)	(11,653)	(41,320)	(4,001)	(2,529)	-	(165,816)	-
	$ 542,649	$ 46,935	$ 1,234,649	$ 18,491	$ 14,838	$ 21,214	$ 1,878,776	$ 8,342
Opening net book amount as at January 1	$ 542,649	$ 46,935	$ 1,234,649	$ 18,491	$ 14,838	$ 21,214	$ 1,878,776	$ 8,342
Additions	31,875	4,972	7,866	767	4,431	280	50,191	62,404
Reclassifications	8,637	1,386	1,512	93	840	(12,468)	-	-
Transfers from other non-current assets	34,433	-	5,030	-	-	19,220	58,683	(58,683)
Depreciation charge	(62,906)	(6,916)	(61,143)	(2,428)	(2,932)	-	(136,325)	-
Closing net book amount as at December 31	$ 554,688	$ 46,377	$ 1,187,914	$ 16,923	$ 17,177	$ 28,246	$ 1,851,325	$ 12,063
At December 31								
Cost	$ 723,658	$ 63,999	$ 1,290,377	$ 23,263	$ 22,469	$ 28,246	$ 2,152,012	$ 12,063
Accumulated depreciation	(168,970)	(17,622)	(102,463)	(6,340)	(5,292)	-	(300,687)	-
	$ 554,688	$ 46,377	$ 1,187,914	$ 16,923	$ 17,177	$ 28,246	$ 1,851,325	$ 12,063

Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(10) Leasing arrangements - lessee

A. The Company leases various assets including land, buildings, machinery and equipment, multifunction printers and business vehicles. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise of certain offices, dormitories, business vehicles and warehouses. Low-value assets comprise multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Land	$ 174,445	$ 186,005
Buildings	80,222	85,451
Machinery and equipment	37,359	39,658
Transportation equipment (Business vehicles)	4,223	2,462
Office equipment (Photocopiers)	724	1,086
	$ 296,973	$ 314,662

	Year ended December 31	
	2021	2020
	Depreciation expense	Depreciation expense
Land	$ 11,560	$ 11,498
Buildings	5,229	5,810
Machinery and equipment	2,299	2,359
Transportation equipment (Business vehicles)	1,188	1,010
Office equipment (Photocopiers)	362	347
	$ 20,638	$ 21,024

D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were $2,949 and $7,469, respectively.

The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2021	2020
Items affecting profit or loss		
Interest expense on lease liabilities	$ 7,723	$ 8,141
Expense on short-term lease contracts	8,476	4,993
Expense on leases of low-value assets	364	991

F. For the years ended December 31, 2021 and 2020, the Company's total cash outflow for leases were $34,297 and $31,135, respectively.

(11) Intangible assets

	2021		
	Software	Professional expertise	Total
At January 1			
Cost	$ 18,415	$ 107,674	$ 126,089
Accumulated amortisation	(11,127)	(82,122)	(93,249)
	$ 7,288	$ 25,552	$ 32,840
Opening net book amount as at January 1	$ 7,288	$ 25,552	$ 32,840
Additions	2,738	279	3,017
Amortisation charge	(5,311)	(10,993)	(16,304)
Closing net book amount as at December 31	$ 4,715	$ 14,838	$ 19,553
At December 31			
Cost	$ 21,153	$ 107,953	$ 129,106
Accumulated amortisation	(16,438)	(93,115)	(109,553)
	$ 4,715	$ 14,838	$ 19,553

	2020		
	Software	Professional expertise	Total
At January 1			
Cost	$ 14,644	$ 107,111	$ 121,755
Accumulated amortisation	(8,098)	(71,223)	(79,321)
	$ 6,546	$ 35,888	$ 42,434
Opening net book amount as at January 1	$ 6,546	$ 35,888	$ 42,434
Additions	3,771	563	4,334
Amortisation charge	(3,029)	(10,899)	(13,928)
Closing net book amount as at December 31	$ 7,288	$ 25,552	$ 32,840
At December 31			
Cost	$ 18,415	$ 107,674	$ 126,089
Accumulated amortisation	(11,127)	(82,122)	(93,249)
	$ 7,288	$ 25,552	$ 32,840

A. Details of amortisation on intangible assets are as follows:

	Year ended December 31	
	2021	2020
Operating costs	$ 9,271	$ 7,849
Administrative expenses	1,242	1,221
Research and development expenses	5,791	4,858
	$ 16,304	$ 13,928

B. The basic information of the professional expertise that is material to the Company is as follows:

(a) In April 2013, the Company acquired professional expertise, including cell line establishment, process development, process optimisation, analytical method development and validation, product qualification, GMP manufacturing and stability test, etc., amounting to $92,483 from the Development Center for Biotechnology - cGMP biopharmaceutical pilot plant facility.

(b) In July 2013, the Company acquired professional expertise of Herceptin from FORMOSA PHARMACEUTICALS, INC. amounting to $7,143.

(c) In July 2013, the Company acquired commercial authorisation of recombinant protein cell line from Life Technologies Corporation amounting to $7,485.

(12) Other payables

	December 31, 2021	December 31, 2020
Payable on equipment	$ 19,508	$ 15,729
Salary and bonus payable	69,981	52,972
Service expense payable	57,660	138,601
Payable on consumables	25,831	19,118
Payable on repairs and maintenance expense	17,136	14,907
Others	36,539	24,511
	$ 226,655	$ 265,838

(13) Bonds payable

	December 31, 2021	December 31, 2020
Bonds payable	$ 129,100	$ 300,000
Less: Discount on bonds payable	(2,030)	(8,015)
	127,070	291,985
Less: Current portion or exercise of put options	(127,070)	-
	$ -	$ 291,985

A. The terms of the 1st domestic secured convertible bonds issued by the Company are as follows:

(a) The Company issued $300,000, 0% 1st domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (May 29, 2020 ~ May 29, 2023), will be redeemed in cash at face value at the maturity date and are guaranteed by Taichung Commercial Bank, Linkou Branch. The bonds were listed on the Taipei Exchange on May 29, 2020.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.

(d) The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 100% of the face value as interests (yields 0% per annum) upon two years from the issue date.

(e) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

(f) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. As of December 31, 2021, the bonds totalling $170,900 (face value) had been converted into 3,096 thousand shares of common stock. The conversion price was adjusted to NT $51.7 (in dollars) per share on November 30, 2021.

C. Regarding the issuance of convertible bonds, the equity conversion options amounting to $8,056 were separated from the liability component and were recognised in 'capital surplus - share options' in accordance with IAS 32. As of December 31, 2021, the balance of capital surplus – share options amounted to $3,467. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation was 0.82%.

(14) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2020
Long-term bank borrowings				
Secured borrowings	Borrowing period is from May 25, 2020 to May 24,2025.	1.7970%	Buildings and structures as well as their auxiliary	$ 532,201
Secured borrowings	Borrowing period is from May 25, 2020 to May 24, 2025.	1.8499%	Machinery and equipment as well as their auxiliary	184,500
Less: Current portion				(90,620)
				$ 626,081

A. Information on the Company's undrawn borrowing facilities is provided in Note 12(2) C.

B. On May 6, 2020, the Company entered into a $1,050,000 syndicated loan agreement with 6 banks including Taiwan Business Bank to ensure it has sufficient cash to support its research and development expenditures through drawing the credit limit of $281,800 circularly, upon repaying the existing syndicated loan and purchasing the new machinery and equipment as well as auxiliary equipment. Subsequently, the Company settled the long-term borrowings in advance in December 2021.

C. Information about assets pledged as collateral for long-term borrowings is provided in Note 8.

(15) Pensions

A. 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 not lower than 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.

B. The pension costs under the defined contribution pension plans of the Company for the years ended December 31, 2021 and 2020, were $11,591 and $9,460, respectively.

(16) Share-based payment

A. For the years ended December 31, 2021 and 2020, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions
Employee stock options - B	2015. 07. 01	1,270	10 years	1 to 4 years' service
"	2015. 07. 01	130	"	"
"	2015. 07. 06	250	"	"
"	2015. 10. 29	80	"	"
"	2016. 01. 01	270	"	"
Employee stock options - C	2016. 05. 05	100	10 years	2 to 4 years' service
Employee stock options - D	2016.10. 12	515	10 years	2 to 4 years' service
"	2016.12. 29	85	"	"

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions
Employee stock options - E	2017.08. 08	395	10 years	2 to 4 years' service
"	2017.12. 27	570	"	"
"	2018.03. 23	175	"	"
Employee stock soptions - F	2019. 01. 25	520	10 years	2 to 4 years' service
"	2019. 05. 13	285	"	"
Restricted stocks to employees - A	2016.11. 18	1,660	N/A	Conditions of service years and performance
"	2017. 08. 08	257	"	"
Employee stock options - G	2019. 11. 12	960	10 years	2 to 4 years' service
"	2020. 04. 15	775	"	"
"	2020. 08. 12	205	"	"
Cash capital increase reserved for employee preemption	2020. 04. 15	3,500	N/A	Vested immediately
Restricted stocks to employees - B	2020. 05. 13	455	N/A	0.25 to 3 years' service
"	2020. 12. 10	144	"	"
Restricted stocks to employees - C	2020. 05. 13	240	N/A	Performance conditions
Restricted stocks to employees - D	2020. 08. 14	905	N/A	Performance conditions
"	2020. 12. 10	94	"	"
Restricted stocks to employees - H	2020. 12. 23	830	10 years	2 to 4 years' service
"	2021. 05.12	315	"	"
"	2021. 08.12	505	"	"
"	2021. 10.01	1,185	"	"
Cash capital increase reserved for employee preemption	2021. 04.06	3,211	N/A	Vested immediately

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions
Restricted stocks to employees - E	2021. 10.15	613	N/A	Performance conditions
Restricted stocks to employees - F	2021. 10.15	340	N/A	Performance conditions

(a) The restricted stocks issued by the Company cannot be transferred during the vesting period, but voting right and dividend right are not restricted on these stocks. If employees resign during the vesting period, they are considered not meeting the vesting condition from the date of resignation and the Company will redeem and retire those stocks at the initial issuance price, but employees are not required to return the dividends received.

(b) The abovementioned share-based payment arrangements are equity-settled.

B. Details of the share-based payment arrangements are as follows:

(a) Employee stock options

	2021		2020	
	No. of options (shares in thousands)	Weighted-average exercise price (in dollars)	No. of options (shares in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	4,210	$15~57.8	3,334	$15~43.2
Options granted	2,005	124~154.5	1,810	32.5~57.8
Options forfeited	(546)	15~135.5	(534)	26.5~42.4
Options exercised	(387)	15~39.6	(400)	15~43.2
Options outstanding at December 31	5,282	15~146.4	4,210	15~57.8
Options exercisable at December 31	1,503		1,151	

(b) Restricted stocks to employees

	2021 (shares in thousands)	2020 (shares in thousands)
Stocks outstanding at January 1	2,629	1,384
Stocks granted	953	1,838
Stocks vested	(287)	(426)
Stocks retired	(426)	(167)
Stocks outstanding at December 31	2,869	2,629

C. The weighted-average stock prices of stock options at exercise dates for the years ended December 31, 2021 and 2020 were $132.5 and $25.72, respectively.

D. The expiry date and exercise price of stock options outstanding at the balance sheet dates are as follows:

			December 31, 2021		December 31, 2020	
Type of arrangement	Issue date approved	Expiry date	No. of shares (shares in thousands)	Exercise price (in dollars)	No. of shares (shares in thousands)	Exercise price (in dollars)
Employee stock options - B	2015. 07. 01	2025. 06. 30	208	$ 15	228	$ 15
"	2015. 07. 01	2025. 06. 30	20	20	20	20
"	2015. 07. 06	2025. 07. 05	67	20	67	20
"	2015.10. 29	2025. 10. 28	7	20	7	20
"	2016. 01. 01	2025. 12. 31	29	20	29	20
Employee stock options - C	2016. 05. 05	2026. 05. 04	35	29.2	55	33
Employee stock options - D	2016. 10. 12	2026. 10. 11	280	29.2	320	33
"	2016. 12. 29	2026. 12. 28	22	37.5	52	42.4
Employee stock options - E	2017. 08. 08	2027. 08. 07	137	29.2	177	33
"	2017. 12. 27	2027. 12. 26	246	25	322	28.3
"	2018. 03. 23	2028. 03. 22	81	23.5	93	26.5

Type of arrangement	Issue date approved	Expiry date	December 31, 2021 No. of shares (shares in thousands)	December 31, 2021 Exercise price (in dollars)	December 31, 2020 No. of shares (shares in thousands)	December 31, 2020 Exercise price (in dollars)
Employee stock options - F	2019. 01. 25	2029. 01. 24	182	$ 28.7	365	$ 32.4
"	2019. 05. 13	2029. 05. 12	203	34.3	215	38.7
Employee stock options - G	2019. 11. 12	2029. 11. 11	545	25.2	620	28.5
"	2020. 04. 15	2030. 04. 14	450	28.8	605	32.5
"	2020. 08. 12	2030. 08. 11	170	51.2	205	57.8
Employee stock options - H	2020. 12. 23	2030. 12. 22	700	42.1	830	47.55
"	2021.05.12	2031.05.11	315	146.4	-	-
"	2021.08.12	2031.08.11	485	128.4	-	-
"	2021.10.01	2031.09.30	1,100	117.5	-	-

E. The fair value of stock options granted is measured using the Black-Scholes option-pricing model to estimate the fair value of employee stock options, cash capital increase reserved for employee preemption and restricted stocks to employees. Relevant information is as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options - B	2015. 07. 01	1,270	$ 14.88	$ 15	36.58~ 37.13%	5.5 ~ 7 years	1.15~ 1.35%	$5.22 ~ 6.01
"	2015. 07. 01	130	14.88	20	36.58~ 37.13%	5.5 ~ 7 years	1.15~ 1.35%	3.83~ 4.69
"	2015. 07. 06	250	14.60	20	37.09~ 37.64%	5.5 ~ 7 years	1.15~ 1.35%	3.75~ 4.6
"	2015. 10. 29	80	15.83	20	38.62~ 38.95%	5.5 ~ 7 years	0.94~ 1.07%	4.62 ~ 5.48
"	2016. 01. 01	270	16.03	20	40.11~ 40.30%	5.5 ~ 7 years	0.79~ 0.90%	4.91~ 5.76
Employee stock options - C	2016. 05. 05	100	13.27	29.2	40.75~ 40.91%	6 ~ 7 years	0.70~ 0.77%	1.86 ~ 2.30
Employee stock options - D	2016. 10. 12	515	21.42	29.2	39.82~ 39.91%	6 ~ 7 years	0.71~ 0.75%	5.19~ 5.93
"	2016. 12. 29	85	20.40	37.5	39.39~ 39.48%	6 ~ 7 years	1.16~ 1.20%	3.49~ 4.18

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options - E	2017. 08. 08	395	$ 18.75	$ 29.2	38.13~ 38.22%	6 ~ 7 years	0.82~ 0.88%	$3.64~ 4.23
"	2017. 12. 27	570	18.07	25	36.97~ 37.23%	6 ~ 7 years	0.74~ 0.80%	3.81~ 4.41
"	2018. 03. 23	175	19.16	23.5	36.87~ 37.17%	6 ~ 7 years	0.79~ 0.84%	4.71 ~ 5.38
Employee stock options - F	2019. 01. 25	520	21.96	28.7	36.03~ 36.90%	6 ~ 7 years	0.72~ 0.78%	4.85~ 5.74
"	2019. 05. 13	285	25.75	34.3	35.50%~ 36.35%	6 ~ 7 years	0.64~ 0.67%	5.39 ~ 6.40
Restricted stocks to employees - A	2016. 11. 18	1,660	22.88	-	-	-	-	22.88
"	2017. 08. 08	257	19.61	-	-	-	-	19.61
Employee stock options - G	2019. 11. 12	960	29.05	25.2	26.38%	6 ~ 7 years	0.63~ 0.66%	7.77 ~ 8.42
"	2020. 04. 15	775	33.1	28.8	50.33%	6 ~ 7 years	0.47~ 0.49%	15.56 ~ 16.65
"	2020. 08. 12	205	57.80	51.2	64.08%	6 ~ 7 years	0.36~ 0.38%	33.07 ~ 35.18
Cash capital increase reserved for employee preemption	2020. 04. 15	3,500	33.1	29	50.33%	0.06 year	0.30%	4.38
Restricted stocks to employees - B	2020. 05. 13	455	46.85	-	-	-	-	46.85
"	2020.12.10	144	48.6	-	-	-	-	48.6
Restricted stocks to employees - C	2020. 05. 13	240	46.85	-	-	-	-	46.85
Restricted stocks to employees - D	2020. 08. 14	905	55.7	-	-	-	-	55.7
"	2020. 12. 10	94	48.6	-	-	-	-	48.6

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Restricted stocks to employees - H	2020. 12. 23	830	$ 47.55	$ 42.1	61.28%	6 ~ 7 years	0.22~ 0.26%	$26.15~ 27.88
"	2021. 05. 12	315	154.5	146.4	65.02%	6 ~ 7 years	0.31~ 0.35%	89.32~ 95.02
"	2021. 08. 12	505	135.5	128.4	67.02%	6 ~ 7 years	0.32~ 0.34%	80.24~ 85.25
"	2021. 10. 01	1,185	124	117.5	65.78%	6 ~ 7 years	0.34~ 0.38%	72.39~ 76.99
Cash capital increase reserved for employee preemption	2021. 04. 06	3,211	117.5	91.5	71.79%	0.1 year	0.13%	27.51
Restricted stocks to employees - E	2021. 10. 15	613	106.5	-	-	-	-	106.5
Restricted stocks to employees - F	2021. 10. 15	340	106.5	-	-	-	-	106.5

F. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2021	2020
Cash capital increase reserved for employee preemption	$ 88,335	$ 15,330
Employee stock options	29,935	6,720
Restricted stocks to employees	35,400	39,342
	$ 153,670	$ 61,392

(17) Share capital

A. As of December 31, 2021, the Company's authorised capital was $4,000,000, consisting of 400,000 thousand shares of ordinary share (including 12 million shares reserved for employee stock options, preferred shares with warrants or convertible bonds issued by the Company), and the paid-in capital was $3,003,845 with a par value of $10 (in dollars) per share, consisting of 300,385 thousand shares. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows (unit: shares in thousands):

	2021	2020
At January 1	206,375	169,304
Cash capital increase	90,000	35,000
Employee stock options exercised	387	400
Issuance of employee restricted stock	953	1,838
Employee restricted stock - redeemed	(426)	(167)
Issuance of convertible bonds	3,096	-
At December 31	300,385	206,375

B. For the years ended December 31, 2021 and 2020, the Company issued 387 thousand and 400 thousand ordinary shares related to the exercise of employee share options in accordance with the employee share options plan with a par value of $10 (in dollars) per share, totalling $3,865 and $4,000, respectively.

C. For the years ended December 31, 2021 and 2020, the Company collected 426 thousand shares and 167 thousand shares, respectively, as resolved by the Board of Directors as employee restricted stocks distributed to certain employees did not meet the vesting conditions in accordance with the terms of restricted shares.

D. On December 11, 2019, the Board of Directors resolved to increase capital by issuing 35 million ordinary shares, and resolved the issuance price of $29 (in dollars) per share and totalling $1,015 thousand on April 15, 2020. The effective date was set on May 12, 2020. The registration was completed on June 20, 2020.

E. The shareholders during its special meeting on November 27, 2019 resolved to issue the 1st, 2nd and 3rd restricted stocks to employees amounting to 600 thousand, 1 million and 240 thousand shares with no subscription price, respectively. On April 15, 2020, the Board of Directors of the Company resolved to issue the 1st and 3rd restricted stocks to employees amounting to 455 thousand and 240 thousand shares in 2019, respectively, with the effective date set on May 13, 2020. On August 12, 2020, the Board of Directors of the Company resolved to issue the 2nd restricted stocks to employees amounting to 905 thousand shares in 2019 with the effective date of capital increase of restricted stocks to employees set on August 14, 2020. On December 10, 2020, the Board of Directors of the Company resolved to issue the 1st and 2nd restricted stocks to employees totaling 144 thousand and 94 thousand shares in 2019, respectively, with the effective date of capital increase set on December 10, 2020.

F. On December 23, 2020, the Board of Directors resolved to increase capital by issuing 35 million ordinary shares, and resolved the issuance price of $91.5 (in dollars) per share and totalling $3,202.5 thousand on April 6, 2021. The effective date was set on May 11, 2021. The registration was completed on June 15, 2021.

G. The shareholders during their meeting on August 3, 2021 resolved to issue the 1st and 2nd restricted stocks to employees amounting to 1,000 thousand and 340 thousand shares with no subscription price, respectively. On October 1,2021 the Board of Directors of the Company resolved to issue the 1st and 2nd restricted stocks to employees amounting to 613 thousand and 340 thousand shares in 2021, respectively, with the effective date set on October 15, 2021.

H. The shareholders during their stockholders' meeting on August 3, 2021 resolved to issue ordinary shares through the private placement with par value of $91.5 and the total consideration of issuing common stock was $5,032,500. All proceeds from shares issued have been collected on October 15, 2021, and the effective date was set on October 15, 2021, and the registration has been completed on December 13, 2021. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

(18) 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. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Accumulated deficit

A. Under the Company's Articles of Incorporation, 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. After the provision or reversal of special reserve in accordance with laws or regulations, the appropriation of the remaining earnings along with the unappropriated earnings of prior years shall be proposed by the Board of Directors and resolved at shareholders' meetings.

B. The Company's dividend policy is summarised below: The Board of Directors would consider the earnings situation of current year, capital and financial structure, future operating needs, retained earnings and legal reserve, as well as the market competition to propose the appropriation of earnings to the shareholders during their meetings for resolution, and cash dividends shall account for at least 10% of the total dividends distributed.

C. The shareholders at their meeting on August 3, 2021 and June 29, 2020 have resolved not to distributed earnings as the Company incurred operating loss. Please refer to the website of "Market Observation Post System" for information about earnings appropriation to offset deficit which was proposed by the Board of Directors and resolved at the shareholders' meeting.

D. On March 22, 2022, the Board of Directors proposed the deficit compensation for the year ended December 31, 2021. The Company offset losses by capital surplus of $2,973,500. Please refer to the website of "Market Observation Post System" for information about earnings appropriation to offset deficit which was proposed by the Board of Directors and resolved at the shareholders' meeting.

E. As of December 31, 2021 and 2020, there was no earnings to be distributed.

(20) Operating revenue

	Year ended December 31	
	2021	2020
Revenue from contracts with customers	$ 1,697,359	$ 1,071,838

A. Disaggregation of revenue

The Company derives revenue from the transfer of services, authorisation and goods over time and at a point in time in the following major categories:

	Year ended December 31, 2021			
	Sales of services	Sales of authorisation and cooperative development	Sales of goods	Total
Timing of revenue recognition				
At a point in time	$ -	$ -	$ 274,087	$ 274,087
Over time	864,515	496,089	62,668	1,423,272
	$ 864,515	$ 496,089	$ 336,755	$ 1,697,359

	Year ended December 31, 2020			
	Sales of services	Sales of authorisation and cooperative development	Sales of goods	Total
Timing of revenue recognition				
At a point in time	$ -	$ -	$ 38,695	$ 38,695
Over time	572,344	460,799	-	1,033,143
	$ 572,344	$ 460,799	$ 38,695	$ 1,071,838

B. Contract assets and liabilities

(a) The Company has recognised the following revenue-related contract assets and liabilities:

	December 31, 2021	December 31, 2020	January 1, 2020
Contract assets:			
Services	$ 170,597	$ 133,038	$ 60,932
Current contract liabilities			
Services	$ 102,289	$ 56,201	$ 41,373
Authorisation and cooperative	121,678	153,369	118,029
Sales of goods	-	-	931
Non-current contract liabilities			
Authorisation and cooperative	20,059	64,232	115,995
	$ 244,026	$ 273,802	$ 276,328

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year.

Revenue recognised that was included in the contract liability balance at the beginning of the year	Year ended December 31	
	2021	2020
Services	$ 55,949	$ 37,150
Authorisation and cooperative development	126,778	115,579
Sales of goods	-	931
	$ 182,727	$ 153,660

(C) Unfulfilled long-term contracts

Aggregate amount of the transaction price allocated to long-term technology service contracts, authorisation and cooperative development contracts that are partially or fully unsatisfied, and all of the milestone payment as at December 31, 2021 amounted to $1,851,926. The management expects to recognise the amount in the future.

C. Details on authorisation and cooperative development revenue arising from providing drug development, commercialization service and authorising intellectual property rights of pharmaceutical products to the pharmaceutical factory are as follows:

In April 2019, the Company entered into an authorisation and cooperative development contract of EG12014 with Sandoz AG. The contract includes up-front payment, milestone payment at each stage and profit-sharing royalty on sales of products in the authorised markets in proportion to the ratios specified in the contract. The contract is mainly for providing the biosimilars development and commercialisation services and authorising intellectual property rights to the customer in regions other than Taiwan and Mainland China (After the amendment of the contract in the fourth quarter of 2021, it was revised to Taiwan, China, Japan, South Korea and Russia). As of December 31, 2021, the Company has received the aforementioned up-front payment and part of the milestone payment in accordance with the contract terms. The revenue of up-front payment and milestone payment achieved is recognised based on the satisfaction percentage during research and development period. If the drug was successfully launched, the supply price base on the supply terms and quantities, and the profit-sharing royalty calculated based on sales could also be collected. For the years ended December 31, 2021 and 2020, the Company recognised the revenue from authorisation and cooperative development contract amounting to $496,089 and $460,799, respectively. The European Medicines Agency and the Food and Drug Administration accepted the Sandoz AG's application for marketing review in January 2022 and February 2022, respectively.

(21) Interest income

	Year ended December 31	
	2021	2020
Interest income from bank deposits	$ 8,764	$ 922
Interest income from financial assets measured at amortised cost	1,260	2,026
Other interest income	342	145
	$ 10,366	$ 3,093

(22) Other income

	Year ended December 31	
	2021	2020
Government grant revenues	$ 37,022	$ -
Other income	3,173	1,571
	$ 40,195	$ 1,571

The Company received a grant for the 'Breast Cancer Targeted Antibody similar to EG12014 Trastuzumab Biosimilar phase III clinical trial program' from Ministry of Economic Affairs (MOEA). The program execution period is from November 1, 2019 to September 30, 2022 and the total grant received amounted to $80,000. For the year ended December 31, 2021, the Company recognised government grants revenue of $36,861 according to the progress of execution.

(23) Other gains and losses

	Year ended December 31	
	2021	2020
Gains arising from lease modifications	$ -	$ 14
Foreign exchange losses	(9,658)	(22,081)
Gains(losses) on financial assets at fair value through profit or loss	1,937	(240)
Miscellaneous disbursements	(4,545)	(9,176)
	($ 12,266)	($ 31,483)

(24) Finance costs

	Year ended December 31	
	2021	2020
Interest expense on bank borrowings	$ 11,267	$ 18,408
Interest expense on lease liabilities	7,723	8,141
Other interest expense	2,126	1,924
Interest expense	$ 21,116	$ 28,473

(25) Employee benefits, depreciation and amortisation expenses

Function / Nature	Year ended December 31, 2021			Year ended December 31, 2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit						
Wages and salaries	$ 112,754	$ 143,592	$ 256,346	$ 50,216	$ 153,994	$ 204,210
Share based payment	44,609	109,061	153,670	20,001	41,391	61,392
Labour and health insurance fees	9,421	12,221	21,642	5,483	11,155	16,638
Pension costs	5,522	6,069	11,591	4,248	5,212	9,460
Directors' remuneration	-	3,235	3,235	-	2,905	2,905
Other personnel expenses	3,761	7,983	11,744	2,636	5,797	8,433
Depreciation expense	80,216	86,356	166,572	42,179	115,170	157,349
Amortisation expense	9,271	7,033	16,304	7,849	6,079	13,928

A. In accordance with to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 1% to 5% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. No employees' compensation and directors' remuneration was accrued due to the net loss incurred for the years ended December 31, 2021 and 2020.

C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors and resolved at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(26) Income taxes

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2021	2020
Current tax:		
Current tax on profits for the year	$ -	$ -
Deferred tax:		
Origination and reversal of temporary differences	189	347
Income tax expense	$ 189	$ 347

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2021	2020
Currency translation differences	$ 19	($ 19)

B. Reconciliation between income tax expense and accounting profit:

	Year ended December 31	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	($ 8,478)	($ 208,265)
Expenses disallowed by tax regulation	3	48
Tax exempt income by tax regulation	(387)	-
Tax losses not recognised as deferred tax assets	7,636	206,122
Temporary differences not recognised as deferred tax assets	1,415	2,442
Income tax expenses	$ 189	$ 347

C. Amounts of deferred tax liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
－Deferred tax assets:				
Share of profit (loss) of associates and subsidiaries accounted for using the equity method, net differences	$ 347	$ 189	$ -	$ 536
Currency translation differences	19	-	(19)	-
	$ 366	$ 189	($ 19)	$ 536

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
－Deferred tax assets:				
Share of profit (loss) of associates and subsidiaries accounted for using the equity method, net differences	$ -	$ 347	$ -	$ 347
Currency translation differences	-	-	19	19
	$ -	$ 347	$ 19	$ 366

D. Details of the amount the Company is entitled as investment tax credit and unrecognised deferred tax assets are as follows:

December 31, 2021			
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Research and development	$ 686,981	$ 686,981	Note

December 31, 2020			
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Research and development	$ 317,246	$ 317,246	Note

Note: The Company was entitled to the incentives conferred under the Biotech and New Pharmaceutical Development Act following the Company's incorporation as a biotech pharmaceutical company pursuant to the Letter No. Jing-Shou-Gong-Zi-10320422220 and the Letter No. Jing-Shou-Gong-Zi-10920401340 issued by the MOEA on September 17, 2014 and February 3, 2020, respectively. The incentive measures are valid for five years beginning on the next date of the issuance of MOEA's Letter. The investment tax credit can be first used to offset expenditure on research and development and staff training when there is taxable business income. Any unused tax credit is available for the following four years. As of December 31, 2021, the Company has no profit-seeking enterprise income tax.

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	Amount assessed	$ 104,540	$ 104,540	2023
2014	Amount assessed	131,762	131,762	2024
2015	Amount assessed	133,257	133,257	2025
2016	Amount assessed	109,737	109,737	2026
2017	Amount assessed	163,949	163,949	2027
2018	Amount assessed	371,827	371,827	2028
2019	Amount assessed	858,819	858,819	2029
2020	Amount filed	1,009,168	1,009,168	2030
2021	Amount expected	38,184	38,184	2031
		$ 2,921,243	$ 2,921,243	

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	Amount assessed	$ 104,540	$ 104,540	2023
2014	Amount assessed	131,762	131,762	2024
2015	Amount assessed	133,257	133,257	2025
2016	Amount assessed	109,737	109,737	2026
2017	Amount assessed	163,949	163,949	2027
2018	Amount assessed	371,827	371,827	2028
2019	Amount filed	858,819	858,819	2029
2020	Amount expected	1,030,609	1,030,609	2030
		$ 2,904,500	$ 2,904,500	

F. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2021	December 31, 2020
Deductible temporary differences	$ 28,768	$ 21,690

G. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(27) Loss per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss for the year	($ 42,581)	242,662	($ 0.18)

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss for the year	($ 1,041,670)	192,478	($ 5.41)

Diluted loss per share would not be calculated as the Company had loss for the years ended December 31, 2021 and 2020.

(28) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year ended December 31	
	2021	2020
Purchase of property, plant and equipment	$ 169,706	$ 50,191
Add: Opening balance of other payables	15,729	3,072
Less: Ending balance of other payables	(19,508)	(15,729)
Cash paid during the year	$ 165,927	$ 37,534

	Year ended December 31	
	2021	2020
Purchase of intangible assets	$ 3,017	$ 4,334
Add: Opening balance of other payables	-	245
Cash paid during the year	$ 3,017	$ 4,579

B. Financing activities with no cash flow effects:

	Year ended December 31	
	2021	2020
Conversion of convertible bonds	$ 165,395	$ -

(29) Changes in liabilities from financing activities

	2021			
	Long-term borrowings (including current portion)	Lease liability	Bonds payable	Liabilities from financing activities-gross
At January 1	$ 716,701	$ 321,550	$ 291,985	$ 1,330,236
Changes in cash flow from financing activities	(718,014)	(17,734)	-	(735,748)
Changes in right-of-use assets	-	2,949	-	2,949
Changes in other non-cash items	1,313	-	(164,915)	(163,602)
At December 31	$ -	$ 306,765	$ 127,070	$ 433,835

	2020			
	Long-term borrowings (including current portion)	Lease liability	Bonds payable	Liabilities from financing activities-gross
At January 1	$ 751,434	$ 335,939	$ -	$ 1,087,373
Changes in cash flow from financing activities	(38,265)	(17,010)	297,277	242,002
Changes in right-of-use assets	-	2,643	-	2,643
Impact of changes in foreign exchange rate	-	(8)	-	(8)
Changes in other non-cash items	3,532	(14)	(5,292)	(1,774)
At December 31	$ 716,701	$ 321,550	$ 291,985	$ 1,330,236

7. Related Party Transactions

(1) Parent and ultimate controlling party

The Company has no ultimate parent company and ultimate controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
EirGenix Europe GmbH	Subsidiary
FORMOSA LABORATORIES, INC.	Other related party
Development Center for Biotechnology (DCB)	〃
FORMOSA PHARMACEUTICALS, INC.	〃

(3) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2021	2020
Sales of goods:		
Other related parties	$ 2,240	$ -
Sales of services:		
Other related parties	6,504	4,252
	$ 8,744	$ 4,252

(a) No similar transaction can be compared with for the sales of service. Prices and terms are determined based on mutual agreements.

(b) On December 31, 2021 and 2020, the Company has recognised the revenue-related contract assets amounting to $947 and $0,and contract liabilities amounting to $929 and $116, respectively.

B. Service expense (shown as 'sales and marketing expense' and 'research and development expense')

	Year ended December 31	
	2021	2020
Subsidiary	$ 52,370	$ 36,288
Other related parties	5,559	3,927
	$ 57,929	$ 40,215

It refers to service expense that the Company commissioned its subsidiaries and other related parties to perform biopharmaceutical research and development as well as business development. Prices and terms are determined based on mutual agreements.

C. Other expenses (shown as 'administrative expenses')

	Year ended December 31	
	2021	2020
Other related parties	$ 4,729	$ 4,798

It refers to repair and maintenance fees, based on the price specified in the contract as mutually agreed, allocated from leasing plant and lab from DCB, and the expense shall be paid before the 25th day of the first month of each quarter as specified in the contract.

D. Receivables from related parties:

	December 31, 2021	December 31, 2020
Accounts receivable:		
Other related parties	$ 546	$ -

E. Payables to related parties

	December 31, 2021	December 31, 2020
Other payables:		
Subsidiary	$ 5,101	$ 2,585
Other related parties	5,695	4,069
	$ 10,796	$ 6,654

The abovementioned balances of $1,551 and $1,496 on December 31, 2021 and 2020, respectively, refer to the utilities payables to DCB which made payments on behalf of the Company.

F. Property transactions

(a) Acquisition of property, plant and equipment:

	Year ended December 31	
	2021	2020
Other related parties	$ 190	$ -

(b) Acquisition of financial assets (Issuance of shares)

				Year ended December 31, 2020
	Accounts	No. of shares	Objects	Consideration
Subsidiary	Investments accounted for using equity method	-	EirGenix Europe GmbH	$ 845

(c) For details of acquisition of other assets after the balance sheet date, please refer to Note 11.

G. Lease transactions - lessee

(a) The Company leases plant, laboratory, instrument and equipment from DCB. Rental contract period is expected to be 20 years with initial rental period of 5 years plus the extension options. Rents are paid before the 25th day of the first month of each quarter.

(b) Right-of-use assets

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Land	$ 64,558	$ 68,751
Buildings	80,222	85,451
Machinery and equipment	37,359	39,659
	$ 182,139	$ 193,861

	Year ended December 31	
	2021	2020
	Depreciation expense	Depreciation expense
Land	$ 4,193	$ 4,193
Buildings	5,229	5,229
Machinery and equipment	2,299	2,359
	$ 11,721	$ 11,781

(c) Lease liabilities

i. Outstanding balance

	December 31, 2021	December 31, 2020
Other related party - DCB	$ 187,803	$ 197,776

ii. Interest expense

	Year ended December 31	
	2021	2020
Other related party - DCB	$ 4,747	$ 5,017

(d) Rent expense (shown as 'operating cost' and 'operating expenses')

	Year ended December 31	
	2021	2020
Other related party - DCB	$ 3,603	$ 1,663

Note: As of December 31, 2021 and 2020, guarantee deposits paid (shown as other non-current assets, others) both amounted to $2,962.

(4) Key management compensation

	Year ended December 31	
	2021	2020
Salaries and other short-term employee benefits	$ 29,798	$ 28,514
Post-employment benefits	518	540
Share based payment	15,338	10,325
	$ 45,654	$ 39,379

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2021	December 31, 2020	Purpose
Pledged demand deposits (shown as current other financial assets)	$ 27,334	$ -	Note 1
Pledged time deposits (shown as current financial assets at amortised cost)	$ -	$ 85,440	Note 1
Pledged demand deposits (shown as non-current other financial assets)	$ -	$ 30,601	Note 2
Pledged time deposits (shown as non-current financial assets at amortised cost)	$ 8,588	$ 8,526	Note 3
Guarantee deposits paid (shown as other non-current assets, others)	$ 64,270	$ 65,228	Note 4
Property, plant and equipment	$ 1,315,911	$ 1,396,673	Note 2

Note 1: It refers to short-term borrowings limit.

Note 2: It refers to long-term borrowings limit.

Note 3: It refers to guarantee for land located in Zhubei.

Note 4: It refers to deposits for research commissioned contract, equipment and office, guarantee for gas meter as well as certificates of deposit for customs post-release duty payment.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. As of December 31, 2021 and 2020, the remaining payments contracted for research commissioned contracts at the balance sheet date but not yet incurred amounted to $236,146 and $401,704, respectively.

B. As of December 31, 2021 and 2020, the remaining payments contracted for equipment purchase and plant design at the balance sheet date but not yet incurred amounted to $976,461 and $89,617, respectively.

C. In September, 2020, the Company formed a collaboration with Antaimmu BioMed Co., Ltd. and Panion & BF Biotech Inc. to develop and large-scale manufacture of the Vstrip® COVID-19 Antigen Rapid Test. These three companies could develop markets individually after the joint agreement on the national distribution rights of product is reached among them based on the contract structure, and the profit-sharing royalty shall be calculated in proportion to the ratios specified in the contract. This contract had expired and was terminated on December 31, 2021, but the sale of products can be continued.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

(1) On March 22, 2022, the Board of Directors approved the new drug development agreement with Formosa Pharmaceuticals, Inc. to replace the original contract for development and manufacturing-related cooperation. The profit-sharing royalty from the development or commercialization of TSY0110 (EG12043) was acquired with US$ 30,000 thousand. The relevant price will be paid in accordance with the contract value and milestone schedule based on mutual agreement.

(2) The Company exercised its right to redeem the bonds from March 10 to April 8, 2022. The redemption price is 100% of the face value of the bonds. The redemption date of the convertible

bonds was set on April 8, 2022, and the Company terminated trading the bonds on April 11, 2022.

(3) On March 22, 2022, the Board of Directors of the Company resolved to issue the 1st restricted stocks to employees in amount of 850 thousand shares in 2022 with no subscription price. However, the issuance has not been resolved at the shareholders' meeting as of March 22, 2022.

(4) The Board of Directors on March 22, 2022 resolved to raise additional cash through private placement. The maximum number of shares to be issued through the private placement is 30,000 thousand, and the private placement can be completed in three instalments after the authorization by shareholders. However, the issuance has not been resolved at the shareholders' meeting as of March 22, 2022.

(5) Please refer to Note 6(20) for the details of progress in authorised co-development contracts.

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 in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets designated as at fair value through profit or loss on initial recognition	$ 891	$ 600
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 11,607	$ 5,956
Financial assets at amortised cost		
Cash and cash equivalents	$ 6,619,427	$ 905,956
Financial assets at amortised cost	1,645,228	122,446
Notes receivable	1,139	21,052
Accounts receivable	78,474	72,532
Accounts receivable - related parties	546	-
Other receivables	6,818	3,114
Guarantee deposits paid (shown as other non-current assets, others)	64,270	65,228
Other non-current financial assets	27,334	30,601
	$ 8,443,236	$ 1,220,929

	December 31, 2021	December 31, 2020
Financial liabilities		
Financial liabilities at amortised cost		
Accounts payable	$ 86,456	$ 41,161
Other payables	226,655	265,838
Other payables-related parties	10,796	6,654
Bonds payable	127,070	291,985
Long-term borrowings (including current portion)	-	716,701
	$ 450,977	$ 1,322,339
Lease liability (current and non-current)	$ 306,765	$ 321,550

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate 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

i. Exchange rate risk

(i) The Company operates internationally and is exposed to exchange risk arising from various currency exposures, primarily with respect to the USD, GBP , EUR, and JPY. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

(ii) Management has set up a policy to require Company units to manage their foreign exchange risk against their functional currency. The units are required to hedge their entire foreign exchange risk exposure with the Company treasury.

(iii) 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, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 41,576	27.68	$ 1,150,824
EUR:NTD	1,097	31.32	34,358
JPY:NTD	1,510	0.24	362
Financial liabilities			
Monetary items			
USD:NTD	$ 752	27.68	$ 20,815
EUR:NTD	1,516	31.32	47,481
GBP:NTD	55	37.30	2,052
JPY:NTD	735	0.24	176

	December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 17,221	28.48	$ 490,454
EUR:NTD	171	35.02	5,988
GBP:NTD	41	38.90	1,595
JPY:NTD	3,101	0.28	868
Financial liabilities			
Monetary items			
USD:NTD	$ 747	28.48	$ 21,275
EUR:NTD	3,202	35.02	112,134
GBP:NTD	64	38.90	2,490

(iv) Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 11,508	$ -
EUR:NTD	1%	344	-
JPY:NTD	1%	4	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 208	$ -
EUR:NTD	1%	475	-
GBP:NTD	1%	21	-
JPY:NTD	1%	2	-

	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 4,905	$ -
EUR:NTD	1%	60	-
GBP:NTD	1%	16	-
JPY:NTD	1%	9	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 213	$ -
EUR:NTD	1%	1,121	-
GBP:NTD	1%	25	-

(v) The total exchange 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, 2021 and 2020, amounted to $9,658 and $22,081, respectively.

ii. Price risk

(i) The Company'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 Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

(ii) The Company's investments in equity securities comprise. 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, other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by $116 and $60, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

iii. Cash flow and fair value interest rate risk

The Company does not expect interest rate risk arising from significant variations in interest rate as it was not engaged in any borrowings at floating rates or investments at other interest rates.

(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. 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.individualrisk 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. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

iv. The Company adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
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.

v. 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.

vi. The Company classifies customers' accounts receivable, and contract assets in accordance with customer types. The Company applies the modified approach using individual provision to estimate expected credit loss.

vii. The Company's notes and accounts receivable were generated from the customers who have optimal credit rating, and the expected credit loss rate is 0.3% after using the forecastability of future boom. As of December 31, 2021 and 2020, the carrying amount of notes and accounts receivable (including related parties) amounted to $80,159 and $93,584, respectively. Although some accounts receivable were past due over 90 days, the expected credit risk is insignificant based on individual assessment, thus, loss allowance amounted to $689 and $0, respectively. The counterparties of time deposits over 3 months are financial institutions all with high credit quality and the expected credit risk is insignificant based on the assessment, thus, no loss allowance was recognised.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating units of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

iii. The Company has the following undrawn borrowing facilities:

	December 31, 2021	December 31, 2020
Floating rate:		
Expiring within one year	$ 880,000	$ -
Expiring beyond one year	714,000	-
	$ 1,594,000	$ -
Fixed rate:		
Expiring beyond one year	$ 281,800	$ 328,300

iv. 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. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2021	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Non-derivative financial liabilities				
Accounts payable	$ 86,456	$ -	$ -	$ 86,456
Other payables	226,655	-	-	226,655
Other payables-related parties	10,796	-	-	10,796
Lease liability	25,776	95,725	247,236	368,737
Bonds payable (including current portion)	127,070	-	-	127,070

December 31, 2020	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Non-derivative financial liabilities				
Accounts payable	$ 41,161	$ -	$ -	$ 41,161
Other payables	265,838	-	-	265,838
Other payables-related parties	6,654	-	-	6,654
Lease liability	25,017	97,317	267,613	389,947
Bonds payable	-	300,000	-	300,000
Long-term borrowings (including current portion)	101,896	662,393	-	764,289

v. 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. An active market refers to a market in which transactions for an 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 equity investment without active market and the call options and put options embedded in convertible bonds issued by the Company are included in Level 3.

B. Financial instruments not measured at fair value

Except for current financial assets at fair value through profit or loss and non-current financial assets at fair value through other comprehensive income, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables, guarantee deposits paid (shown as other non-current assets, others), other non-current financial assets, accounts payable, other payables (including related parties), bonds payable (including current portion),long-term borrowings(including current portion) and lease liabilities are approximate to their fair values.

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 are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Call options and Put options of convertible bonds	$ -	$ -	$ 891	$ 891
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	11,607	11,607
	$ -	$ -	$ 12,498	$ 12,498

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Call options and Put options of convertible bonds	$ -	$ -	$ 600	$ 600
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	5,956	5,956
	$ -	$ -	$ 6,556	$ 6,556

(b) The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods.

D. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	2021		
	Derivative instruments	Equity instruments	Total
At January 1	$ 600	$ 5,956	$ 6,556
Conversions of convertible bonds	(1,646)	-	(1,646)
Gains or losses recognised in profit or loss shown as other gains and losses	1,937	-	1,937
Gains and losses recognised in other comprehensive income			
Recorded as unrealised gains (losses) on valuation of investments in debt instruments measured at fair value through other comprehensive income	-	5,651	5,651
At December 31	$ 891	$ 11,607	$ 12,498

	2020		
	Derivative instruments	Equity instruments	Total
At January 1	$ -	$ -	$ -
Issued during the year	840	-	840
Acquired during the year	-	5,776	5,776
Gains or losses recognised in profit or loss shown as other gains and losses	(240)	-	(240)
Gains and losses recognised in other comprehensive income			
Recorded as unrealised gains (losses) on valuation of investments in debt instruments measured at fair value through other comprehensive income	-	180	180
At December 31	$ 600	$ 5,956	$ 6,556

E. For the years ended December 31, 2021 and 2020, there was no transfer into or out from Level 3.

F. Appointed external appraiser is in charge of valuation procedures for fair value measurements being categorised within Level 3, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

G. The following is the qualitative information of 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, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 11,607	Price-Book Ratio	Price-to-book ratio	2.23-8.93 (3.41)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30% (30%)	The higher the net asset value, the higher the fair value
Hybrid instrument:					
Call options and Put options of convertible bonds	891	The Binomial-Tree approach	Stock price volatility	68.35% (68.35%)	The higher the stock price volatility, the higher the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 5,956	Price-Book Ratio	Price-to-book ratio	2.13-9.09 (5.00)	The higher the multiple, the higher the fair value
			Discount for lack of marketability	35% (35%)	The higher the net asset value, the higher the fair value
Hybrid instrument:					
Call options and Put options of convertible bonds	600	The Binomial-Tree approach	Stock price volatility	71.25% (71.25%)	The higher the stock price volatility, the higher the fair value

H. 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, 2021			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Call options and Put options of convertible bonds	Stock price volatility	±5%	$ 150	($ 130)	$ -	$ -
Unlisted shares	Price-Book Ratio	±5%	-	-	580	(580)
	Lack of marketability	±5%	-	-	580	(580)
			$ 150	($ 130)	$ 1,160	($ 1,160)

			December 31, 2020			
			Recognised in profit or loss		Recognised in other	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Call options and Put options of convertible bonds	Stock price volatility	±5%	$ 40	($ 40)	$ -	$ -
Unlisted shares	Price-Book Ratio	±5%	-	-	298	(298)
	Lack of marketability	±5%	-	-	298	(298)
			$ 40	($ 40)	$ 596	($ 596)

(4) Others

The Company's operations were working normally during the Covid-19 outbreak and were implementing the government's epidemic prevention measures. The Company assessed that there was no significant impact on the Company's ability to continue as a going concern, asset impairment and financing risks.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others : None.

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): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Company's paid-in capital : None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$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: Please refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 3.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: Please refer to table 4.

14. Segment Information

None.

EirGenix Inc.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2021

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2021				Footnote
				Number of shares	Book value	Ownership	Fair value	
EirGenix Inc.	Oncomatryx Biopharma S.L. common stock	None	Financial assets at fair value through profit or loss -non-current	30,665	$ 11,607	0.37%	$ 11,607	

EirGenix Inc.

Significant inter-company transactions during the reporting periods

Year ended December 31, 2021

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	EirGenix Inc.	EirGenix Europe GmbH	(1)	Operating expense	$ 52,370	Note 4	3.09%
0	EirGenix Inc.	EirGenix Europe GmbH	(1)	Other accounts payable	5,101	Note 4	0.04%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Prices and terms for services are based on the mutual agreement and payments are collected quarterly in advance.

Note 5: Transactions between the parent company and subsidiaries are eliminated.

Note 6: Individual amounts less than $1,000 are not disclosed.

EirGenix Inc.
Information on investees
Year ended December 31, 2021

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership	Book value			
EirGenix Inc.	EirGenix Europe GmbH	Germany	Biopharmaceutical research and development as well as business development	$ 845	$ 845	-	100.00	$ 3,289	$ 947	$ 947	None

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EirGenix Inc.

Major shareholders information

December 31, 2021

Table 4

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Foxconn Te Chnology Co., Ltd	27,500,000	9.14
Yonglin Capital Holding Co., Ltd.	26,500,000	8.81
Formosa Laboratories, Inc.	18,855,818	6.27
National Development Fund, Executive Yuan	15,288,860	5.08

EIRGENIX INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 1

Item	Description	Amount
Cash on hand and petty cash		$ 51
Demand deposit-		5,177,612
Deposit of NTD		
Demand deposit-		
Deposit of foreign currency	USD 7,601 thousand Exchange rate 27.68	210,402
	EUR 1,097 thousand Exchange rate 31.32	34,361
	JPY 1,510 thousand Exchange rate 0.24	363
	Others	18
Time deposits-		905,980
Deposit of NTD		
Time deposits-		
Deposit of foreign currency	USD 10,500 thousand Exchange rate 27.68	290,640
		$ 6,619,427

The above mentioned time deposits are all maturing in three months with interest rate of 0.05%~0.41%.

EIRGENIX INC.

STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST -CURRENT

DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars)

Statement 2

Name	Description	Amount of certificate of deposit	Rates	Carrying Amount	Note
Nei Hu branch of Mega Bank	2021/11/02~2022/05/02	1	0.33%	$ 1,000,000	
Luzhou branch of Taiwan Cooperative Bank	2021/09/24~2022/03/24	1	0.27%	415,200	
Luzhou branch of Chang Hwa Bank	2021/07/20~2022/01/20	1	0.24%	138,400	
Jhubei Branch of Taiwan Business Bank	2021/07/20~2022/01/20	1	0.258%	83,040	
				$ 1,636,640	

EIRGENIX INC.
STATEMENT OF INVENTORIES
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 3

Item	Amount		Note
	Cost	Net Realizable Value	
Raw material	$ 338,034	$ 336,243	Net realisable value is based on the market value
Work in progress	52,374	215,067	
Finished goods	37,569	140,236	
Merchandise inventory	3,050	3,291	
	431,027	$ 694,837	
Less：Allowance for Inventory Valuation and Obsolescence Losses	(17,315)		
	$ 413,712		

EIRGENIX INC.

STATEMENT OF FINANCIAL ASSETS MEASURED AT AMORTIZED COST - NON-CURRENT

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars)

Statement 4

Name	Beginning Balance		Ending Balance		Accumulated Impairment	Collateral
	Shares	Carrying	Shares	Carrying		
Xuefu branch of Bank SinoPac deposit	1	$ 8,526	1	$ 8,588	$ -	Note 1

Note1: Guarantee for land in Jhubei.

EIRGENIX INC.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 5

Item	Balance at January 1	Increase	Decrease	Balance at December 31	Note
Cost：					
Land	$ 208,636	$ -	$ -	$ 208,636	
Buildings	95,671	-	-	95,671	
Machinery and equipment	44,426	-	-	44,426	
Transportation equipment	3,715	2,949	-	6,664	
Office equipment	1,764	-	-	1,764	
	354,212	2,949	-	357,161	
Accumulated depreciation：					
Land	($ 22,631)	($ 11,560)	$ -	($ 34,191)	
Buildings	(10,220)	(5,229)	-	(15,449)	
Machinery and equipment	(4,768)	(2,299)	-	(7,067)	
Transportation equipment	(1,253)	(1,188)	-	(2,441)	
Office equipment	(678)	(362)	-	(1,040)	
	(39,550)	(20,638)	-	(60,188)	
Total	$ 314,662	($ 17,689)	$ -	$ 296,973	

EIRGENIX INC.
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollar)

Statement 6

Item	Description	Lease term	Discounted rate	Ending Balance	Note
Land	Plant and office land for business use	2013.04~2036.11	2.4842%	$ 180,529	
Buildings	Plant and office for business use	2013.04~2028.03	2.4842%	83,030	
Machinery and equipment	Machinery and equipment in cGMP plant	2013.04~2028.03	2.4842%	37,956	
Transportation equipment	Passenger cars, electric trailers and stackers	2019.04~2024.12	1.797%~2.4842%	4,436	
Office equipment	Business machine	2019.01~2023.12	2.4842%	814	
				$ 306,765	

EIRGENIX INC.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 7

Item	Description	Total
Raw materials at January 1		$ 171,315
Add: Raw materials purchased at current period		406,492
Surplus of raw materials		90
Less: Raw materials at December 31		(338,034)
Raw materials to be sold		(15,047)
Reclassified to research and development expenses		(29,540)
Labor cost used for the year		(143,605)
Raw materials at current period		51,671
Direct labor		4,867
Manufacturing expense		33,405
Manufacturing cost		89,943
Add: Beginning work in progress		-
Less: Ending work in progress		(52,374)
Cost of finished goods		37,569
Add: beginning finished goods		-
Less: ending finished goods		(37,569)
Cost of goods manufactured and sold		-
Merchandise inventory at January 1		54
Add: Purchase at current period		29,292
Raw materials to be sold		15,047
Less: Merchandise inventory at December 31		(3,050)
Reclassified to research and development expenses		(1,972)
Others		(949)
Cost of goods sold for the merchandise inventory		38,422
Other operating costs		559,095
Surplus of inventory		(90)
Loss of price decline of merchandise inventory		6,878
Operating costs		$ 604,305

EIRGENIX INC.
STATEMENT OF MANUFACTURING EXPENSE
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 8

Item	Amount	Note
Depreciation expense	$ 13,787	
Repair and maintenance expense	4,181	
Utilities expenses	3,057	
Consumables	2,797	
Other expenses		Each of the account was less than 5% of the total account balance.
	9,583	
	$ 33,405	

EIRGENIX INC.
STATEMENT OF OTHER OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 9

Item	Amount	Note
Wages and salaries	$ 158,018	
Raw materials used	143,605	
Depreciation expense	66,429	
Consumables	55,653	
Inspection fees	35,984	
Other Expenses	99,406	Each of the account was less than 5% of the total account balance.
	$ 559,095	

EIRGENIX INC.
STATEMENT OF SALES AND MARKETING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 10

Item	Amount	Note
Wages and salaries	$ 22,701	
Service fees	5,714	
Advertisement expense	1,900	
Other expenses	3,719	Each of the account was less than 5% of the total account balance.
	$ 34,034	

EIRGENIX INC.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 11

Item	Amount	Note
Wages and salaries	$ 134,770	
Depreciation expense	24,639	
Other expenses	64,155	Each of the account was less than 5% of the total account balance.
	$ 223,564	

EIRGENIX INC.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021
(Expressed in thousands of New Taiwan dollars)

Statement 12

Item	Amount	Note
Service fees	$ 561,756	
Wages and salaries	98,417	
Consumables	94,032	
Depreciation expense	61,296	
Other expenses	79,784	Each of the account was less than 5% of the total account balance.
	$ 895,285	

EIRGENIX INC.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars)

Statement 13

Function / Nature	Year ended December 31, 2021			Year ended December 31, 2020		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ 112,754	$ 143,592	$ 256,346	$ 50,216	$ 153,994	$ 204,210
Share based payment	44,609	109,061	153,670	20,001	41,391	61,392
Labour and health insurance fees	9,421	12,221	21,642	5,483	11,155	16,638
Pension costs	5,522	6,069	11,591	4,248	5,212	9,460
Directors' remuneration	-	3,235	3,235	-	2,905	2,905
Other personnel expenses	3,761	7,983	11,744	2,636	5,797	8,433
Depreciation Expense	80,216	86,356	166,572	42,179	115,170	157,349
Amortisation Expense	9,271	7,033	16,304	7,849	6,079	13,928

Note:

A. As at December 31, 2021 and 2020, the Company had 270 and 234 employees, including 9 and 9 non-employee directors, respectively.

B. The Company's stock is listed for trading on the over-the-counter securities exchange and shall additionally disclose the following information:

(a) Average employee benefit expense was $1,743 and $1,335 for the years ended December 31, 2021 and 2020, respectively.

(b) Average employee salaries were $982 and $908 for the years ended December 31, 2021 and 2020, respectively.

(c) Adjustment of average employee salaries was 8.15%.

(d) The Company has no supervisors' remuneration as it set up the audit committees.

C. The Company' salary and compensation policy:

(a) Directors

In accordance with the Articles of Incorporation of the Company, the Board of Directors shall propose a ratio not higher than 3% of distributable profit of directors' remuneration, and the distribution shall be approved by a resolution adopted by a majority vote at a meeting and the distribution shall be approved 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, and shall be reported to the shareholders during their meeting. If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated based on the abovementioned ratios.

The Company did not distribute directors' remuneration in the previous two years. The directors only receive the transportation allowance for the professional practice execution, while the independent directors additionally receive the fixed remuneration for the professional practice execution. The rest of the director's emolument is the salary expenses of the director who concurrently acts as an employee. The above directors' transportation allowance and the independent directors' remuneration for the professional practice execution have been reviewed by the Company's remuneration committee and approved by the Board of Directors.

EIRGENIX INC.

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2021

(Expressed in thousands of New Taiwan dollars)

Statement 13

(b) The president and vice presidents

The remuneration for the president and vice presidents is the employeess' compensation distributed from retained earnings. In accordance with the Articles of Incorporation of the Company, a ratio of 1% to 5% of distributable profit of the current year shall be distributed as employees' compensation, which shall be distributed in the form of shares or in cash. Qualification requirements of employees include the employees of subsidiaries of the company meeting certain specific requirements. Distribution of employees' compensation shall be approved 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 and shall be reported to the shareholders during their meeting. If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated based on the abovementioned ratios.

The emolument of the president and vice presidents of the Company shall be determined according to the position, contribution to the Company and by reference to the general pay levels of the industry, and shall be reviewed by the remuneration committee and approved by the Board of Directors. The Company did not distribute employee compensation in the previous two years.

(c) Employees:

The salary and compensation package of the Company's employees consists of three parts: basic fixed salary, bonus and welfare; the payment standard: the basic fixed salary is determined based on the time devoted in and the responsibilities undertaken for the position, and by reference to the salary situation in the industry; bonus is awarded based on the achievement of employee and department goals as well as the Company's operation performance; the welfare system stipulates the benefits that employees can enjoy according to law and regulation and takes into account the needs of employees. Employee reward system is based on the individual performance, contribution to the Company and the market value of the position, which are positively associated with the operation performance. In accordance with the Articles of Incorporation of the Company, a ratio of 1% to 5% of distributable profit of the current year shall be distributed as employees' compensation, which shall be distributed in the form of shares or in cash. Qualification requirements of employees include the employees of subsidiaries of the company meeting certain specific requirements.

EIRGENIX INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2021 AND 2020

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.

EIRGENIX, INC.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2021, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the entities that are required to be included in the consolidated financial statements of affiliates are the same as the entities required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standard No. 10. Also, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

EirGenix Inc.

Representative: Chung-Hur Lee

March 22, 2022

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of EirGenix Inc.

Opinion

We have audited the accompanying consolidated balance sheets of EirGenix Inc. and subsidiary (the "Group") as at December 31, 2021 and 2020, 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, 2021 and 2020, 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 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 generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Auditor's 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 Accountants 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 consolidated financial statements of the current period. 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.

The key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Accuracy of service revenue and authorisation and cooperative development revenue

Description

Refer to Note 4(26) for accounting policy on service revenue and authorisation and cooperative development revenue recognition, Note 5(2) for significant accounting estimates and assumptions, and Note 6(19) for details of operating revenue. The amount of service revenue and authorisation and cooperative development revenue for the year ended December 31, 2021 were NTD 864,515 thousand and NTD 496,089 thousand, respectively.

The Group's service revenue and authorisation and cooperative development revenue primarily arise from offering biopharmaceutical contract development and manufacturing services and authorising intellectual property rights of medicine development to pharmaceutical factory. Revenue is recognised based on the stage of completion at balance sheet date provided that such transaction amounts can be reliably estimated. Since the information process, recording and maintenance are partially performed manually and the recognition of service revenue and authorisation and cooperative development revenue contained a high degree of uncertainty resulting in a complex calculation process, and revenue recognition is significant to the financial statements, we considered the accuracy of service revenue recognition a key audit matter.

How our audit addressed the matter

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

1. Obtained management's accounting policies on the service revenue and authorisation and cooperative development revenue recognition and confirmed that they are reasonable.

2. Sampled and examined the contract in order to confirm the judgement made by the management was in line with the contract and Generally Accepted Accounting Principle.

3. For the performance obligation which was satisfied over time, sampled and examined each data and assessed whether the method and parameter used to measure the completion of performance obligation are reasonable.

4. Recalculated the accuracy of amount recognised as revenue and respective timing of recognition.

Impairment assessment of property, plant and equipment and intangible assets - professional expertise

Description

Refer to Note 4(17) for accounting policy on impairment of non-financial assets, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to property, plant and equipment and intangible assets and Note 6(8) and 6(10) for description of property, plant and equipment and intangible assets.

On December 31, 2021, property, plant and equipment amounted to NTD 1,886,824 thousand, which were constructed to extend the production capacity of GMP; intangible assets - professional expertise amounted to NTD 14,838 thousand, which are externally acquired expertise aiming to develop new drugs. The Group assesses at each balance sheet date the fair value or recoverable value of those assets whether there is an indication that they are impaired based on internal and external information. Since the impairment indication assessment and information and assumptions used to assess recoverable amount of assets have significant impact to property, plant and equipment and intangible assets - professional expertise, we considered impairment assessment of property, plant and equipment and intangible assets - professional expertise a key audit matter.

How our audit addressed the matter

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

1. Reviewed and assessed the reasonability of each data in the impairment indications assessment.
2. Assessed the estimation procedure of future cash flows, and checked whether the cash flows listed in assessment is consistent with operation plans.
3. Interviewed management to discuss the Group's operations and reviewed the actual performance of prior years' operating plans in order to understand the Group's intention and ability and ascertained whether there was any significant postponement on research and development.
4. Assessed the reasonability of the significant assumptions adopted on estimating cash flows.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of EirGenix Inc. as at and for the years ended December 31, 2021 and 2020.

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 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 the audit committee, are responsible for overseeing the Group's financial reporting process.

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 auditor's 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 generally accepted accounting standards in 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 generally accepted accounting standards in the Republic of China, we exercise professional judgment and maintain 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 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.

Teng, Sheng-Wei　　Yen, Yu-Fang

For and on Behalf of PricewaterhouseCoopers, Taiwan

May 9, 2022

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 6,625,384	58	$ 908,346	24
1110	Current financial assets at fair value through profit or loss	6(2)	891	-	600	-
1136	Current financial assets at amortised cost	6(3) and 8	1,636,640	14	113,920	3
1140	Current contract assets	6(19) and 7	170,597	1	133,038	3
1150	Notes receivable, net	6(4)	1,139	-	21,052	1
1170	Accounts receivable, net	6(4)	78,474	1	72,532	2
1180	Accounts receivable, net-related parties	7	546	-	-	-
1200	Other receivables		6,818	-	3,114	-
1220	Current income tax assets		1,128	-	307	-
130X	Inventories	6(5)	413,712	4	160,932	4
1410	Prepayments	6(6)	106,048	1	79,937	2
1476	Other current financial assets	6(1) and 8	27,334	-	-	-
1479	Other current assets, others		1,555	-	529	-
11XX	**Total current assets**		9,070,266	79	1,494,307	39
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(7)	11,607	-	5,956	-
1535	Non-current financial assets at amortised cost	6(3) and 8	8,588	-	8,526	-
1600	Property, plant and equipment, net	6(8) and 8	1,886,824	17	1,851,850	48
1755	Right-of-use assets	6(9) and 7	297,739	3	316,642	8
1780	Intangible assets	6(10)	19,553	-	33,129	1
1980	Other non-current financial assets	6(1) and 8	-	-	30,601	1
1990	Other non-current assets, others	6(8), 7 and 8	146,296	1	94,204	3
15XX	**Total non-current assets**		2,370,607	21	2,340,908	61
1XXX	**Total assets**		$ 11,440,873	100	$ 3,835,215	100

(Continued)

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2021 AMOUNT	%	December 31, 2020 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(19) and 7	$ 223,967	2	$ 209,570	6
2170	Accounts payable		86,456	1	41,161	1
2200	Other payables	6(11)	234,716	2	269,389	7
2220	Other payables - related parties	7	5,695	-	4,069	-
2230	Current tax liabilities		1,159	-	-	-
2280	Current lease liabilities	7	19,231	-	18,770	1
2320	Long-term liabilities, current portion	6(12)(13) and 8	127,070	1	90,620	2
2399	Other current liabilities, others		4,922	-	8,584	-
21XX	**Total current liabilities**		703,216	6	642,163	17
	Non-current liabilities					
2527	Non-current contract liabilities	6(19)	20,059	-	64,232	2
2530	Bonds payable	6(12)	-	-	291,985	7
2540	Long-term borrowings	6(13) and 8	-	-	626,081	16
2570	Deferred tax liabilities		536	-	366	-
2580	Non-current lease liabilities	7	288,311	3	304,771	8
25XX	**Total non-current liabilities**		308,906	3	1,287,435	33
2XXX	**Total Liabilities**		1,012,122	9	1,929,598	50
	Equity					
	Capital	6(16)				
3110	Common stock		3,003,845	26	2,063,751	54
	Capital reserve	6(17)				
3200	Capital surplus		10,475,952	92	2,813,974	73
	Accumulated deficit	6(18)				
3350	Accumulated deficit		(2,973,500)	(26)	(2,930,919)	(76)
	Other equity interest					
3400	Other equity interest		(77,546)	(1)	(41,189)	(1)
3XXX	**Total Equity**		10,428,751	91	1,905,617	50
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total Liabilities and Equity**		$ 11,440,873	100	$ 3,835,215	100

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

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as loss per share)

	Items	Notes	Year ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Operating Revenue	6(19) and 7	$ 1,697,359	100	$ 1,071,838	100
5000	Operating Costs	6(5)(10)(24) and 7	(604,305)	(35)	(321,171)	(30)
5900	Gross Profit		1,093,054	65	750,667	70
	Operating Expenses	6(10)(24) and 7				
6100	Sales and marketing expenses		(33,602)	(2)	(26,649)	(2)
6200	General and administrative expenses		(223,564)	(13)	(148,300)	(14)
6300	Research and development expenses		(893,510)	(53)	(1,561,722)	(146)
6450	Expected credit impairment loss	12(2)	(689)	-	-	-
6000	Total operating expenses		(1,151,365)	(68)	(1,736,671)	(162)
6900	Operating Profit		(58,311)	(3)	986,004	92
	Non-operating Income and Expenses					
7100	Interest income	6(3)(4)(20)	10,366	1	3,093	-
7010	Other income	6(21)	40,195	2	1,571	-
7020	Other gains and losses	6(2)(22)	(12,266)	(1)	(31,483)	(3)
7050	Finance costs	6(9)(23) and 7	(21,149)	(1)	(28,500)	(2)
7000	Total non-operating income and expenses		17,146	1	(55,319)	(5)
7900	**Loss before income tax**		(41,165)	(2)	(1,041,323)	(97)
7950	Income tax expense	6(25)	(1,416)	-	(347)	-
8200	**Net Loss**		($ 42,581)	(2)	($ 1,041,670)	(97)
	Other Comprehensive Income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(7)	$ 5,651	-	$ 180	-
8310	Other comprehensive income that will not be reclassified to profit or loss		5,651	-	180	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation		(335)	-	98	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(25)	19	-	(19)	-
8360	Other comprehensive income that will be reclassified to profit or loss		(316)	-	79	-
8300	**Other Comprehensive Income**		$ 5,335	-	$ 259	-
8500	**Total Comprehensive Loss**		($ 37,246)	(2)	($ 1,041,411)	(97)
	Loss per share (in dollars)	6(26)				
9750	Loss per share (in dollars)		($ 0.18)		($ 5.41)	

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

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to owners of the parent										
		Capital Reserves							Other equity interest			
		Common stock	Additional paid-in capital	Donated assets received	Employee stock options	Capital surplus, share options	Restricted stock to employees	Accumulated deficit	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total equity
Year ended December 31, 2020												
Balance at January 1, 2020		$ 1,693,041	$ 2,036,581	$ 2,036	$ 8,915	$ -	$ 8,250	($ 1,889,249)	$ -	$ -	($ 4,703)	$ 1,854,871
Loss for 2020		-	-	-	-	-	-	(1,041,670)	-	-	-	(1,041,670)
Other comprehensive income	6(7)	-	-	-	-	-	-	-	79	180	-	259
Total comprehensive income(loss)		-	-	-	-	-	-	(1,041,670)	79	180	-	(1,041,411)
Issuance of shares	6(16)	350,000	662,427	-	-	-	-	-	-	-	-	1,012,427
Cash capital increase reserved for employee preemption	6(15)	-	15,330	-	-	-	-	-	-	-	-	15,330
Compensation costs of employee stock options	6(15)	-	-	-	6,720	-	-	-	-	-	-	6,720
Employee stock options exercised	6(15)(16)	3,997	8,122	-	(1,837)	-	-	-	-	-	-	10,282
Issuance of employee restricted stocks	6(15)(16)	18,384	-	-	-	-	57,703	-	-	-	(76,087)	-
Redemption of employee restricted stock	6(15)(16)	(1,671)	-	-	-	-	1,671	-	-	-	-	-
Compensation costs of employee restricted stocks	6(15)	-	-	-	-	-	-	-	-	-	39,342	39,342
Restricted stocks vested		-	14,964	-	-	-	(14,964)	-	-	-	-	-
Issuance of convertible bonds	6(12)	-	-	-	-	8,056	-	-	-	-	-	8,056
Balance at December 31, 2020		$ 2,063,751	$ 2,737,424	$ 2,036	$ 13,798	$ 8,056	$ 52,660	($ 2,930,919)	$ 79	$ 180	($ 41,448)	$ 1,905,617
Year ended December 31, 2021												
Balance at January 1, 2021		$ 2,063,751	$ 2,737,424	$ 2,036	$ 13,798	$ 8,056	$ 52,660	($ 2,930,919)	$ 79	$ 180	($ 41,448)	$ 1,905,617
Loss for 2021		-	-	-	-	-	-	(42,581)	-	-	-	(42,581)
Other comprehensive income(loss)	6(7)	-	-	-	-	-	-	-	(316)	5,651	-	5,335
Total comprehensive income		-	-	-	-	-	-	(42,581)	(316)	5,651	-	(37,246)
Issuance of shares	6(16)	900,000	7,329,736	-	-	-	-	-	-	-	-	8,229,736
Cash capital increase reserved for employee preemption	6(15)	-	88,335	-	-	-	-	-	-	-	-	88,335
Compensation costs of employee stock options	6(15)	-	-	-	29,935	-	-	-	-	-	-	29,935
Employee stock options exercised	6(15)(16)	3,865	9,489	-	(1,775)	-	-	-	-	-	-	11,579
Issuance of employee restricted stocks	6(15)(16)	9,525	-	-	-	-	67,567	-	-	-	(77,092)	-
Redemption of employee restricted stock	6(15)(16)	(4,253)	-	-	-	-	4,253	-	-	-	-	-
Compensation costs of employee restricted stocks	6(15)	-	-	-	-	-	-	-	-	-	35,400	35,400
Restricted stocks vested		-	9,552	-	-	-	(9,552)	-	-	-	-	-
Conversion of convertible bonds	6(12)(16)	30,957	139,027	-	-	(4,589)	-	-	-	-	-	165,395
Balance at December 31, 2021		$ 3,003,845	$ 10,313,563	$ 2,036	$ 41,958	$ 3,467	$ 114,928	($ 2,973,500)	($ 237)	$ 5,831	($ 83,140)	$ 10,428,751

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

EIRGENIX INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 41,165)	($ 1,041,323)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(8)(9)(24)	168,692	158,217
Amortization	6(10)(24)	16,304	13,936
Net loss(profit) on financial assets or liabilities at fair value	6(2)(22)	(1,937)	240
Interest expense	6(23)	21,149	28,500
Interest income	6(20)	(10,366)	(3,093)
Compensation costs of employee stock options	6(15)(24)	153,670	61,392
Gain on lease modification	6(9)(22)	-	(14)
Changes in operating assets and liabilities			
Changes in operating assets			
Current contract assets		(37,559)	(72,106)
Notes receivable, net		19,913	(21,052)
Accounts receivable, net		(5,942)	98,803
Accounts receivable, net-related parties		(546)	-
Other receivables		(2,887)	2,593
Inventories		(252,780)	3,036
Prepayments		(21,468)	261,018
Other current assets		(1,026)	1,204
Changes in operating liabilities			
Current contract liabilities		(29,776)	(2,526)
Accounts payable		45,295	24,353
Other payables		(37,664)	78,463
Other payables - related parties		1,626	2,443
Other current liabilities		(3,662)	6,987
Cash outflow generated from operations		(20,129)	(398,929)
Interest received		9,549	3,129
Interest paid		(18,498)	(23,330)
Income tax received		77	98
Income tax paid		(898)	(230)
Net cash flows used in operating activities		(29,899)	(419,262)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost		(1,522,782)	(111,288)
Acquisition of property, plant and equipment	6(8)(27)	(166,692)	(38,146)
Acquisition of intangible assets	6(10)(27)	(3,017)	(4,865)
Decrease (increase) in refundable deposits(shown as other non-current assets)		958	(315)
Decrease in other financial assets		3,266	261
Increase in other non-current assets		(68,453)	(74,004)
Net cash flows used in investing activities		(1,756,720)	(228,357)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of corporate bonds	6(12)(28)	-	297,277
Proceeds from long-term borrowings	6(28)	37,160	715,935
Repayments of long-term borrowings	6(28)	(755,174)	(754,200)
Decrease in guarantee deposits received(shown as other non-current liabilities)		-	(382)
Repayments of lease principal	6(9)(28)	(19,570)	(17,785)
Issuance of common stocks		8,229,736	1,012,427
Employee stock options exercised		11,579	10,282
Net cash flows from financing activities		7,503,731	1,263,554
Effect of exchange rate		(74)	84
Net increase in cash and cash equivalents		5,717,038	616,019
Cash and cash equivalents at beginning of year		908,346	292,327
Cash and cash equivalents at end of year		$ 6,625,384	$ 908,346

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

EIRGENIX INC. AND SUBSIDIARY
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

(1) EirGenix, Inc. (hereinafter referred to as the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) in December 2012. In April 2013, the Company obtained all key technologies from the biopharmaceutical pilot plant originally owned by the Development Center for Biotechnology, including its complete core competencies. The Company and its subsidiaries (hereinafter collectively referred to as the "Group") are primarily engaged in the research and development of biosimilars and new drugs, as well as biopharmaceutical contract development and manufacturing services, which included cell line construction platforms, process development platforms, analytical science and protein identification. Furthermore, EirGenix has two cGMP facilities certified by the Taiwan Food and Drug Administration (FDA), one for mammalian cells and one for microbial, to provide clinical trial drug production.

(2) The shares of the Company have been listed on the Taipei Exchange since June 28, 2019.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 22, 2022.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC effective from 2021 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 4, ‘Extension of the temporary exemption from applying IFRS 9’	January 1, 2021
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, ‘Interest Rate Benchmark Reform— Phase 2’	January 1, 2021
Amendment to IFRS 16, ‘Covid-19-related rent concessions beyond 30 June 2021’	April 1, 2021(Note)

Note：Earlier application from January 1, 2021 is allowed by FSC.

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 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.

(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
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
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.

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 as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

B. The preparation of financial statements in conformity 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) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(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) 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.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2021	Ownership (%) December 31, 2020
The Company	EirGenix Europe GmbH	Biopharmaceutical research and development as well as business development	100	100

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: None.

(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 foreign exchange gains and losses 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; otherwise they are classified as non-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.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-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.

(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.

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.

(8) 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. The Group subsequently measures the financial assets 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.

(9) 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 both by collecting contractual cash flows and selling financial assets; and

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

B. 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.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through profit or loss and 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 first-in,first-out(FIFO) 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 cost of completion and applicable variable selling expenses.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

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. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. 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:

Machinery and equipment	3 ~ 10 years
Office equipment	2 ~ 10 years
Buildings and structures	20 years
Leasehold improvements	3 ~ 20 years
Other equipment	3 ~ 10 years

(15) Leasing arrangements (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 the following:

(a) Fixed payments, less any lease incentives receivable; and

(b) Variable lease payments that depend on an index or a rate.

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; and

(b) Any lease payments made at or before the commencement date.

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.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(16) Intangible assets

The Group's accounting policies on intangible assets are summarised below:

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

B. Professional expertise

Professional expertise is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 to 10 years.

(17) Impairment of non-financial assets

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. 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.

(18) Borrowings

A. 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 amortised over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In

this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

(19) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(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 expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognised as pension expense 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 amounts resolved by the shareholders and the actual amounts subsequently distributed 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-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) The restricted stocks issued by the Group cannot be transferred during the vesting period, but voting right and dividend right are not restricted on these stocks. Employees are not required to return the dividends received if they resign during the vesting period.

(c) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, they are considered not meeting the vesting condition from the date of resignation and the Group will redeem and retire those stocks at the initial issuance price.

(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. 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 tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred 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 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 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 tax asset is realised or the deferred tax liability is settled.

D. Deferred 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 tax assets are reassessed.

E. 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

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.

(26) Revenue recognition

A. Service revenue

(a) The Group provides biopharmaceutical contract testing and development services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual cost relative to the total expected cost. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

B. Sales revenue

The Group sells self-developed products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

C. Authorisation and cooperative development revenue

(a) The Group's authorisation and cooperative development transactions mainly arise from authorising intellectual property rights of pharmaceutical products to pharmaceutical factories. Although the Group will continuously provide research and development services on the pharmaceutical products, pharmaceutical factories can access the research and development outcome at any time. Based on the Group's assessment, the Group uses its special technologies in manufacturing pharmaceutical cell lines, which are unique so that pharmaceutical factories would have difficulty finding another similar service provider who offers the same services in terms of the subsequent research and development on the authorised pharmaceutical products. The authorisation and subsequent research and development services provided by the Group are bonded and highly interrelated, which does not meet the criteria of being distinct, and hence are accounted for as a single performance obligation to be delivered over time.

Pharmaceutical factories pay a non-refundable up-front payment upon signing of the contracts, and make milestone payments upon each milestone achieved. The transaction prices, net of variable considerations that are not highly probable to be realised, are recognised as revenue based on the progress of performance obligations that are satisfied over time. The aforementioned stage of completion is determined based on the ratio of the actual research and development costs incurred at the end of the reporting period to the estimated total research and development costs for the authorisation contracts. The Group uses input method to measure progress towards the satisfaction of a performance obligation as there is a direct relationship between the transfer of control of services to customers and the Group's inputs, including costs of contract research and development services, contract manufacturing services and medicines. Revenue is only recognised when it is highly probable that a significant reversal will not occur. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. A contract liability recognised as revenue through the performance obligation is satisfied over time.

(b) The Group also entered into contracts with pharmaceutical factories, whereby the Group is entitled to a sales-based royalty in exchange for a license of manufacturing and the right to sell pharmaceutical products. In accordance with the contracts, the Group will not undertake any activities that will significantly affect the intellectual property to which the customer has rights. The Group recognises revenue at the later of when the performance obligation has been satisfied and the subsequent transfer of control or sale occurs.

(27) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(28) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's 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) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Impairment on property, plant and equipment and intangible assets - professional expertise

(a) The Group assesses impairment based on its internal and external information and industry characteristics 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 how assets are utilised and 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.

(b) As of December 31, 2021, the carrying amount of property, plant and equipment as well as intangible assets - professional expertise were $1,886,824 and $14,838, respectively.

B. Recognition of service revenue and authorisation and cooperative development revenue

(a) Service revenue and authorisation and cooperative development revenue are recognised based on the stage of completion. The Group sets the key assumption factors for estimating total future cost based on the past operating experience, and regularly reviews and assesses the reasonableness of the basis for relevant assumptions.

(b) For the year ended December 31, 2021, the service revenue and authorisation and cooperative development revenue amounted to $864,515 and $496,089, respectively.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 51	$ 145
Demand deposits	5,428,713	902,221
Time deposits	1,196,620	5,980
	$ 6,625,384	$ 908,346

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 Company classified restricted cash and cash equivalents amounting to $27,334 and $30,601 as other current financial assets and other non-current financial assets as of December 31, 2021 and 2020, respectively. Please refer to Note 8.

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

Items	December 31, 2021	December 31, 2020
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Call options and Put options of convertible bonds	$ 362	$ 840
Valuation adjustment	529	(240)
	$ 891	$ 600

A. The Group recognised net gains (loss) amounting to $1,937 and ($240) on financial assets at fair value through profit or loss for the years ended December 31, 2021 and 2020, respectively.

B. Details of the terms of the first domestic secured convertible bonds issued by the Group are provided in Note 6(12).

(3) Financial assets at amortised cost

Items	December 31, 2021	December 31, 2020
Current items:		
Time deposits (Note)	$ 1,636,640	$ 28,480
Pledged time deposits	-	85,440
	$ 1,636,640	$ 113,920
Non-current items:		
Pledged time deposits	$ 8,588	$ 8,526

Note: The deposit period for time deposits ranges between three months and a year.

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2021	2020
Interest income	$ 1,260	$ 2,026

B. Details of the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

(4) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes receivable	$ 1,139	$ 21,052
Accounts receivable	$ 79,163	$ 72,532
Less: Allowance for uncollectible accounts	(689)	-
	$ 78,474	$ 72,532

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2021		December 31, 2020	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 72,291	$ 1,139	$ 56,275	$ -
Up to 30 days past due	2,454	-	3,673	-
31 to 90 days past due	-	-	12,553	6,115
91 to 180 days past due	4,418	-	31	14,937
	$ 79,163	$ 1,139	$ 72,532	$ 21,052

The above ageing analysis was based on past due date.

B. As of December 31, 2021 and 2020, accounts receivable and notes receivable were all from contracts with customers. Also, as of January 1, 2020, the balance of receivables from contracts with customers amounted to $177,111.

C. For the years ended December 31, 2021 and 2020, the interest income is recognised in profit or loss of $342 and $145, respectively.

D. As at December 31, 2021 and 2020, 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 notes and accounts receivable (including related parties) held by the Group was $80,159 and $93,584, respectively.

E. The Group did not hold any collateral.

F. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 338,034	($ 17,315)	$ 320,719
Work in progress	52,374	-	52,374
Finished goods	37,569	-	37,569
Merchandise inventory	3,050	-	3,050
	$ 431,027	($ 17,315)	$ 413,712

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 171,315	($ 10,437)	$ 160,878
Merchandise inventory	54	-	54
	$ 171,369	($ 10,437)	$ 160,932

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2021	2020
Cost of goods used	$ 143,605	$ 63,152
Cost of goods sold	38,422	437
Loss on decline in market value	6,878	5,390
Gain on physical inventory	(90)	(1)
	$ 188,815	$ 68,978

(6) Prepayments

	December 31, 2021	December 31, 2020
Office supplies	$ 12,935	$ 34,595
Prepayments for contracted research expense	12,972	14,403
Excess business tax paid (or Net Input VAT)	2,142	1,379
Prepayments to suppliers	48,871	9,372
Prepayment for guarantee deposits and handling fee	1,606	3,750
Other prepaid expenses	27,522	16,438
	$ 106,048	$ 79,937

(7) Financial assets at fair value through other comprehensive income

Items	December 31, 2021	December 31, 2020
Non-current items:		
Equity instruments		
Unlisted stocks	$ 5,776	$ 5,776
Valuation adjustment	5,831	180
	$ 11,607	$ 5,956

A. The Group has elected to classify shares 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 $11,607 and $5,956 as at December 31, 2021 and 2020, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2021	2020
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 5,651	$ 180

(8) Property, plant and equipment

	2021							
	Machinery and equipment	Office equipment	Buildings and structures	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total	Prepayments for business facilities (shown as other non-current assets)
At January 1								
Cost	$ 723,658	$ 64,612	$ 1,290,377	$ 23,263	$ 22,469	$ 28,246	$ 2,152,625	$ 12,063
Accumulated depreciation	(168,970)	(17,710)	(102,463)	(6,340)	(5,292)	-	(300,775)	-
	$ 554,688	$ 46,902	$ 1,187,914	$ 16,923	$ 17,177	$ 28,246	$ 1,851,850	$ 12,063
Opening net book amount as at January 1	$ 554,688	$ 46,902	$ 1,187,914	$ 16,923	$ 17,177	$ 28,246	$ 1,851,850	$ 12,063
Additions	86,102	4,647	2,685	1,232	4,089	71,716	170,471	64,154
Reclassifications	2,423	-	2,547	-	-	(4,970)	-	-
Transfers from other non-current assets	2,186	-	302	-	-	8,273	10,761	(10,761)
Depreciation charge	(70,715)	(7,500)	(61,756)	(2,634)	(3,612)	-	(146,217)	-
Net exchange differences	-	(41)	-	-	-	-	(41)	-
Closing net book amount as at December 31	$ 574,684	$ 44,008	$ 1,131,692	$ 15,521	$ 17,654	$ 103,265	$ 1,886,824	$ 65,456
At December 31								
Cost	$ 813,793	$ 68,349	$ 1,295,911	$ 24,495	$ 26,524	$ 103,265	$ 2,332,337	$ 65,456
Accumulated depreciation	(239,109)	(24,341)	(164,219)	(8,974)	(8,870)	-	(445,513)	-
	$ 574,684	$ 44,008	$ 1,131,692	$ 15,521	$ 17,654	$ 103,265	$ 1,886,824	$ 65,456

	2020							
	Machinery and equipment	Office equipment	Buildings and structures	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total	Prepayments for business facilities (shown as other non-current assets)
At January 1								
Cost	$ 648,962	$ 58,588	$ 1,275,969	$ 22,492	$ 17,367	$ 21,214	$ 2,044,592	$ 8,342
Accumulated depreciation	(106,313)	(11,653)	(41,320)	(4,001)	(2,529)	-	(165,816)	-
	$ 542,649	$ 46,935	$ 1,234,649	$ 18,491	$ 14,838	$ 21,214	$ 1,878,776	$ 8,342
Opening net book amount as at January 1	$ 542,649	$ 46,935	$ 1,234,649	$ 18,491	$ 14,838	$ 21,214	$ 1,878,776	$ 8,342
Additions	31,875	5,584	7,866	767	4,431	280	50,803	62,404
Reclassifications	8,637	1,386	1,512	93	840	(12,468)	-	-
Transfers from other non-current assets	34,433	-	5,030	-	-	19,220	58,683	(58,683)
Depreciation charge	(62,906)	(7,000)	(61,143)	(2,428)	(2,932)	-	(136,409)	-
Net exchange differences	-	(3)	-	-	-	-	(3)	-
Closing net book amount as at December 31	$ 554,688	$ 46,902	$ 1,187,914	$ 16,923	$ 17,177	$ 28,246	$ 1,851,850	$ 12,063
At December 31								
Cost	$ 723,658	$ 64,612	$ 1,290,377	$ 23,263	$ 22,469	$ 28,246	$ 2,152,625	$ 12,063
Accumulated depreciation	(168,970)	(17,710)	(102,463)	(6,340)	(5,292)	-	(300,775)	-
	$ 554,688	$ 46,902	$ 1,187,914	$ 16,923	$ 17,177	$ 28,246	$ 1,851,850	$ 12,063

Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

(9) Leasing arrangements - lessee

A. The Group leases various assets including land, buildings, machinery and equipment, multifunction printers and business vehicles. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise certain offices, dormitories, business vehicles and warehouses. Low-value assets comprise multifunction printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Land	$ 174,445	$ 186,005
Buildings	80,988	87,431
Machinery and equipment	37,359	39,658
Transportation equipment (Business vehicles)	4,223	2,462
Office equipment (Photocopiers)	724	1,086
	$ 297,739	$ 316,642

	Year ended December 31	
	2021	2020
	Depreciation expense	Depreciation expense
Land	$ 11,560	$ 11,498
Buildings	7,066	6,594
Machinery and equipment	2,299	2,359
Transportation equipment (Business vehicles)	1,188	1,010
Office equipment (Photocopiers)	362	347
	$ 22,475	$ 21,808

D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were $3,722 and $7,471, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2021	2020
Items affecting profit or loss		
Interest expense on lease liabilities	$ 7,756	$ 8,168
Expense on short-term lease contracts	8,476	4,993
Expense on leases of low-value assets	364	991

F. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases were $36,166 and $31,937, respectively.

(10) Intangible assets

	2021		
	Software	Professional expertise	Total
At January 1			
Cost	$ 18,713	$ 107,674	$ 126,387
Accumulated amortisation	(11,136)	(82,122)	(93,258)
	$ 7,577	$ 25,552	$ 33,129
Opening net book amount as at January 1	$ 7,577	$ 25,552	$ 33,129
Additions	2,738	279	3,017
Amortisation charge	(5,311)	(10,993)	(16,304)
Reclassification	(281)	-	(281)
Transfers from other non-current assets	(8)	-	(8)
Closing net book amount as at December 31	$ 4,715	$ 14,838	$ 19,553
At December 31			
Cost	$ 21,153	$ 107,953	$ 129,106
Accumulated amortisation	(16,438)	(93,115)	(109,553)
	$ 4,715	$ 14,838	$ 19,553

	2020		
	Software	Professional expertise	Total
At January 1			
Cost	$ 14,644	$ 107,111	$ 121,755
Accumulated amortisation	(8,098)	(71,223)	(79,321)
	$ 6,546	$ 35,888	$ 42,434
Opening net book amount as at January 1	$ 6,546	$ 35,888	$ 42,434
Additions	4,057	563	4,620
Amortisation charge	(3,037)	(10,899)	(13,936)
Transfers from other non-current assets	11	-	11
Closing net book amount as at December 31	$ 7,577	$ 25,552	$ 33,129
At December 31			
Cost	$ 18,713	$ 107,674	$ 126,387
Accumulated amortisation	(11,136)	(82,122)	(93,258)
	$ 7,577	$ 25,552	$ 33,129

A. Details of amortisation on intangible assets are as follows:

	Year ended December 31	
	2021	2020
Operating costs	$ 9,271	$ 7,849
Administrative expenses	1,242	1,221
Research and development expenses	5,791	4,866
	$ 16,304	$ 13,936

B. The basic information of the professional expertise that is material to the Group is as follows:

(a) In April 2013, the Group acquired professional expertise, including cell line establishment, process development, process optimisation, analytical method development and validation, product qualification, GMP manufacturing and stability test, etc., amounting to $92,483 from the Development Center for Biotechnology - cGMP biopharmaceutical pilot plant facility.

(b) In July 2013, the Group acquired professional expertise of Herceptin from FORMOSA PHARMACEUTICALS, INC. amounting to $7,143.

(c) In July 2013, the Group acquired commercial authorisation of recombinant protein cell line from Life Technologies Corporation amounting to $7,485.

(11) Other payables

	December 31, 2021	December 31, 2020
Payable on equipment	$ 19,508	$ 15,729
Salary and bonus payable	74,938	56,599
Service expense payable	60,620	134,975
Payable on consumables	25,831	19,118
Payable on repairs and maintenance expense	17,136	14,907
Others	36,683	28,061
	$ 234,716	$ 269,389

(12) Bonds payable

	December 31, 2021	December 31, 2020
Bonds payable	$ 129,100	$ 300,000
Less: Discount on bonds payable	(2,030)	(8,015)
	127,070	291,985
Less: Current portion	(127,070)	-
	$ -	$ 291,985

A. The terms of the 1st domestic secured convertible bonds issued by the Company are as follows:

(a) The Company issued $300,000, 0% 1st domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (May 29, 2020 ~ May 29, 2023), will be redeemed in cash at face value at the maturity date and are guaranteed by Taichung Commercial Bank, Linkou Branch. The bonds were listed on the Taipei Exchange on May 29, 2020.

(b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue to the maturity date, except the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price will be reset based on the pricing model specified in the terms of the bonds on each effective date regulated by the terms. If the reset conversion price is higher than the conversion price before the reset, the conversion price will not be adjusted.

(d) The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 100% of the face value as interests (yields 0% per annum) upon two years from the issue date.

(e) The Company may repurchase all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (i) the closing price of the Company's common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three month of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

(f) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. As of December 31, 2021, the bonds totalling $170,900 (face value) had been converted into 3,096 thousand shares of common stock. The conversion price was adjusted to NT $51.7 (in dollars) per share on November 30, 2021.

C. Regarding the issuance of convertible bonds, the equity conversion options amounting to $8,056 were separated from the liability component and were recognised in 'capital surplus - share options' in accordance with IAS 32. As of December 31, 2021, the balance of capital surplus – share options amounted to $3,467. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation was 0.82%.

(13) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2020
Long-term bank borrowings				
Secured borrowings	Borrowing period is from May 25, 2020 to May 24,2025.	1.7970%	Buildings and structures as well as their auxiliary equipment and reserve account	$ 532,201
Secured borrowings	Borrowing period is from May 25, 2020 to May 24, 2025.	1.8499%	Machinery and equipment as well as their auxiliary equipment and reserve account	184,500
Less: Current portion				(90,620)
				$ 626,081

A. Information on the Group's undrawn borrowing facilities is provided in Note 12(2) C.

B. On May 6, 2020, the Company entered into a $1,050,000 syndicated loan agreement with 6 banks including Taiwan Business Bank to ensure it has sufficient cash to support its research and development expenditures through drawing the credit limit of $281,800 circularly, upon repaying the existing syndicated loan and purchasing the new machinery and equipment as well as auxiliary equipment. Subsequently, the Company settled the long-term borrowings in advance in December 2021.

C. Information about assets pledged as collateral for long-term borrowings is provided in Note 8.

(14) Pensions

A. 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 not lower than 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.

B. EirGenix Europe GmbH contributed pension under local regulations.

C. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2021 and 2020, were $13,264 and $10,491, respectively.

(15) Share based payment

A. For the years ended December 31, 2021 and 2020, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions
Employee stock options - B	2015. 07. 01	1,270	10 years	1 to 4 years' service
"	2015. 07. 01	130	"	"
"	2015. 07. 06	250	"	"
"	2015.10. 29	80	"	"
"	2016. 01. 01	270	"	"
Employee stock options - C	2016. 05. 05	100	10 years	2 to 4 years' service
Employee stock options - D	2016.10. 12	515	10 years	2 to 4 years' service
"	2016.12. 29	85	"	"
Employee stock options - E	2017.08. 08	395	10 years	2 to 4 years' service
"	2017.12. 27	570	"	"
"	2018.03. 23	175	"	"
Employee stock soptions - F	2019. 01. 25	520	10 years	2 to 4 years' service
"	2019. 05. 13	285	"	"
Restricted stocks to employees - A	2016.11. 18	1,660	N/A	Conditions of service years and performance
"	2017. 08. 08	257	"	"
Employee stock options - G	2019. 11. 12	960	10 years	2 to 4 years' service
"	2020. 04. 15	775	"	"
"	2020. 08. 12	205	"	"
Cash capital increase reserved for employee preemption	2020. 04. 15	3,500	N/A	Vested immediately
Restricted stocks to employees - B	2020. 05. 13	455	N/A	0.25 to 3 years' service
"	2020. 12. 10	144	"	"
Restricted stocks to employees - C	2020. 05. 13	240	N/A	Performance conditions

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Contract period	Vesting conditions
Restricted stocks to employees - D	2020. 08. 14	905	N/A	Performance conditions
"	2020. 12. 10	94	"	"
Restricted stocks to employees - H	2020. 12. 23	830	10 years	2 to 4 years' service
"	2021. 05. 12	315	"	"
"	2021. 08. 12	505	"	"
"	2021. 10. 01	1,185	"	"
Cash capital increase reserved for employee preemption	2021. 04. 06	3,211	N/A	Vested immediately
Restricted stocks to employees - E	2021. 10. 15	613	N/A	Performance conditions
Restricted stocks to employees - F	2021. 10. 15	340	N/A	Performance conditions

(a) The restricted stocks issued by the Group cannot be transferred during the vesting period, but voting right and dividend right are not restricted on these stocks. If employees resign during the vesting period, they are considered not meeting the vesting condition from the date of resignation and the Group will redeem and retire those stocks at the initial issuance price, but employees are not required to return the dividends received.

(b) The abovementioned share-based payment arrangements are equity-settled.

B. Details of the share-based payment arrangements are as follows:

(a) Employee stock options

	2021		2020	
	No. of options (shares in thousands)	Weighted-average exercise price (in dollars)	No. of options (shares in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	4,210	$15~57.8	3,334	$15~43.2
Options granted	2,005	124~154.5	1,810	32.5~57.8
Options forfeited	(546)	15~135.5	(534)	26.5~42.4
Options exercised	(387)	15~39.6	(400)	15~43.2
Options outstanding at December 31	5,282	15~146.4	4,210	15~57.8
Options exercisable at December 31	1,503		1,151	

(b) Restricted stocks to employees

	2021	2020
	(shares in thousands)	(shares in thousands)
Stocks outstanding at January 1	2,629	1,384
Stocks granted	953	1,838
Stocks vested	(287)	(426)
Stocks retired	(426)	(167)
Stocks outstanding at December 31	2,869	2,629

C. The weighted-average stock prices of stock options at exercise dates for the years ended December 31, 2021 and 2020 were $132.5 and $25.72, respectively.

D. The expiry date and exercise price of stock options outstanding at the balance sheet dates are as follows:

			December 31, 2021		December 31, 2020	
			No. of shares	Exercise price	No. of shares	Exercise price
Type of arrangement	Issue date approved	Expiry date	(shares in thousands)	(in dollars)	(shares in thousands)	(in dollars)
Employee stock options - B	2015. 07. 01	2025. 06. 30	208	$ 15	228	$ 15
"	2015. 07. 01	2025. 06. 30	20	20	20	20
"	2015. 07. 06	2025. 07. 05	67	20	67	20
"	2015.10. 29	2025. 10. 28	7	20	7	20
"	2016. 01. 01	2025. 12. 31	29	20	29	20
Employee stock options - C	2016. 05. 05	2026. 05. 04	35	29.2	55	33
Employee stock options - D	2016. 10. 12	2026. 10. 11	280	29.2	320	33
"	2016. 12. 29	2026. 12. 28	22	37.5	52	42.4
Employee stock options - E	2017. 08. 08	2027. 08. 07	137	29.2	177	33
"	2017. 12. 27	2027. 12. 26	246	25	322	28.3
"	2018. 03. 23	2028. 03. 22	81	23.5	93	26.5

Type of arrangement	Issue date approved	Expiry date	December 31, 2021 No. of shares (shares in thousands)	December 31, 2021 Exercise price (in dollars)	December 31, 2020 No. of shares (shares in thousands)	December 31, 2020 Exercise price (in dollars)
Employee stock options - F	2019. 01. 25	2029. 01. 24	182	$ 28.7	365	$ 32.4
"	2019. 05. 13	2029. 05. 12	203	34.3	215	38.7
Employee stock options - G	2019. 11. 12	2029. 11. 11	545	25.2	620	28.5
"	2020. 04. 15	2030. 04. 14	450	28.8	605	32.5
"	2020. 08. 12	2030. 08. 11	170	51.2	205	57.8
Employee stock options - H	2020. 12. 23	2030. 12. 22	700	42.1	830	47.55
"	2021. 05. 12	2031. 05. 11	315	146.4	-	-
"	2021. 08. 12	2031. 08. 11	485	128.4	-	-
"	2021. 10. 01	2031. 09. 30	1,100	117.5	-	-

C. The fair value of stock options granted is measured using the Black-Scholes option-pricing model to estimate the fair value of employee stock options, cash capital increase reserved for employee preemption and restricted stocks to employees. Relevant information is as follows:

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options - B	2015. 07. 01	1,270	$ 14.88	$ 15	36.58~ 37.13%	5.5 ~ 7 years	1.15~ 1.35%	$5.22 ~ 6.01
"	2015. 07. 01	130	14.88	20	36.58~ 37.13%	5.5 ~ 7 years	1.15~ 1.35%	3.83~ 4.69
"	2015. 07. 06	250	14.60	20	37.09~ 37.64%	5.5 ~ 7 years	1.15~ 1.35%	3.75~ 4.6
"	2015. 10. 29	80	15.83	20	38.62~ 38.95%	5.5 ~ 7 years	0.94~ 1.07%	4.62 ~ 5.48
"	2016. 01. 01	270	16.03	20	40.11~ 40.30%	5.5 ~ 7 years	0.79~ 0.90%	4.91~ 5.76
Employee stock options - C	2016. 05. 05	100	13.27	29.2	40.75~ 40.91%	6 ~ 7 years	0.70~ 0.77%	1.86 ~ 2.30
Employee stock options - D	2016. 10. 12	515	21.42	29.2	39.82~ 39.91%	6 ~ 7 years	0.71~ 0.75%	5.19~ 5.93
"	2016. 12. 29	85	20.4	37.5	39.39~ 39.48%	6 ~ 7 years	1.16~ 1.20%	3.49~ 4.18

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options - E	2017. 08. 08	395	$ 18.75	$ 29.2	38.13~ 38.22%	6 ~ 7 years	0.82~ 0.88%	$3.64~ 4.23
"	2017. 12. 27	570	18.07	25	36.97~ 37.23%	6 ~ 7 years	0.74~ 0.80%	3.81~ 4.41
"	2018. 03. 23	175	19.16	23.5	36.87~ 37.17%	6 ~ 7 years	0.79~ 0.84%	4.71 ~ 5.38
Employee stock options - F	2019. 01. 25	520	21.96	28.7	36.03~ 36.90%	6 ~ 7 years	0.72~ 0.78%	4.85~ 5.74
"	2019. 05. 13	285	25.75	34.3	35.50%~ 36.35%	6 ~ 7 years	0.64~ 0.67%	5.39 ~ 6.40
Restricted stocks to employees - A	2016. 11. 18	1,660	22.88	-	-	-	-	22.88
"	2017. 08. 08	257	19.61	-	-	-	-	19.61
Employee stock options - G	2019. 11. 12	960	29.05	25.2	26.38%	6 ~ 7 years	0.63~ 0.66%	7.77 ~ 8.42
"	2020. 04. 15	775	33.1	28.8	50.33%	6 ~ 7 years	0.47~ 0.49%	15.56 ~ 16.65
"	2020. 08. 12	205	57.8	51.2	64.08%	6 ~ 7 years	0.36~ 0.38%	33.07 ~ 35.18
Cash capital increase reserved for employee preemption	2020. 04. 15	3,500	33.1	29	50.33%	0.06 year	0.30%	4.38
Restricted stocks to employees - B	2020. 05. 13	455	46.85	-	-	-	-	46.85
"	2020.12. 10	144	48.6	-	-	-	-	48.6
Restricted stocks to employees - C	2020. 05. 13	240	46.85	-	-	-	-	46.85
Restricted stocks to employees - D	2020. 08. 14	905	55.7	-	-	-	-	55.7
"	2020.12. 10	94	48.6	-	-	-	-	48.6
Restricted stocks to employees - H	2020. 12. 23	830	47.55	42.1	61.28%	6 ~ 7 years	0.22~ 0.26%	26.15~ 27.88
"	2021.05. 12	315	154.5	146.4	65.02%	6 ~ 7 years	0.31~ 0.35%	89.32~ 95.02
"	2021.08. 12	505	135.5	128.4	67.02%	6 ~ 7 years	0.32~ 0.34%	80.24~ 85.25
"	2021.10. 01	1,185	124.0	117.5	65.78%	6 ~ 7 years	0.34~ 0.38%	72.39~ 76.99

Type of arrangement	Grant date	Quantity granted (shares in thousands)	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit (in dollars)
Cash capital increase reserved for employee preemption	2021. 04. 06	3,211	$ 117.5	$ 91.5	71.79%	0.1 year	0.13%	$27.51
Restricted stocks to employees - E	2021. 10. 15	613	106.5	-	-	-	-	106.5
Restricted stocks to employees - F	2021. 10. 15	340	106.5	-	-	-	-	106.5

D. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2021	2020
Cash capital increase reserved for employee preemption	$ 88,335	$ 15,330
Employee stock options	29,935	6,720
Restricted stocks to employees	35,400	39,342
	$ 153,670	$ 61,392

(16) Share capital

A. As of December 31, 2021, the Company's authorised capital was $4,000,000, consisting of 400,000 thousand shares of ordinary share (including 12 million shares reserved for employee stock options, preferred shares with warrants or convertible bonds issued by the Company), and the paid-in capital was $3,003,845 with a par value of $10 (in dollars) per share, consisting of 300,385 thousand shares. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows (unit: shares in thousands):

	2021	2020
At January 1	206,375	169,304
Cash capital increase	90,000	35,000
Employee stock options exercised	387	400
Issuance of employee restricted stock	953	1,838
Employee restricted stock - redeemed	(426)	(167)
Conversions of convertible bonds	3,096	-
At December 31	$ 300,385	$ 206,375

B. For the years ended December 31, 2021 and 2020, the Company issued 387 thousand and 400 thousand ordinary shares related to the exercise of employee share options in accordance with the employee share options plan with a par value of $10 (in dollars) per share, totalling $3,865 and $4,000, respectively.

C. For the years ended December 31, 2021 and 2020, the Company collected 426 thousand shares and 167 thousand shares, respectively, as resolved by the Board of Directors as employee restricted stocks distributed to certain employees did not meet the vesting conditions in accordance with the terms of restricted shares.

D. On December 11, 2019, the Board of Directors resolved to increase capital by issuing 35 million ordinary shares, and resolved the issuance price of $29 (in dollars) per share and totalling $1,015 thousand on April 15, 2020. The effective date was set on May 12, 2020. The registration was completed on June 20, 2020.

E. The shareholders during its special meeting on November 27, 2019 resolved to issue the 1st, 2nd and 3rd restricted stocks to employees amounting to 600 thousand, 1 million and 240 thousand shares with no subscription price, respectively. On April 15, 2020, the Board of Directors of the Company resolved to issue the 1st and 3rd restricted stocks to employees amounting to 455 thousand and 240 thousand shares in 2019, respectively, with the effective date set on May 13, 2020. On August 12, 2020, the Board of Directors of the Company resolved to issue the 2nd restricted stocks to employees amounting to 905 thousand shares in 2019 with the effective date of capital increase of restricted stocks to employees set on effective date set on August 14, 2020. On December 10, 2020, the Board of Directors of the Company resolved to issue the 1st and 2nd restricted stocks to employees amounting to 144 thousand and 94 thousand shares in 2019, respectively, with the effective date of capital increase from restricted stocks to employees set on effective date set on December 10, 2020.

F. On December 23, 2020, the Board of Directors resolved to increase capital by issuing 35 million ordinary shares, and resolved the issuance price of $91.5 (in dollars) per share and totalling $3,202.5 thousand on April 6, 2021. The effective date was set on May 11, 2021. The registration was completed on June 15, 2021.

G. The shareholders during their meeting on August 3, 2021 resolved to issue the 1st and 2nd restricted stocks to employees amounting to 1,000 thousand and 340 thousand shares with no subscription price, respectively. On October 1,2021 the Board of Directors of the Company resolved to issue the 1st and 2nd restricted stocks to employees amounting to 613 thousand and 340 thousand shares in 2021, respectively, with the effective date set on October 15, 2021.

H. The shareholders during their stockholders' meeting on August 3, 2021 resolved to issue ordinary shares through the private placement with par value of $91.5 and the total consideration of issuing common stock was $5,032,500. All proceeds from shares issued have been collected on October 15, 2021, and the effective date was set on October 15, 2021, and the registration has been completed on December 13, 2021. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

(17) 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. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(18) Accumulated deficit

A. Under the Company's Articles of Incorporation, 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. After the provision or reversal of special reserve in accordance with laws or regulations, the appropriation of the remaining earnings along with the unappropriated earnings of prior years shall be proposed by the Board of Directors and resolved at shareholders' meetings.

B. The Company's dividend policy is summarised below: The Board of Directors would consider the earnings situation of current year, capital and financial structure, future operating needs, retained earnings and legal reserve, as well as the market competition to propose the appropriation of earnings to the shareholders during their meetings for resolution, and cash dividends shall account for at least 10% of the total dividends distributed.

C. The shareholders at their meeting on August 3, 2021 and June 29, 2020 have resolved not to distributed earnings as the Company incurred operating loss. Please refer to the website of "Market Observation Post System" for information about earnings appropriation to offset deficit which was proposed by the Board of Directors and resolved at the shareholders' meeting.

D. On March 22, 2022, the Board of Directors proposed the deficit compensation for the year ended December 31, 2021. The Company offset losses by capital surplus of $2,973,500. Please refer to the website of "Market Observation Post System" for information about earnings appropriation to offset deficit which was proposed by the Board of Directors and resolved at the shareholders' meeting.

E. As of December 31, 2021 and 2020, there was no earnings to be distributed.

(19) Operating revenue

	Year ended December 31	
	2021	2020
Revenue from contracts with customers	$ 1,697,359	$ 1,071,838

A. Disaggregation of revenue

The Group derives revenue from the transfer of services, authorisation and goods over time and at a point in time in the following major categories:

	Year ended December 31, 2021			
	Sales of services	Sales of authorisation and cooperative development	Sales of goods	Total
Timing of revenue recognition				
At a point in time	$ -	$ -	$ 274,087	$ 274,087
Over time	864,515	496,089	62,668	1,423,272
	$ 864,515	$ 496,089	$ 336,755	$ 1,697,359

	Year ended December 31, 2020			
	Sales of services	Sales of authorisation and cooperative development	Sales of goods	Total
Timing of revenue recognition				
At a point in time	$ -	$ -	$ 38,695	$ 38,695
Over time	572,344	460,799	-	1,033,143
	$ 572,344	$ 460,799	$ 38,695	$ 1,071,838

B. Contract assets and liabilities

(a) The Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2021	December 31, 2020	January 1, 2020
Contract assets:			
Services	$ 170,597	$ 133,038	$ 60,932
Current contract liabilities			
Services	$ 102,289	$ 56,201	$ 41,373
Authorisation and cooperative	121,678	153,369	118,029
Sales of goods	-	-	931
Non-current contract liabilities			
Authorisation and cooperative	20,059	64,232	115,995
	$ 244,026	$ 273,802	$ 276,328

(b) Revenue recognised that was included in the contract liability balance at the beginning of the year

Revenue recognised that was included in the contract liability balance at the beginning of the year	Year ended December 31	
	2021	2020
Services	$ 55,949	$ 37,150
Authorisation and cooperative development	126,778	115,579
Sales of goods	-	931
	$ 182,727	$ 153,660

(c) Unfulfilled long-term contracts

Aggregate amount of the transaction price allocated to long-term technology service contracts, authorisation and cooperative development contracts that are partially or fully unsatisfied, and all of the milestone payment as at December 31, 2021 amounted to $1,851,926. The management expects to recognise the amount in the future.

C. Details on authorisation and cooperative development revenue arising from providing drug development, commercialization service and authorising intellectual property rights of pharmaceutical products to the pharmaceutical factory are as follows:

In April 2019, the Group entered into an authorisation and cooperative development contract of EG12014 with Sandoz AG. The contract includes up-front payment, milestone payment at each stage and profit-sharing royalty on sales of products in the authorised markets in proportion to the ratios specified in the contract. The contract is mainly for providing the biosimilars development and commercialisation services and authorising intellectual property rights to the customer in regions other than Taiwan and Mainland China (After the amendment of the contract in the fourth quarter of 2021, it was revised to Taiwan, China, Japan, South Korea and Russia). As of December 31, 2021, the Group has received the aforementioned up-front payment and part of the milestone payment in accordance with the contract terms. The revenue of up-front payment and milestone payment achieved is recognised based on the satisfaction percentage during research and development period. If the drug was successfully launched, the supply price base on the supply terms and quantities, and the profit-sharing royalty calculated based on sales could also be collected. For the years ended December 31, 2021 and 2020, the Group recognised the revenue from authorisation and cooperative development contract amounting to $496,089 and $460,799, respectively. The European Medicines Agency and the Food and Drug Administration accepted the Sandoz AG's application for marketing review in January 2022 and February 2022, respectively.

(20) Interest income

	Year ended December 31	
	2021	2020
Interest income from bank deposits	$ 8,764	$ 922
Interest income from financial assets measured at amortised cost	1,260	2,026
Other interest income	342	145
	$ 10,366	$ 3,093

(21) Other income

	Year ended December 31	
	2021	2020
Government grant revenues	$ 37,022	$ -
Other income	3,173	1,571
	$ 40,195	$ 1,571

The Company received a grant for the 'Breast Cancer Targeted Antibody similar to EG12014 Trastuzumab Biosimilar phase III clinical trial program' from Ministry of Economic Affairs (MOEA). The program execution period is from November 1, 2019 to September 30, 2022 and the total grant received amounted to $80,000. For the year ended December 31, 2021, the Company recognised government grants revenue of $36,861 according to the progress of execution.

(22) Other gains and losses

	Year ended December 31	
	2021	2020
Gains arising from lease modifications	$ -	$ 14
Foreign exchange losses	(9,658)	(22,081)
Gains(losses) on financial assets at fair value through profit or loss	1,937	(240)
Miscellaneous disbursements	(4,545)	(9,176)
	($ 12,266)	($ 31,483)

(23) Finance costs

	Year ended December 31	
	2021	2020
Interest expense on bank borrowings	$ 11,267	$ 18,408
Interest expense on lease liabilities	7,756	8,168
Other interest expense	2,126	1,924
Interest expense	$ 21,149	$ 28,500

(24) Employee benefits, depreciation and amortisation expenses

Function	Year ended December 31, 2021			Year ended December 31, 2020		
Nature	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee benefit						
Wages and salaries	$ 112,754	$ 175,334	$ 288,088	$ 50,216	$ 175,593	$ 225,809
Share based payment	44,609	109,061	153,670	20,001	41,391	61,392
Labour and health insurance fees	9,421	14,724	24,145	5,483	13,465	18,948
Pension costs	5,522	7,742	13,264	4,248	6,243	10,491
Directors' remuneration	-	3,235	3,235	-	2,905	2,905
Other personnel expenses	3,761	7,983	11,744	2,636	5,797	8,433
Depreciation expense	80,216	88,476	168,692	42,179	116,038	158,217
Amortisation expense	9,271	7,033	16,304	7,849	6,087	13,936

A. In accordance with to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 1% to 5% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. No employees' compensation and directors' remuneration was accrued due to the net loss incurred for the years ended December 31, 2021 and 2020.

C. Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved at the meeting of Board of Directors and resolved at the shareholders' meeting will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(25) Income taxes

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2021	2020
Current tax:		
Current tax on profits for the year	$ 709	$ -
Prior year income tax (over) underestimation	518	-
Total current tax	1,227	-
Deferred tax:		
Origination and reversal of temporary differences	189	347
Income tax expense	$ 1,416	$ 347

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2021	2020
Currency translation differences	$ 19	($ 19)

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2021	2020
Tax calculated based on profit before tax and statutory tax rate	($ 8,233)	($ 208,265)
Expenses disallowed by tax regulation	3	48
Income tax free by tax regulation	(387)	-
Tax losses not recognised as deferred tax assets	8,100	206,122
Prior year income tax (over) underestimation	518	-
Temporary differences not recognised as deferred tax assets	1,415	2,442
Income tax expenses	$ 1,416	$ 347

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
-Deferred tax assets:				
Share of profit (loss) of associates and subsidiaries accounted for using the equity method, net differences	$ 347	$ 189	$ -	$ 536
Currency translation differences	19	-	(19)	-
	$ 366	$ 189	($ 19)	$ 536

	2020			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
-Deferred tax assets:				
Share of profit (loss) of associates and subsidiaries accounted for using the equity method, net differences	$ -	$ 347	$ -	$ 347
Currency translation differences	-	-	19	19
	$ -	$ 347	$ 19	$ 366

D. Details of the amount the Company is entitled as investment tax credit and unrecognised deferred tax assets are as follows:

	December 31, 2021		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Research and development	$ 686,981	$ 686,981	Note

	December 31, 2020		
Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Research and development	$ 317,246	$ 317,246	Note

Note: The Company was entitled to the incentives conferred under the Biotech and New

Pharmaceutical Development Act following the Company's incorporation as a biotech pharmaceutical company pursuant to the Letter No. Jing-Shou-Gong-Zi-10320422220 and the Letter No. Jing-Shou-Gong-Zi-10920401340 issued by the MOEA on September 17, 2014 and February 3, 2020, respectively. The incentive measures are valid for five years beginning on the next date of the issuance of MOEA's Letter. The investment tax credit can be first used to offset expenditure on research and development and staff training when there is taxable business income. Any unused tax credit is available for the following four years. As of December 31, 2021, the Company has no profit-seeking enterprise income tax.

E. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	Amount assessed	$ 104,540	$ 104,540	2023
2014	Amount assessed	131,762	131,762	2024
2015	Amount assessed	133,257	133,257	2025
2016	Amount assessed	109,737	109,737	2026
2017	Amount assessed	163,949	163,949	2027
2018	Amount assessed	371,827	371,827	2028
2019	Amount assessed	858,819	858,819	2029
2020	Amount filed	1,009,168	1,009,168	2030
2021	Amount expected	38,184	38,184	2031
		$ 2,921,243	$ 2,921,243	

December 31, 2020				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	Amount assessed	$ 104,540	$ 104,540	2023
2014	Amount assessed	131,762	131,762	2024
2015	Amount assessed	133,257	133,257	2025
2016	Amount assessed	109,737	109,737	2026
2017	Amount assessed	163,949	163,949	2027
2018	Amount assessed	371,827	371,827	2028
2019	Amount filed	858,819	858,819	2029
2020	Amount expected	1,030,609	1,030,609	2030
		$ 2,904,500	$ 2,904,500	

F. The amounts of deductible temporary differences that ware not recognised as deferred tax assets are as follows:

	December 31, 2021	December 31, 2020
Deductible temporary differences	$ 28,768	$ 21,690

G. The Company's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(26) Loss per share

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss for the year	($ 42,581)	242,662	($ 0.18)

	Year ended December 31, 2020		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Loss per share (in dollars)
Basic loss per share			
Loss for the year	($ 1,041,670)	192,478	($ 5.41)

Diluted loss per share would not be calculated as the Company had loss for the years ended December 31, 2021 and 2020.

(27) Supplemental cash flow information

Investing activities with partial cash payments：

	Year ended December 31	
	2021	2020
Purchase of property, plant and equipment	$ 170,471	$ 50,803
Add: Opening balance of other payables	15,729	3,072
Less: Ending balance of other payables	(19,508)	(15,729)
Cash paid during the year	$ 166,692	$ 38,146

	Year ended December 31	
	2021	2020
Purchase of intangible assets	$ 3,017	$ 4,620
Add: Opening balance of other payables	-	245
Cash paid during the year	$ 3,017	$ 4,865

B. Financing activities with no cash flow effects

	Year ended December 31	
	2021	2020
Conversion of convertible bonds	$ 165,395	$ -

(28) Changes in liabilities from financing activities

	2021			
	Long-term borrowings (including current portion)	Lease liability	Bonds payable (including current portion)	Liabilities from financing activities-gross
At January 1	$ 716,701	$ 323,541	$ 291,985	$ 1,332,227
Changes in cash flow from financing activities	(718,014)	(19,570)	-	(737,584)
Changes in right-of-use assets	-	3,722	-	3,722
Impact of changes in foreign exchange rate	-	(151)	-	(151)
Changes in other non-cash items	1,313	-	(164,915)	(163,602)
At December 31	$ -	$ 307,542	$ 127,070	$ 434,612

	2020			
	Long-term borrowings (including current portion)	Lease liability	Bonds payable	Liabilities from financing activities-gross
At January 1	$ 751,434	$ 335,939	$ -	$ 1,087,373
Changes in cash flow from financing activities	(38,265)	(17,785)	297,277	241,227
Changes in right-of-use assets	-	5,333	-	5,333
Impact of changes in foreign exchange rate	-	68	-	68
Changes in other non-cash items	3,532	(14)	(5,292)	(1,774)
At December 31	$ 716,701	$ 323,541	$ 291,985	$ 1,332,227

7. Related Party Transactions

(1) Parent and ultimate controlling party

The Group has no ultimate parent company and ultimate controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
FORMOSA LABORATORIES, INC.	Other related party
Development Center for Biotechnology (DCB)	〃
FORMOSA PHARMACEUTICALS, INC.	〃

(3) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2021	2020
Sales of goods:		
Other related parties	$ 2,240	$ -
Sales of services:		
Other related parties	6,504	4,252
	$ 8,744	$ 4,252

(a) No similar transaction can be compared with for the sales of service. Prices and terms are determined based on mutual agreements.

(b) On December 31, 2021 and 2020, the Group has recognised the revenue-related contract assets amounting to $974 and $0, and contract liabilities amounting to $929 and $116, respectively.

B. Service expense (shown as 'research and development expense')

	Year ended December 31	
	2021	2020
Other related parties	$ 5,559	$ 3,927

It refers to service expense of contracted Biopharmaceutical research and development with other related parties. Prices and terms are determined based on mutual agreements.

C. Other expenses (shown as 'administrative expenses')

	Year ended December 31	
	2021	2020
Other related parties	$ 4,729	$ 4,798

It refers to repair and maintenance fees, based on the price specified in the contract as mutually agreed, allocated from leasing plant and lab from DCB, and the expense shall be paid before the 25th day of the first month of each quarter as specified in the contract.

D. Receivables from related parties:

	December 31, 2021	December 31, 2020
Other receivables:		
Other related parties	$ 546	$ -

E. Payables to related parties

	December 31, 2021	December 31, 2020
Other payables:		
Other related parties	$ 5,695	$ 4,069

The abovementioned balances of $1,551 and $1,496 on December 31, 2021 and 2020, respectively, refer to the utilities payables to DCB which made payments on behalf of the Company.

F. Property transactions:

(a) Acquisition of property, plant and equipment:

	Year ended December 31	
	2021	2020
Other related parties	$ 190	$ -

(b) For details of acquisition of other assets after the balance sheet date, please refer to Note 11.

G. Lease transactions - lessee

(a) The Group leases plant, laboratory, instrument and equipment from DCB. Rental contract period is expected to be 20 years with initial rental period of 5 years plus the extension options. Rents are paid before the 25th day of the first month of each quarter.

(b) Right-of-use assets

	December 31, 2021	December 31, 2020
	Carrying amount	Carrying amount
Land	$ 64,558	$ 68,751
Buildings	80,222	85,451
Machinery and equipment	37,359	39,659
	$ 182,139	$ 193,861

	Year ended December 31	
	2021	2020
	Depreciation expense	Depreciation expense
Land	$ 4,193	$ 4,193
Buildings	5,229	5,229
Machinery and equipment	2,299	2,359
	$ 11,721	$ 11,781

(c) Lease liabilities

i. Outstanding balance

	December 31, 2021	December 31, 2020
Other related party - DCB	$ 187,803	$ 197,776

ii. Interest expense

	Year ended December 31	
	2021	2020
Other related party - DCB	$ 4,747	$ 5,017

(b) Rent expense (shown as ‘operating cost’ and ‘operating expenses’)

	Year ended December 31	
	2021	2020
Other related party - DCB	$ 3,603	$ 1,663

Note: As of December 31, 2021 and 2020, guarantee deposits paid (shown as other non-current assets, others) both amounted to $2,962.

(4) Key management compensation

	Year ended December 31	
	2021	2020
Salaries and other short-term employee benefits	$ 36,555	$ 35,211
Post-employment benefits	780	800
Share based payment	16,654	10,882
	$ 53,989	$ 46,893

8. Pledged Assets

The Group's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2021	December 31, 2020	Purpose
Pledged demand deposits (shown as current other financial assets)	$ 27,334	$ -	Note 1
Pledged time deposits (shown as current financial assets at amortised cost)	$ -	$ 85,440	Note 1
Pledged demand deposits (shown as non-current other financial assets)	$ -	$ 30,601	Note 2
Pledged time deposits (shown as non-current financial assets at amortised cost)	$ 8,588	$ 8,526	Note 3
Guarantee deposits paid (shown as other non-current assets, others)	$ 64,270	$ 65,228	Note 4
Property, plant and equipment	$ 1,315,911	$ 1,396,673	Note 2

Note 1: It refers to short-term borrowings limit.

Note 2: It refers to long-term borrowings limit.

Note 3: It refers to guarantee for land located in Zhubei.

Note 4: It refers to deposits for research commissioned contract, equipment and office, guarantee for gas meter as well as certificates of deposit for customs post-release duty

payment.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. Please refer to Note 6(13) for the details.

B. As of December 31, 2021 and 2020, the remaining payments contracted for research commissioned contracts at the balance sheet date but not yet incurred amounted to $236,146 and $401,704, respectively.

C. As of December 31, 2021 and 2020, the remaining payments contracted for equipment purchase and plant design at the balance sheet date but not yet incurred amounted to $976,461 and $89,617, respectively.

D. In September, 2020, the Group formed a collaboration with Antaimmu BioMed Co., Ltd. and Panion & BF Biotech Inc. to develop large-scale manufacture of the Vstrip® COVID-19 Antigen Rapid Test. Those three companies could develop markets individually after the joint agreement on the national distribution rights of product is reached among them based on the contract structure, and the profit-sharing royalty shall be calculated in proportion to the ratios specified in the contract. This contract had expired and was terminated on December 31, 2021, but the sale of products can be continued.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

(1) On March 22, 2022, the Board of Directors approved the new drug development agreement with Formosa Pharmaceuticals, Inc. to replace the original contract for development and manufacturing-related cooperation. The profit-sharing royalty from the development or commercialization of TSY0110 (EG12043) was acquired with US$ 30,000 thousand. The relevant price will be paid in accordance with the contract value and milestone schedule based on mutual agreement.

(2) The Company exercised its right to redeem the bonds from March 10 to April 8, 2022. The redemption price is 100% of the face value of the bonds. The redemption date of the convertible bonds was set on April 8, 2022, and the Company terminated trading the bonds on April 11, 2022.

(3) On March 22, 2022, the Board of Directors of the Company resolved to issue the 1st restricted stocks to employees in amount of 850 thousand shares in 2022 with no subscription price. However, the issuance has not been resolved at the shareholders' meeting as of March 22, 2022.

(4) The Board of Directors on March 22, 2022 resolved to raise additional cash through private

placement. The maximum number of shares to be issued through the private placement is 30,000 thousand, and the private placement can be completed in three instalments after the authorization by shareholders. However, the issuance has not been resolved at the shareholders' meeting as of March 22, 2022.

(5) Please refer to Note 6(19) for the details of progress in authorised co-development contracts.

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 in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets designated as at fair value through profit or loss on initial recognition	$ 891	$ 600
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 11,607	$ 5,956
Financial assets at amortised cost		
Cash and cash equivalents	$ 6,625,384	$ 908,346
Financial assets at amortised cost	1,645,228	122,446
Notes receivable	1,139	21,052
Accounts receivable	78,474	72,532
Accounts receivable - related parties	546	-
Other receivables	6,818	3,114
Guarantee deposits paid (shown as other non-current assets, others)	64,270	65,228
Other current and non-current financial assets	27,334	30,601
	$ 8,449,193	$ 1,223,319

	December 31, 2021	December 31, 2020
Financial liabilities		
Financial liabilities at amortised cost		
Accounts payable	$ 86,456	$ 41,161
Other payables	234,716	269,389
Other payables-related parties	5,695	4,069
Bonds payable (including current portion)	127,070	291,985
Long-term borrowings (including current portion)	-	716,701
	$ 453,937	$ 1,323,305
Lease liability (current and non-current)	$ 307,542	$ 323,541

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate 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 co-operation with the Group'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

i. Exchange rate risk

(i) The Group operates internationally and is exposed to exchange risk arising from various currency exposures, primarily with respect to the USD, EUR, GBP and JPY. Foreign 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's businesses involve some non-functional currency operations (the Company's functional currency: NTD; subsidiaries' functional currency: EUR). 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, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 41,576	27.68	$ 1,150,824
EUR:NTD	1,097	31.32	34,358
JPY:NTD	1,510	0.24	362
Financial liabilities			
Monetary items			
USD:NTD	$ 752	27.68	$ 20,815
EUR:NTD	1,516	31.32	47,481
GBP:NTD	55	37.30	2,052
JPY:NTD	735	0.24	176

	December 31, 2020		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 17,221	28.48	$ 490,454
EUR:NTD	171	35.02	5,988
GBP:NTD	41	38.90	1,595
JPY:NTD	3,101	0.28	868
Financial liabilities			
Monetary items			
USD:NTD	$ 747	28.48	$ 21,275
EUR:NTD	3,202	35.02	112,134
GBP:NTD	64	38.90	2,490

(iv) Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 11,508	$ -
EUR:NTD	1%	344	-
JPY:NTD	1%	4	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 208	$ -
EUR:NTD	1%	475	-
GBP:NTD	1%	21	-
JPY:NTD	1%	2	-

	Year ended December 31, 2020		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 4,905	$ -
EUR:NTD	1%	60	-
GBP:NTD	1%	16	-
JPY:NTD	1%	9	-
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 213	$ -
EUR:NTD	1%	1,121	-
GBP:NTD	1%	25	-

(v) The total exchange 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, 2021 and 2020, amounted to $9,658 and $22,081, respectively.

ii. 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.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, other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by $116 and $60, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

iii. Cash flow and fair value interest rate risk

The Group does not expect interest rate risk arising from significant variations in interest rate as it was not engaged in any borrowings at floating rates or investments at other interest rates.

(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 their credit risk taking into consideration the entire group's concern. 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. The Group adopts the assumptions under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts the following assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

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.

v. 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.

vi. The Group classifies customers' accounts receivable, and contract assets in accordance with customer types. The Group applies the modified approach using individual provision to estimate expected credit loss.

vii. The Group's notes and accounts receivable were generated from the customers who have optimal credit rating, and the expected credit loss rate is 0.3% after using the forecastability of future boom. As of December 31, 2021 and 2020, the carrying amount of notes and accounts receivable (including related parties) amounted to $80,159 and $93,584, respectively. Although some accounts receivable were past due over 90 days, the expected credit risk is insignificant based on individual assessment, thus, loss allowance was recognised amounting to $689 and $0, respectively. The counterparties of time deposits over 3 months are financial institutions all with high credit quality and the expected credit risk is insignificant based on the assessment, thus, no loss allowance was recognised.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts and time deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts.

iii. The Group has the following undrawn borrowing facilities:

	December 31, 2021	December 31, 2020
Floating rate:		
Expiring within one year	$ 880,000	$ -
Expiring beyond one year	714,000	-
	$ 1,594,000	$ -
Fixed rate:		
Expiring beyond one year	$ 281,800	$ 328,300

iv. 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. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2021	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Non-derivative financial liabilities				
Accounts payable	$ 86,456	$ -	$ -	$ 86,456
Other payables	234,716	-	-	234,716
Other payables-related parties	5,695	-	-	5,695
Lease liability	26,555	95,725	247,236	369,516
Bonds payable (including current portion)	127,070	-	-	127,070

December 31, 2020	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Non-derivative financial liabilities				
Accounts payable	$ 41,161	$ -	$ -	$ 41,161
Other payables	269,389	-	-	269,389
Other payables-related parties	4,069	-	-	4,069
Lease liability	26,441	97,911	267,613	391,965
Bonds payable	-	300,000	-	300,000
Long-term borrowings (including current portion)	101,896	662,393	-	764,289

v. 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. An active market refers to a market in which transactions for an 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 equity investment without active market and the call options and put options embedded in convertible bonds issued by the Group are included in Level 3.

B. Financial instruments not measured at fair value

Except for current financial assets at fair value through profit or loss and non-current financial assets at fair value through other comprehensive income, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable (including related parties), other receivables, guarantee deposits paid (shown as other non-current assets, others), other financial assets, accounts payable, other payables (including related parties), bonds payable (including current portion), long-term borrowings (including current portion) and lease liabilities are approximate to their fair values.

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 are as follows:

(a) The related information on the nature of the assets and liabilities is as follows:

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Call options and Put options of convertible bonds	$ -	$ -	$ 891	$ 891
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 11,607	$ 11,607
	$ -	$ -	$ 12,498	$ 12,498

December 31, 2020	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Call options and Put options of convertible bonds	$ -	$ -	$ 600	$ 600
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 5,956	$ 5,956
	$ -	$ -	$ 6,556	$ 6,556

(b) The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods.

D. The following chart is the movement of Level 3 for the years ended December 31, 2021 and 2020:

	2021		
	Derivative instruments	Equity instruments	Total
At January 1	$ 600	$ 5,956	$ 6,556
Conversions of convertible bonds	(1,646)	-	(1,646)
Gains or losses recognised in profit or loss shown as other gains and losses	1,937	-	1,937
Gains and losses recognised in other Recorded as unrealised gains (losses) on valuation of investments in debt instruments measured at fair value through other comprehensive income	-	5,651	5,651
At December 31	$ 891	$ 11,607	$ 12,498

	2020		
	Derivative instruments	Equity instruments	Total
At January 1	$ -	$ -	$ -
Issued in the period	840	-	840
Acquired in the period	-	5,776	5,776
Gains or losses recognised in profit or loss shown as other gains and losses	(240)	-	(240)
Gains and losses recognised in other Recorded as unrealised gains (losses) on valuation of investments in debt instruments measured at fair value through other comprehensive income	-	180	180
At December 31	$ 600	$ 5,956	$ 6,556

E. For the years ended December 31, 2021 and 2020, there was no transfer into or out from Level 3.

F. Appointed external appraiser is in charge of valuation procedures for fair value measurements being categorised within Level 3, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

G. The following is the qualitative information of 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, 2021	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 11,607	Price-Book Ratio	Price-to-book ratio	2.23~8.93 (3.41)	The higher the multiple, the higher the fair value ; The higher the net asset value, the higher the fair value
			Discount for lack of marketability	30% (30%)	
Call options and Put options of convertible bonds	891	The Binomial-Tree approach	Stock price volatility	68.35% (68.35%)	The higher the stock price volatility, the higher the fair value

	Fair value at December 31, 2020	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 5,956	Price-Book Ratio	Price-to-book ratio	2.13~9.09 (5.09)	The higher the multiple, the higher the fair value ; The higher the net asset value, the higher the fair value
			Discount for lack of marketability	35% (35%)	
Call options and Put options of convertible bonds	600	The Binomial-Tree approach	Stock price volatility	71.25% (71.25%)	The higher the stock price volatility, the higher the fair value

H. 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 of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			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						
Call options and Put options of convertible bonds	Stock price volatility	±5%	$ 150	($ 130)	$ -	$ -
Debt instruments	Price-Book Ratio	±5%	-	-	580	(580)
	Lack of marketability	±5%	-	-	580	(580)
			$ 150	($ 130)	$ 1,160	($ 1,160)

			December 31, 2020			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Call options and Put options of convertible bonds	Stock price volatility	±5%	$ 40	($ 40)	$ -	$ -
Debt instruments	Price-Book Ratio	±5%	-	-	298	(298)
	Lack of marketability	±5%	-	-	298	(298)
			$ 40	($ 40)	$ 596	($ 596)

(4) Other

The Group's operations were working normally during the Covid-19 outbreak and were implementing the government's epidemic prevention measures. The Group assessed that there was no significant impact on the Group's ability to continue as a going concern, asset impairment and financing risks.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

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): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching NT$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: Please refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 3.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: Please refer to table 4.

14. Segment Information

(1) General information

The Group is primarily engaged in the biosimilar and new drug research and development as well as biopharmaceutical contract development and manufacturing services, including cell line construction platforms, process development platforms, analytical science and protein characterisation, as well as PIC/S facilities to provide clinical trial drug production, etc. The Group operates business only in a single industry. The Chief Operating Decision-maker who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Segment Information

The accounting policies of the operating segments are in agreement with the significant accounting policies summarised in Note 4. The Group's segment profit (loss) is measured with the loss before tax, which is used as a basis for the Group in assessing the performance of the operating segments.

(3) Information about segment profit or loss, assets and liabilities

The Group has only one reportable operating segment, thus, the reportable information is in agreement with those in the consolidated financial statements.

(4) Reconciliation for segment income (loss)

The amounts provided to the Chief Operating Decision-maker with respect to segment assets, liabilities and loss before tax from continuing operations are measured in a manner consistent with that in the financial statements. Thus, no reconciliation is needed.

(5) Information on products and services

The Group's revenue is mainly from biopharmaceutical contract development and manufacturing services, authorisation and cooperative development and sales. Details of revenue are as follows:

	Year ended December 31	
	2021	2020
Service revenue	$ 864,515	$ 572,344
Sales revenue	496,089	460,799
Authorisation and cooperative development revenue	336,755	38,695
	$ 1,697,359	$ 1,071,838

(6) Geographical information

Geographical information for the years ended December 31, 2021 and 2020 is as follows:

	Year ended December 31			
	2021		2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 611,808	$ 2,284,180	$ 229,779	$ 1,896,228
Japan	149,949	-	93,563	-
American & Canada	373,492	-	192,550	-
Europe	549,259	1,962	542,733	814
Others	12,851	-	13,213	-
	$ 1,697,359	$ 2,286,142	$ 1,071,838	$ 1,897,042

(7) Major customer information

Major customers which contributed more than 10% of the Group's total operating revenues for the years ended December 31, 2021 and 2020 are listed below:

	Year ended December 31			
	2021		2020	
	Revenue	Segment	Revenue	Segment
A	$ 496,089	Note	$ 460,799	Note
B	355,074	〃	-	-
C	283,557	〃	122,013	Note

Note: The Group has only one reportable operating segment.

EirGenix Inc. and its subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2021

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2021				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership	Fair value	Footnote
EirGenix Inc.	Oncomatryx Biopharma S.L. common stock	None	Non-current financial assets at fair value through other comprehensive	30,665	$ 11,607	0.37%	$ 11,607	

EirGenix Inc. and its subsidiaries

Significant inter-company transactions during the reporting periods

Year ended December 31, 2021

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	EirGenix Inc.	EirGenix Europe GmbH	(1)	Operating expesnse	$ 52,370	Note 4	3.09%
0	EirGenix Inc.	EirGenix Europe GmbH	(1)	Other account payable	5,101	Note 4	0.04%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Prices and terms for services are based on the mutual agreement and payments are collected quarterly in advance.

Note 5: Transactions between the parent company and subsidiaries are eliminated.

Note 6: Individual amounts less than $1,000 are not disclosed.

EirGenix Inc. and its subsidiaries

Information on investees

Year ended December 31, 2021

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee（Notes 1 and 2）	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2020			Net profit (loss) of the investee for the year ended December 31, 2020	Investment income (loss) recognised by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
EirGenix Inc.	EirGenix Europe GmbH	Germany	Biopharmaceutical research and development as well as business development	$ 845	$ 845	-	100.00	$ 3,289	$ 947	$ 947	None

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EirGenix Inc. and its subsidiaries

Major shareholders information

December 31, 2021

Table 4

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Foxconn Technology Co., Ltd.	27,500,000	9.14
Yonglin Capital Holding Co., Ltd.	26,500,000	8.81
Formosa Laboratories, Inc.	18,855,818	6.27
National Development Fund, Executive Yuan	15,288,860	5.08

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