Stock code: 6657

Energenesis Biomedical Co., Ltd.

2022
Annual Report

Date Printed: Printed on April 28, 2023
Competent authority-designated information-declaring website:
http://mops.twse.com.tw
Website where relate annual report information of the Company is disclosed:
http://www.energenesis-biomedical.com

I. Spokesperson, Acting Spokesperson:

	Spokesperson	Acting Spokesperson
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Website: http://www.deloitte.com.tw

V. Overseas Securities Exchange: None

VI. Company website: http://www.energenesis-biomedical.com

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Chapter I. Letter to Shareholders

I. 2022 Operating Performance

(I) Business Plan Implementation Results

The net business revenue of the Company of 2022 is NT$ (same as below) 7,351 thousand, a decrease of 138 thousand or 1.84% from the previous year as a result of the global pandemic. The main source of revenue is reagents and experiment service/analysis.

The after-tax deficits of 2022 come to 265,664 thousand, an increase of 145,428 thousand, mainly because of the increased expenditure on the Phase 3 clinical trial of topical gel for diabetic ulcer, ENERGI-F703 (F703), that began in the US and the preparations for the Phase 1 clinical trial being applied for of ENERGI-F705 (F705) in the treatment of Parkinson's disease.

The Company has developed a variety of new drugs. F703 is now in a Phase 3 clinical trial in the US while for of ENERGI-F701 (F701), the Phase 2 clinical trials in the US/Taiwan are completed and talks with international pharmaceutical companies are ongoing over authorization. In addition, Phase 2 clinical trials of ENERGI-F703VLU, the topical gel treating venous leg ulcer (F703VLU), are ongoing.

Besides the above-mentioned developments of new drugs, Energenesis Biomedical is proactively preparing for and applying for Phase 1 clinical trials of ENERGI-F705, a new drug treating Parkinson's disease and the project concerning the topical cream treating hereditary epidermolysis bullosa of ENERGI-F703EB (F703EB). It is expected that the R&D momentum of the Company will continue to climb to increase our international competitive advantages.

(II) Income, Expenditure and Profitability

Unit: Thousand NTD

Item/Year		2022	2021	Increase (decrease) ratio(%)
Financial receipts and expenditures	Operating income	7,351	7,489	(1.84)
	Operating margin	5,165	5,359	(3.62)
	Net income after tax	(265,664)	(120,236)	(120.95)

Profit ability	Return on asset (%)	(35.00)	(15.08)	(132.10)
	Return on equity (%)	(36.52)	(15.77)	(131.58)
	Pre-tax net profit to paid-in capital ratio (%)	(39.74)	(18.12)	(119.32)
	Net profit margin (%)	(3,613.98)	(1,605.50)	(125.10)
	Earnings per share (NTD)	(3.99)	(2.00)	(99.50)

(III) Research and development status

The Company's R&D Progress of 2022 is as follows:

1. F703 has started a global Phase III clinical trial.
2. F703VLU has begun to implement Phase II clinical trials.
3. Clinical Phase 2 trial results of F703 are released in eClinicalMedicine, a sub-journal of the international authoritarian medical journal The Lancet.
4. F703EB is qualified as orphan drug (ODD) by the Office of Orphan Products Development (OOPD) under the US Food and Drug Administration (FDA) as notified through its certification letter.
5. F703EB is qualified for rare pediatric disease (RPD) by the Office of Orphan Products Development (OOPD) under the US Food and Drug Administration (FDA) as notified through its certification letter.

In addition, Energenesis Biomedical has secured patent protection for respective indications. Besides the existing patents in the US, Europe, Japan, Australia, Taiwan, China, Israel, and Korea, additional ones were obtained throughout 2022:

1. United States - "promotion of wound healing" invention patent.
2. Malaysia - "Compound for Activating AMPK and Uses Thereof" invention patent.
3. United States - invention patent having originated from "activated AMPK technology" treating inflammatory disease in humans.

The Company will continue to apply for additional patents in the future and extend patent protection so as to add value to new drugs as a whole.

(IV) Budget Execution Status

According to the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company did not have to prepare the financial forecast for 2022 and hence it is not applicable. For the time being, the Company only sets the internal operational budget management goals and controls changes in the numbers on a quarterly basis.

II. 2023 Business Plan

(I) Business Direction

1. Reinforce global deployment of new drug patents.
2. Expand international new drug authorization business.

3. Boost the sales of reagents and biotech service projects.

(II) Expected sales volume and its basis

The Company has proactively approached international pharmaceutical companies to introduce capital through authorization and to create a value chain featuring phased profits.

(III) Important Production and Sales Policies

The new drug development in the Company features a multi-functional medicinal development platform focusing on ENERGI small molecular compounds. New indications are being found applying the Company's patent ENERGI to accordingly bring down the risk and cost associated with the development of new drugs as a whole. In addition, the Company targets markets "without drugs" or with "unmet drugs" and applies for multiple related patents for protection purpose in multiple countries. After proof of concept through Phase 2 clinical trials, "technical authorization" and "collaborative development" will be the main operational and profitable models of the Company.

III. The Company's future development strategies

(I) Short-term Development Plans

1. Conduct global Phase 3 clinical trials of F703 and proactively seek talks with international pharmaceutical companies over possible collaborative development or technical authorization.
2. Finish preparations prior to the application for Phase 1 clinical trials of F705.
3. Seek talks with international pharmaceutical companies or international heavyweight cosmetics manufacturers over possible technical authorization or collaborative development of F701 and expedite commercialization of F701.

(II) Mid-to-long-term Development Plans

1. Seek strategic partners to jointly develop pre-clinical new drugs.
2. Reinforce patent deployment and explore opportunities for international authorization over new drugs.
3. Introduce potential candidate drugs through academic solicitation.

IV. Effect of external competition, the legal environment, and the overall business environment

The competition over development of new drugs around the world is increasing each day, which accordingly drives down prices in respective countries. Faced with this external challenge, the Company mainly focuses on new indications in its research and development under patented ENERGI, which will not only increase the success rate of clinical trials, reduce the time spent on research and development, bring down the R&D budget and lower the risk but also maximize the commercial value of drugs and substantially contribute to the treatment of disease in humans

prioritizing unmet drugs on the market.

In terms of regulatory requirements, the Company has related talent to keep track of regulatory information at all times and to accordingly ensure steady operations that are on a par with international counterparts of the Company.

The flourishing technological developments have also contributed to increased knowledge and quality of life. As a result, people have increasing demand for new drugs. It is foreseeable that the medicinal market size will continue to grow. The breakout of COVID-19 also signifies the importance of the new drug development sector. Energenesis Biomedical, with its unique ENERGI drug development platform and numerous new drugs available for development, prioritizes markets without drugs or with unmet topical drugs in order to increase the success rate in the development of new drugs and to expedite the new drug development timeline. Once a Phase 2 clinical trial is approved, proactive efforts are made to seek technical authorization or collaborative development with international pharmaceutical companies and to expedite the deployment of new drugs around the world. Respective new drug projects are going well at present. Besides F703, for which preparations for global Phase 3 clinical trials have begun, Phase 2 clinical trials are conducted as well for F703VLU. On the ENERGI drug development platform in the future, once any new drug is approved through Phase 1 or 2 clinical trials, the Company will proactively seek technical authorization or collaborative development with international pharmaceutical companies. They will help explore sales opportunities and the Company will continue to maximize the commercial value of its drugs and make substantial contributions to the treatment of disease in humans.

Throughout 2022, Energenesis Biomedical rendered optimal actual accomplishments in the development of new drugs. Talks over international authorizations for new drugs are ongoing as well. The Company will proactively seek international technical transfer authorization or collaborative development as soon as possible so that the international pharmaceutical companies can help explore sales opportunities while the Company receives royalties as its steady operating capital. The profits are then further invested in the deployment of new drugs on other even larger markets around the world. It will become a profitable virtuous circle. The Company hopes to bring about additional sources of funding through public offering in the future, expedite the acquisition of the budget required for development of more new drugs in the future, and gain approval and support from related governmental authorities and increase corporate value, create profits and return them to shareholders, and fulfill its social responsibilities in addressing public interest through the R&D accomplishments of Energenesis Biomedical.

Finally, on behalf of the Company, I would like to thank all shareholders, ladies and

gentlemen, for your unchanged support for the developments of the Company over the years. We will work even harder in the future on the research and development of respective new drugs in order to create maximum value for new drugs that will be given back to all shareholders.

Energenesis Biomedical Co., Ltd.

Chairman: Chiu Jen-yi

President: Han-Min Chen

Chapter II. Company profile

I. Date of establishment: August 28, 2012

II. Company History:

Date		Important Event
2012	Aug	◆ Energenesis Biomedical was created, with a paid-in capital size of $10,000 thousand and presence in the Fu Jen Innovation Incubation Center.
	Oct	◆ Professor Han-Min Chen at Fu Jen Catholic University transferred the AMPK activation technology to Energenesis Biomedical. ◆ Energenesis Biomedical acquired the complete AMPK activation technology.
2013	Apr	◆ The application for global patent right of the AMPK activation technology (ENERGI drug development platform) was completed.
	Aug	◆ The National Laboratory Animal Center was authorized to evaluate the wound healing effect (ENERGI-F703 topical gel treating diabetic foot ulcer, “ENERGI-F703”).
2015	Mar	◆ CMC was outsourced to Panion & BF Biotech Inc. while toxicology was outsourced to QUEST PHARMACEUTICAL SERVICES TAIWAN CO., LTD. ◆ VISUAL PROTEIN BIOTECHNOLOGY CORP. became the Medical Service Department and assigned 7 patents to the Company.
	Apr	◆ The rated capital size was changed to $500 million and the scope of operation was changed.
	Aug	◆ The collaboration agreement was reached with the Director of Plastic Surgery at the Tri-Service General Hospital (IND PI).
	Sep	◆ Capital was increased in cash by NT$74,000 thousand, issued in NT$10 per share; the paid-in capital size after the capital increase came to $107,000 thousand.
	Oct	◆ Acquired the factory office at the Farglory Toronto Technology Center in Neihu

Date		Important Event
2016	Feb	◆ Capital was increased through technical shares by NT$126,000 thousand; the paid-in capital size after the capital increase came NT$233,000 thousand.
	Apr	◆ Phase 2 clinical trials were applied for with the US FDA for ENERGI-F703.
	May	◆ Energenesis Biomedical was reviewed and determined by the Industrial Development Bureau, Ministry of Economic Affairs to be a biotech new drug company. ◆ Phase 2 clinical trials of ENERGI-F703 were approved by the US FDA to be conducted.
	Jun	◆ A2 Healthcare was authorized to conduct the TFDA-approved Phase 2 clinical trials of ENERGI-F703.
	Jul	◆ The collaboration agreement was reached with plastic surgeons at National Taiwan University Hospital and Taipei Chang Gung Memorial Hospital (on the conduct of Phase 2 clinical trials).
	Aug	◆ The collaboration agreement was reached with plastic surgeons at Shin Kong Wu Ho-Su Memorial Hospital (on the conduct of Phase 2 clinical trials).
	Nov	◆ Phase 2 clinical trials were applied for with the Taiwan FDA for ENERGI-F703.
	Dec	◆ Capital was increased in cash by NT$45,000 thousand, issued in NT$15 per share; the paid-in capital size after the capital increase came to $278,000 thousand.
2017	Feb	◆ Recruitment and implementation began for Phase 2 clinical trials of ENERGI-F703.
	Mar	◆ Capital was increased in cash by NT$30,000 thousand, issued in NT$16 per share; the paid-in capital size after the capital increase came to $308,000 thousand.
	Jul	◆ Capital was increased in cash by NT$22,000 thousand, issued in NT$20 per share; the paid-in capital size after the capital increase came to $330,000 thousand.

Date		Important Event
		◆ "ENERGI-F703 Phase 2 Clinical Trial Protocol" was reviewed and approved by the Ministry of Economic Affairs as an A+ Corporate Innovative R&D Refinement Program.
	Aug	◆ Public offering was approved by the Taipei Exchange.
	Nov	◆ The invention patent for the Company's AMPK technology was approved in Japan for the treatment and wound healing of disorders such as neurodegenerative disorders, inflammatory diseases, and metabolism syndrome. ◆ Phase 2 clinical trials were applied for with the US FDA of ENERGI-F701, the topical solution to prevent against hair loss ("ENERGI-F701").
2018	Feb	◆ Phase 2 clinical trials of ENERGI-F701 were approved by the US FDA.
	Mar	◆ Phase 2 clinical trials of ENERGI-F701 were approved by the Taiwan FDA. ◆ Capital was increased in cash by NT$100,000 thousand, issued in NT$21 per share; the paid-in capital size after the capital increase came to $430,000 thousand.
	May	◆ Capital was increased in cash by $40,500 thousand through private placement, issued in NT$10 per share; the paid-in capital size after the capital increase came to $470,500 thousand. ◆ Recruitment and implementation began for Phase 2 clinical trials of ENERGI-F701.
	Jun	◆ Capital was increased in cash by $9,500 thousand through private placement, issued in NT$10 per share; the paid-in capital size after the capital increase came to $480,000 thousand.
	Aug	◆ Listed and traded over the counter
	Sep	◆ The patent for the Company's hair growth booster was approved in China.
	Oct	◆ Approval as orphan drug in the R&D phase was applied for with the Taiwan FDA for ENERGI-F703EB, which is indicated for treatment of hereditary epidermolysis bullosa.

Date		Important Event
		◆ Phase 2 clinical trial interim analysis and evaluation was completed for ENERGI-F703.
	Dec	◆ Capital was increased in cash by $7,790 thousand through private placement, issued in NT$38.5 per share; the paid-in capital size after the capital increase came to $487,790 thousand.
2019	Jan	◆ The Company signed the Memorandum of Understanding (MOU) with Mycenax Biotech Inc. to jointly enhance the process for high-quality protein-based drugs of the new generation. ◆ The Company signed the Manufacturing Agreement with SCI Pharmtech, Inc. ◆ The Company signed the Memorandum of Understanding (MOH) with the Indonesia INNOGENE KALBIOTECH PTE.LTD.
	Mar	◆ Invention patents for treating Alzheimer's disease and diabetes, among others, were obtained in the US. ◆ The invention patent for treating inflammatory bowel disease (IBD) was obtained in Japan. ◆ The invention patent for treating wound-healing drugs was obtained in Japan.
	Apr	◆ The invention patent in Australia for indications of "Compound for Activating AMPK and Uses Thereof" of the Company such as Alzheimer's disease and others was approved.
	Jun	◆ The recruitment goal for Phase 2 clinical trials of ENERGI-F703 was fulfilled.
	Aug	◆ Capital was increased in cash by NT$50,000 thousand, issued in NT$42 per share; the paid-in capital size after the capital increase came to $540,850 thousand (including NT$3,060 thousand exercised with employee share subscription warrants). ◆ The European Invention Patent Certificate was obtained for the "hair growth booster".

Date		Important Event
		◆ The recruitment goal for Phase 2 clinical trials of ENERGI-F701 was fulfilled. ◆ The patent application for the "method to boost chronic wound healing" was approved by the United States Patent and Trademark Office.
	Oct	◆ The Korea Invention Patent Certificate was obtained for the "hair growth booster". ◆ The expected goals for Phase 2 clinical trials of ENERGI-F703 in the US/Taiwan were fulfilled.
	Nov	◆ The expanded indication of venous leg ulcer (VLU) for the new drug being researched and developed ENERGI-F703 of the Company was approved after 30 days of review by the US FDA for clinical trials involving human subjects (IND).
	Dec	◆ Capital was increased in cash by NT$41,300 thousand, issued in NT$62.1 per share; the paid-in capital size after the capital increase came to $586,620 thousand (including NT$4,470 thousand exercised with employee share subscription warrants). ◆ The invention patent for "Compound for Activating AMPK and Uses Thereof" was obtained.
2020	Jan	◆ The feedback indicating "technological business and successful product development with market potential" was obtained from the Industrial Development Bureau, Ministry of Economic Affairs.
	Mar	◆ The data analysis results of Phase 2 clinical trials of ENERGI-F701, the topical solution to prevent against abnormal hair loss in the US/Taiwan were released. ◆ The invention patent for "Compound for Activating AMPK and Uses Thereof" was obtained in Korea; it is indicated for treating disorders such as Alzheimer's disease and Type 2 diabetic metabolism syndrome.
	May	◆ The invention patent for "hair growth booster" was obtained in Turkey.

Date		Important Event
		◆ The invention patent in Europe for the applicability of "Compound for Activating AMPK and Uses Thereof" of the Company in boosting wound healing was approved.
	Jun	◆ The invention patent for "Compound for Activating AMPK and Uses Thereof" was obtained in Singapore.
	Sep	◆ The invention patent for "Compound for Activating AMPK and Uses Thereof" was obtained in Australia.
	Oct	◆ Phase 2 clinical trials of ENERGI-F703, the topical gel treating venous leg ulcer (ENERGI-F703VLU) were approved by the Taiwan FDA.
	Dec	◆ The invention patent for "Compound for Activating AMPK and Uses Thereof" was obtained in Canada.
2021	Feb	◆ The invention patent for "Compound for Activating AMPK and Uses Thereof" was obtained in Korea.
	Mar	◆ The data of Phase 2 clinical trials of ENERGI-F703 in diabetic wound healing in the US/Taiwan released by Energenesis Biomedical were accepted during the annual conference of the American Diabetes Association (ADA 2021). ◆ The Company was notified by the Federation of American Societies for Experimental Biology (FASEB) that the fundamental research report of the "diabetic wound healing new drug (ENERGI-F703)" was released in the official journal of the Association (FASEB Journal).
	Apr	◆ The invention patent for "Compound for Activating AMPK and Uses Thereof" for the treatment of Parkinson's disease was obtained in Japan.
	Jul	◆ A end-of-Phase 2 (EOP2) meeting was held jointly with the US FDA based on the results of Phase 2 clinical trials of ENERGI-F703, the new drug treating diabetic foot in the US/Taiwan.
	Dec	◆ Capital was increased in cash by NT$66,000 thousand, issued in NT$44 per share; the paid-in capital size after the capital increase came to $663,710 thousand (including

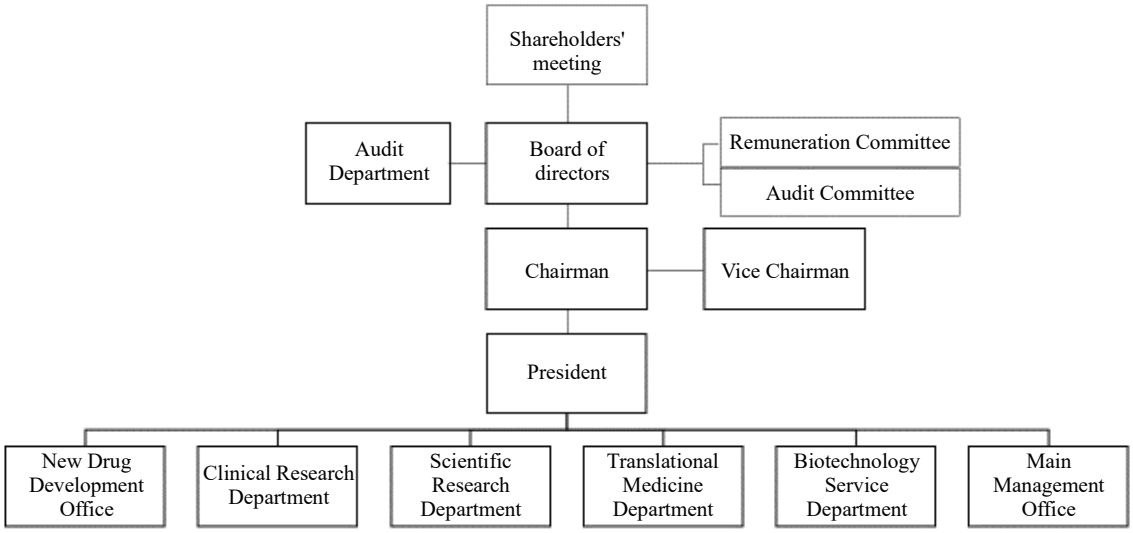
Date		Important Event
		NT$11,090 thousand exercised with employee share subscription warrants).
2022	Feb	◆ The invention patent for boosting wound-healing was obtained in the US.
	Mar	◆ The invention patent for "Compound for Activating AMPK and Uses Thereof" was obtained in Malaysia. ◆ The feedback indicating "technological business with market potential" was obtained from the Industrial Development Bureau, Ministry of Economic Affairs.
	Jul	◆ The report containing Phase 2 clinical trial results of the diabetic foot ulcer healing new drug (ENERGI-F703 GEL) of the Company was published on the website of the international well-known medical journal EClinicalMedicine. ◆ The Company acquired the patent for the drug treating inflammatory disease in humans applying the US activated AMPK technology.
	Oct	◆ ENERGI-F703 Diabetic Foot Ulcer External Gel has passed the 30-day review period for the human phase III clinical trial application in the United States, and can start the human phase III clinical trial in the United States.
	Dec	◆ ENERGI-F703EB is qualified as orphan drug (ODD) by the Office of Orphan Products Development (OOPD) under the US Food and Drug Administration (FDA) as notified through its certification letter.
2023	Jan	◆ ENERGI-F703EB is qualified for rare pediatric disease (RPD) by the Office of Orphan Products Development (OOPD) under the US Food and Drug Administration (FDA) as notified through its certification letter.
	Feb	◆ The invention patent for "Compound for Activating AMPK and Uses Thereof" was approved in Canada and for the treatment of disorders such as ankylosing spondylitis, arthritis, asthma, arteriosclerosis, fibromyalgia, and systemic lupus erythematosus.

Date		Important Event
		◆ The Company's invention patent was approved in Canada for "Compound for Activating AMPK and Uses Thereof" to boost wound healing.

Chapter III. Corporate Governance Report

I. Organization

(I) Organizational Structure



(II) Business Functions of Major Departments

Department	Responsibilities
Board of directors	Execute shareholders' meeting resolutions, and make decisions on the Company's business direction, business plans, and major business strategies within the bounds of their authority.
Audit Committee	Monitor the Company's business and financial operations, and ensure that the Company's financial reports are presented fairly in all material respects, that the Company's internal controls have been effectively implemented, that the Company is compliant with all laws and regulations, and that the Company is managing its existing and potential risks.
Remuneration Committee	Regularly establish and review policies, systems, standards, and framework for appraising manager and director performance and remuneration, as well as regularly decide on and assess manager and director remuneration.
President	1. Guide the Company in setting a business direction and business targets. 2. Execute Board of Director resolutions on material issues and plans, and and short and long-term strategic plans. 3. Manage how policies and budgets are implemented.
Audit Department	1. Establish internal audit system. 2. Establish and execute audit plans. 3. Propose and follow-up on suggested corrections and improvements. 4. Evaluate the soundness and effectiveness of each of the Company's management systems.
New Drug Development Office	1. Manage how individual projects are planned and executed. 2. Establish and evaluate plans for project progress, budget, and risk management. 3. Evaluate and manage compliance with intellectual property rights laws. 4. Evaluate and create new projects. 5. Formulate and amend contracts.
Clinical Research Department	1. Conduct clinical trials, including evaluating, selecting, and collaborating with CROs, selecting clinical trial centers and clinical trial directors, carrying out clinical trials following ICH-GCP guidelines, and providing reports on trial progress and adverse drug reactions.

Department	Responsibilities
	2. Plan and design clinical trials. 3. Prepare and submit clinical trial protocols. 4. Pre-clinical trial data analysis. 5. Prepare pre-clinical trial reports. 6. Confirm development goals. 7. Register and submit new drugs for approval. 8. Manage clinical trial procedures. 9. Evaluate and submit new projects for approval pursuant to legal and regulatory requirements, inspect and register products, establish an effective channel of communication with drug regulatory agencies.
Scientific Research Department	1. Planning and designing clinical trials. 2. Preparing and submitting clinical trial protocols. 3. Pre-clinical trial data analysis. 4. Prepare pre-clinical trial reports. 5. Develop new drugs. 6. Apply for research and development projects. 7. Confirm animal experiments. 8. Publish scientific papers.
Translational Medicine Department	1. Plan and conduct research into translational medicine mechanisms. 2. Conduct experiments related to translational medicine, translational pharmacology, and toxicology, supporting clinical trials. 3. Develop a research and development direction and research and development plans.
Biotechnology Service Department	1. Develop research reagents and equipment. 2. Sell reagents and equipment. 3. Develop various biotechnology services. 4. Provide contracted biotechnology services.
Main Management Office	1. Organize the Company's business strategies and targets, coming up with the Company budget. 2. Fund management, planning and execution, and handling of stock related matters. 3. Handle tax-related matters, such as accounting operations and tax exemptions. 4. Conduct and manage main management operations and procurement operations. 5. Install and maintain information systems, manage information

Department	Responsibilities
	security and electronic documents. 6. Establish and execute plans for human resources management, education and training, and remuneration.

II. **Directors, Supervisors and Management Team**

(I) Members of the Board of Directors

1. Profile of Company directors

March 28, 2023; Unit: Shares; %

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term (Years)	Date of first election	Shares held when elected		Current Shareholding		Current shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)			Title	Name	Relationship	
Chairman	Republic of China	Ren-Yi Chiu	Male 61-70 years of age	2022.05.27	3	2012.07.31	4,419,786	6.64	4,419,786	6.61	934,000	1.40	1,167,500	1.75	◆MBA from National Taipei University ◆Currently studying for doctorate degree at the Graduate Institute of Applied Science and Engineering, Fu Jen Catholic University ◆Honorary PhD from Golden State University ◆Chairperson of the Board at New Prismatic Enterprise Co. Ltd. ◆Chairperson of the Board at I-Bot Technology Inc. ◆Chairperson of the Board at Spring Bless Technology Co. Ltd.	◆Director at New Prismatic Enterprise Co. Ltd. ◆Chairperson of the Board at ABA Nanotech Company ◆Chairperson of the Board at Reiki Dragon Biotech Co., Ltd. ◆Chairperson of the Board at New Prismatic Investment Co. Ltd.	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term (Year)	Date of first election	Shares held when elected		Current Shareholding		Current shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)			Title	Name	Relationship	
															◆Chairperson of the Board at Reiki Dragon Biotech Co., Ltd. ◆Chairperson of the Board at New Prismatic Investment Co. Ltd.					
Vice Chairman	Republic of China	Han-Min Chen	Male 51-60 years of age	2022.05.27	3	2016.10.05	6,306,295	9.48	6,306,295	9.43	390,000	0.58	1,000,000	1.50	◆ Doctorate of Science in Biochemistry, Department of Agricultural Chemistry, National Taiwan University ◆ USC Post-graduate Research ◆ Co-founder of Energenesis Biomedical ◆ Professor at the Department of Life Sciences, Fu Jen Catholic University ◆ Dean of the Graduate Institute of Applied Science and Engineering, Fu Jen Catholic University	◆ General Manager of the Company ◆ Professor at the Department of Life Sciences, Fu Jen Catholic University ◆ Chairperson of Songhe International Capital Co., Ltd.	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term (Year)	Date of first election	Shares held when elected		Current Shareholding		Current shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)			Title	Name	Relationship	
															◆ Deputy Dean of the College of Science and Engineering, Fu Jen Catholic University					
Directors	Malaysia	Chung-Jung Tsai	Male 71-80 years of age	2022.05.27	3	2016.10.05	-	-	-	-	-	-	4,747,037	7.10	◆ Bachelor of Science from the Universiti Sains Malaysia ◆ Officer at the Malaysia Aquaculture Research Institute ◆ Chairperson of Baotek Inc. ◆ Chairperson of Famous Creation International Investment Group Limited	◆ Chairperson of RUBY BAY LIMITED	-	-	-	-
Directors (Note 1)	Republic of China	Shang-Chih Gong	Male 61-70 years of age	2022.05.27	3	2017.10.26	270,000	0.41	270,000	0.40	260,000	0.39	-	-	◆ PhD in economics from Iowa State University ◆ Vice dean of the Fu Jen Catholic University College of Management ◆ Fu Jen Catholic University President of Academic Affairs ◆ Evaluation Member of the Executive Yuan Financial Restructuring Committee	◆ Chairperson of Chancetech Co., Ltd.	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term (Year)	Date of first election	Shares held when elected		Current Shareholding		Current shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)			Title	Name	Relationship	
Independent Director	Republic of China	Ke-Hua Ding	Male 61-70 years of age	2022.05.27	3	2019.05.06	-	-	-	-	27,484	0.04	-	-	◆ Master's Degree from the National Chengchi University Department of Public Finance ◆ Chairperson of the Financial Supervisory Commission ◆ Chairperson of the Taipei Exchange ◆ Chairperson of the Taiwan Depository & Clearing Corporation ◆ Chairperson of the Securities and Futures Institute ◆ Chairperson of the Securities and Futures Bureau of the Ministry of Finance ◆ Independent director of the Taiwan High Speed Rail Corp	◆ Independent director of WT Microelectronics Co., Ltd. ◆ Chairperson of Hotung Venture Group ◆ Director of Hoting Investment Holdings Limited ◆ Adjunct Associate Professor of Public Finance at National Chengchi University ◆ Chair Professor at the Chihlee University of Technology Department of Finance	-	-	-	-
Independent Director	Republic of China	Shou-Shan Wu	Male 71-80 years of age	2022.05.27	3	2019.05.06	-	-	-	-	-	-	-	-	◆PhD in Finance from the University of Florida	◆Chair professor at National Taiwan Normal University	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term (Year)	Date of first election	Shares held when elected		Current Shareholding		Current shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)			Title	Name	Relationship	
															◆Independent director of Yuanta Financial Holding Co., Ltd. ◆Independent director Yuanta Securities Co., Ltd. ◆Chairperson of the Taipei Exchange ◆Chairperson of the Securities and Futures Institute ◆Professor and Dean of the Chang Gung University College of Management ◆Lecturer, Associate Professor, and Professor (former department chair and director) of the National Chiao Tung University Department of Management Science ◆Long-term supervisor/director of Hua Nan Financial Holdings Co. Ltd.	◆ Independent director of Citibank Taiwan ◆Independent director of JARLLYTEC CO., LTD.				

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term (Year)	Date of first election	Shares held when elected		Current Shareholding		Current shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)			Title	Name	Relationship	
															◆Long-term supervisor/supervisor/director of Hua Nan Bank ◆Managing director/director of Taiwan Power Company					
Independent Director	Republic of China	Yu-Ren Wu	Male 51-60 years of age	2022.05.27	Note 1	2019.11.01	-	-	-	-	-	-	-	-	◆Doctorate of Science in Microbiology and Biochemistry from National Taiwan University ◆Chief of Nutritional Department at the Antai Medical Care Cooperation Antai Tian-Sheng Memorial Hospital ◆ Chair Professor at Meiho University/Vice President of Academic Affairs and Dean of College of Human Ecology/Dean of College of Health and Nursing/Director of Center for Agricultural and Aquacultural Product Inspection and Certification, Professor of Nursing	◆Professor at Meiho University Department of Food and Nutrition ◆Director of Yu-Jen Biotechnology Co., Ltd.	-	-	-	-

Title	Nationality or place of registration	Name	Gender Age	Date elected	Term (Year)	Date of first election	Shares held when elected		Current Shareholding		Current shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Other concurrent positions within the Company or elsewhere	Spouse or relatives of second degree or closer acting as directors, supervisors, or other department heads			Notes
							No. of shares	Shareholding ratio	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)	No. of shares	Shareholding ratio (Note 2)			Title	Name	Relationship	
															◆Director of the Pingtung County Nutritionist Association ◆Member of the Health Food Approval Committee at the Taiwan Food and Drug Administration					

Note 1: Director Shang-Chih Gong resigned on December 13, 2022.

Note 2: As of the book closure date of March 28, 2023, the Company has 66,845,000 outstanding shares.

2. Name of legal person shareholder, and the names and shareholding ratios of the top ten shareholders of the legal person shareholder, for legal person shareholders who have a representative serving on the Company's Board of Directors: N/A.

3. Disclosure of the professional qualifications held by directors, and the independence of independent directors:

The Company currently has 6 directors, including 3 independent directors, as follows:

Qualifications / Name	Professional Qualifications and Experiences (Note 1)	Independence (Note 2)	Number of other Taiwanese public companies concurrently served as an independent director
Chairman Ren-Yi Chiu	1. MBA from National Taipei University. 2. Specialized in company operation and management, with professional working experience in commerce, law, finance, accounting, and other work experience necessary for Company operations. 3. Currently serving as Chairperson for New Prismatic Enterprise Co. Ltd. and many other companies. 4. Please refer to page 11 for an overview of their working experience and educational background. 5. Does not meet any of the conditions stated in Article 30 of the Company Act.	Does not have a second-degree relative or spousal relationship with any of the Company's other directors.	-
Vice Chairman Han-Min Chen	1. Doctorate of Science in Biochemistry, Department of Agricultural Chemistry, National Taiwan University. 2. Specialized in proteome and genetic research, systematic biology analysis, development of new compounds for biomedical uses, adding value to and commercializing biotechnology products, and company operation and management. Also possesses	Does not have a second-degree relative or spousal relationship with any of the Company's other directors.	-

Qualifications / cName	Professional Qualifications and Experiences (Note 1)	Independence (Note 2)	Number of other Taiwanese public companies concurrently served as an independent director
	professional working experience in commerce, law, finance, accounting, and other work experience necessary for Company operations. 3. Currently a professor at the Department of Life Sciences, Fu Jen Catholic University, Chairperson of Songhe International Capital Co., Ltd. 4. Please refer to page 11 for an overview of their working experience and educational background. 5. Does not meet any of the conditions stated in Article 30 of the Company Act.		
Directors Chung-Jung Tsai	1. Bachelor of Science from the Universiti Sains Malaysia. 2. Specialized in aquaculture research and company operation and management, with professional working experience in commerce, law, finance, accounting, and other work experience necessary for Company operations. 3. Current chairperson of RUBY BAY LIMITED. 4. Please refer to page 12 for an overview of their working experience and educational background 5. Does not meet any of the conditions stated in Article 30 of the Company Act.	Does not have a second-degree relative or spousal relationship with any of the Company's other directors.	-
Independent Director Ke-Hua Ding	1. Master's Degree from the National Chengchi University Department of Public Finance. 2. Specialized in economic and financial analysis, and company	1. Current compliance status of the Company's independent directors with independence requirements.	1

Qualifications / cName	Professional Qualifications and Experiences (Note 1)	Independence (Note 2)	Number of other Taiwanese public companies concurrently served as an independent director
	operation and management. Also possesses professional working experience in commerce, law, finance, accounting, and other work experience necessary for Company operations. 3. Currently independent director of WT Microelectronics Co., Ltd. 4. Please refer to page 12 for an overview of their working experience and educational background. 5. Does not meet any of the conditions stated in Article 30 of the Company Act.	2. The Company's independent directors, and their spouses and second-degree relatives, are not serving as directors, supervisors, or employees of the Company or any of its affiliates. They do not hold any shares in the Company. Their spouses or second-degree relatives are not serving as directors, supervisors, or employees of any company that has a specific relationship with the Company. 3. In the past 2 years, the Company's independent directors have not provided any business, legal, financial, or accounting services to the Company or any of its affiliates in exchange for remuneration.	
Independent Director Shou-Shan Wu	1. PhD in Finance from the University of Florida. 2. Specialized in economic and financial analysis, and company operation and management. Also possesses professional working experience in commerce, law, finance, accounting, and other work experience necessary for Company operations. 3. Currently independent director of Citibank Taiwan and JARLLYTEC Co., Ltd. 4. Please refer to page 12 for an overview of their working experience and educational background.	1. Current compliance status of the Company's independent directors with independence requirements. 2. The Company's independent directors, and their spouses and second-degree relatives, are not serving as directors, supervisors, or employees of the Company or any of its affiliates. They do not hold any shares in the Company. Their spouses or second-degree relatives are not serving as directors, supervisors, or employees of any company that has a	2

Qualifications / cName	Professional Qualifications and Experiences (Note 1)	Independence (Note 2)	Number of other Taiwanese public companies concurrently served as an independent director
	5. Does not meet any of the conditions stated in Article 30 of the Company Act.	specific relationship with the Company. 3. In the past 2 years, the Company's independent directors have not provided any business, legal, financial, or accounting services to the Company or any of its affiliates in exchange for remuneration.	
Independent Director Yu-Ren Wu	1. Doctorate of Science in Microbiology and Biochemistry from National Taiwan University. 2. Specialized in agricultural and aquacultural product inspection and certification, food and nutrition, and company operation and management. Also possesses professional working experience in other fields necessary for Company operations. 3. Current professor at the Meiho University Department of Food and Nutrition, and director of Yu-Jen Biotechnology Co., Ltd. 4. Please refer to page 13 for an overview of their working experience and educational background. 5. Does not meet any of the conditions stated in Article 30 of the Company Act.	1. Current compliance status of the Company's independent directors with independence requirements. 2. The Company's independent directors, and their spouses and second-degree relatives, are not serving as directors, supervisors, or employees of the Company or any of its affiliates. They do not hold any shares in the Company. Their spouses or second-degree relatives are not serving as directors, supervisors, or employees of any company that has a specific relationship with the Company. 3. In the past 2 years, the Company's independent directors have not provided any business, legal, financial, or accounting services to the Company or any of its affiliates in exchange for remuneration.	-

Note 1: Professional qualifications and experience: Describe the professional qualifications and experience of each director and supervisor. For example, members of the Audit Committee with specialized experience in accounting or finance should have their professional accounting or finance background described, as

well as their work experience. Additionally, describe if the director or supervisor meet any of the conditions provided in Article 30 of the Company Act.

Note 2: Specify if the Company's independent directors meet independence requirements, such as, without limitation, if their spouses and second-degree relatives are serving as directors, supervisors, or employees of the Company or any of its affiliates; The number of Company shares held and shareholding ratio of the independent director, their spouse, or second-degree relative (or held under the name of a third party); Whether or not the independent director, their spouse, or second-degree relative are serving as director, supervisor, or employee of another company with a specific relationship with the Company (please see Article 3, Paragraph 1, Sub-paragraphs 5-8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); The remuneration for any business, legal, financial, or accounting services provided by independent directors to the Company or any of its affiliates in the past 2 years.

4. Board Diversity and Independence:

(1) Board Diversity:

The Company advocates and respects the Board's diversity policies in order to strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors. We believe that the diversity approach will help to enhance the Company's overall performance. Members of the Board of Directors are selected based on merit, and directors possess diverse and complementary abilities across different professional fields. This is reflected in the composition of the Board (such as: age, gender, nationality, and culture), and each director possess relevant professional experience and skills (such as: experience in finance, accounting, manufacturing, finance, marketing, or technology), as well as skills in making business judgments, managing company business operations, leadership strategy, and crisis management. In order for the Board of Directors to achieve the Company;s ideal corporate governance goals, Article 20 of the Company's Corporate Governance Best Practice Principles stipulates that the overall Board of Directors shall possess the following capabilities:

1. Ability to make business judgments	5. Knowledge of the industry.
2. Accounting and financial analysis ability.	6. An international market perspective.
3. Business management ability.	7. Leadership ability.
4. Crisis management ability.	8. Decision-making ability.

Apart from establishing the Company's Corporate Governance Best Practice Principles, the Company shall also specify a candidate nomination system to be adopted for the election of directors in its Articles of Incorporation once the Company becomes listed on the TWSE/TPEx. When selecting its directors (including independent directors), the Company shall not only take into consideration the professional backgrounds of each director and independent director, but also place a high importance on diversity.

The Company currently has 6 directors, including 3 independent directors. Out of these directors, one director is also an employee of the Company, and the three independent directors have served in their roles for 3-6 years. 66.7% of the 6-member Board of Directors are below 70 years of age (4 directors), and 28.6% are above 70 years of age (2 directors). All of our current directors are well reputed in industry or academia, and have practical experience with company management, or serving in government regulatory agencies. Apart from possessing leadership skills, crisis management skills, and international perspectives, Ke-Hua Ding, one of the Company's 3 independent directors, had previously served as the Chairperson of the Financial Supervisory Commission, independent director Shou-Shan Wu had previously served as the chairperson of the Taipei Exchange, and independent director Yu-Ren Wu had previously served as the Vice President of Academic Affairs for Meiho University. Our independent directors thus possess professional expertise in finance, accounting, legal compliance, industry knowledge, and business judgment ability. Our 3 non-independent directors Ren-Yi Chiu, Han-Min Chen, and Chung-Jung Tsai each have experience in senior management roles and industry. They have experience with corporate business operations in the finance, biotechnology, and services industry, and have strong professional skills, due to their business management expertise, industry knowledge, and ability to make operational judgments.

Information on the diversity of the overall Board of Directors are as follows:

Diversity criteria / Name of director	Basic composition			Industrial experience				Expertise	
	Nationality	Gender	Employee status	Operational management	Business judgment ability/industry knowledge	Leadership and decision making	Crisis management ability/ability to incorporate international perspectives	Finance and accounting	Legal expertise
Ordinary directors: Ren-Yi Chiu	Republic of China	Male		✓	✓	✓	✓	✓	
Ordinary directors: Han-Min Chen	Republic of China	Male	✓	✓	✓	✓	✓	✓	
Ordinary directors: Chung-Jung Tsai	Malaysia	Male		✓	✓	✓	✓	✓	
Independent Director: Shou-Shan Wu	Republic of China	Male		✓	✓	✓	✓	✓	✓
Independent Director: Ke-Hua Ding	Republic of China	Male		✓	✓	✓	✓	✓	✓
Independent Director: Yu-Ren Wu	Republic of China	Male		✓	✓	✓	✓		

(2) Board independence:

The Company's director selection process is open and fair, in line with rules and regulations such as the Company's Articles of Incorporation, Procedures for the Election of Directors, Corporate Governance Best Practice Principles, and the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Currently, the Board of Directors is composed of 3 independent directors (50%) and 3 non-independent directors (50%), and the Board meets independence requirements in its exercise of authority. All current members of the Company's Board of Directors do not fall into any of the criteria described in Article 26-3, Paragraph 3 and Paragraph 4 of the Securities and Exchange Act.

(II) Information of the General Manager, Vice Presidents, Division Directors, and Supervisors from each department and branch organizations

March 28, 2023; Unit: Shares; %

Title	Nationality	Name	Gender	Appointment Date	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Concurrent job position in other companies	Manager who is a spouse or a relative within second degree			Notes
					No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)			Title	Name	Relationship	
President	Republic of China	Han-Min Chen	Male	2017.07.18	6,306,295	9.43	390,000	0.58	1,000,000	1.50	◆ Doctorate of Science in Biochemistry, Department of Agricultural Chemistry, National Taiwan University ◆ USC Post-graduate Research ◆ Co-founder of Energenesis Biomedical ◆ Professor at the Department of Life Sciences, Fu Jen Catholic University ◆ Dean of the Graduate Institute of Applied Science and Engineering, Fu Jen Catholic University ◆ Deputy Dean of the College of Science and Engineering, Fu Jen Catholic University	◆ Professor at the Department of Life Sciences, Fu Jen Catholic University ◆ Chairperson of Songhe International Capital Co., Ltd.	-	-	-	-
New Drug Development Office Senior	Republic of China	Jun-Cai	Male	2012.09.01	338,000	0.51	432,000	0.65	-	-	◆ Master's Degree from the National Taiwan University Department of	◆ Director of Songhe International	Clinical Research Department	Yi-Fang Cheng	Spouse	-

Title	Nationality	Name	Gender	Appointment Date	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Concurrent job position in other companies	Manager who is a spouse or a relative within second degree			Notes
					No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)			Title	Name	Relationship	
Vice President		Lin									Agricultural Chemistry ◆ Doctorate of Science in Microbiology and Biochemistry from National Taiwan University ◆ Post-graduate Research Fellow, Institute of Biomedical Sciences, Academia Sinica ◆ Lecturer at the Ching Kuo Institute of Management and Health	Capital Co., Ltd.	Director			
Clinical Research Department Director	Republic of China	Yi-Fang Cheng	F	2013.08.01	432,000	0.65	338,000	0.51	-	-	◆Master's Degree from the National Taiwan University Department of Agricultural Chemistry ◆Doctorate of Science in Microbiology and Biochemistry from National Taiwan University ◆ Post-graduate Research Fellow, Institute of Biomedical Sciences, Academia	◆ Supervisor of Songhe International Capital Co., Ltd.	New Drug Development Office Senior Vice President	Jun-Cai Lin	Spouse	-

Title	Nationality	Name	Gender	Appointment Date	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Concurrent job position in other companies	Manager who is a spouse or a relative within second degree			Notes
					No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)			Title	Name	Relationship	
											Sinica ◆ Intellectual Property Rights Service Co., Ltd.					
Translational Medicine Department Director	Republic of China	Kuang-Hua Yang	Male	2018.07.01	290,000	0.43	4,000	0.01	-	-	◆Doctorate of Science in Microbiology and Biochemistry from National Taiwan University ◆Post-graduate Research Fellow, Institute of Biomedical Sciences, Academia Sinica ◆ Post-graduate Research Fellow, National Taiwan University Hospital ◆ Technical Consultant, MediaTek Inc. - NTU Innovation R&D Center	None	-	-	-	-
Scientific Research Department Director and Biotechnology Service Department	Republic of China	Chun-Fang Huang	F	2020.05.01	90,000	0.13	-	-	-	-	◆Doctorate of Science in Molecular Medicine, National Taiwan University ◆Assistant Research Fellow, National Experiment Laboratory Animal Center, National Applied Research Laboratories (Doctorate)	None	-	-	-	-

Title	Nationality	Name	Gender	Appointment Date	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Concurrent job position in other companies	Manager who is a spouse or a relative within second degree			Notes
					No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)			Title	Name	Relationship	
Director											◆Assistant Professor, Neuroregeneration Program, Taipei Medical University (Research Fellow) ◆Post-graduate Researcher, Institute of Molecular Medicine, National Taiwan University ◆Oregon Health and Science University/Jungers Center for Neurosciences Research/Postdoctoral Fellow					
President's Office Vice President	Republic of China	Felix, Li-Ming Chen	Male	2015.03.01	131,000	0.20	40,000	0.06	-	-	◆Bachelor of Science in Biochemistry from National Taiwan University ◆Master's Degree from the Department of Food Sciences, National Chung Tsing University ◆President of VISUAL PROTEIN BIOTECHNOLOGY CORP. ◆President of	None	-	-	-	-

Title	Nationality	Name	Gender	Appointment Date	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Concurrent job position in other companies	Manager who is a spouse or a relative within second degree			Notes
					No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)			Title	Name	Relationship	
											Genmedika Biotechnology Corp ◆Sales Manager for Viogene-Biotek Corporation					
Main Management Office Senior Vice President	Republic of China	Ming-Jie Chiang	Male	2016.08.01	150,000	0.22	316,000	0.47	-	-	◆Master's in Finance from Fu Jen Catholic University ◆Deputy Manager of the Underwriting Department at Capital Securities Corp. ◆Deputy Manager of Action Electronics Co. Ltd ◆Manager in the Finance Department of Good Way Technology Co., Ltd. ◆Manager of the Investment Division at KWB Capital Group	◆Director of Songhe International Capital Co., Ltd.	-	-	-	-
Accounting Assistant Vice President	Republic of China	Pei-Zhou Chen	F	2020.05.25	-	-	-	-	-	-	◆Graduated from the Fu Jen Catholic University Accounting Department ◆Senior VP at Deloitte Taiwan	None	-	-	-	-
Audit Manager	Republic of China	Mei-Fang Chen	F	2021.12.17	-	-	-	-	-	-	◆Graduated from Business Administration Department of the China University of	None	-	-	-	-

Title	Nationality	Name	Gender	Appointment Date	Shareholding		Shares held by spouse and underage children		Shares held in the name of others		Education/work experience	Concurrent job position in other companies	Manager who is a spouse or a relative within second degree			Notes
					No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)	No. of shares	Shareholding ratio (Note)			Title	Name	Relationship	
											Science and Technology ◆Manager of the Accounting Department at Far Eastern Ai Mai Co., Ltd.					

Note: The Company had a total of 66,845,000 outstanding shares as of March 28, 2023.

III. **Remuneration Paid to Directors, President, and Vice President in the Most Recent Year**

(I) 2022 Directors' remuneration (including independent directors)

Unit: Thousand New Taiwan Dollars (NT$)

Title	Name	Director's remuneration								Ratio of the Sum of Items A, B, C, and D to Net Income After Tax (%)		Remuneration for part-time employees								Ratio of the Sum of Items A, B, C, D, E, F, and G to Net Income After Tax (%)		Remuneration from reinvestments other than subsidiaries or the parent company
		Remuneration (A)		Severance pay and pension (B)		Director's remuneration (C)		Business expenses (D)				Salary, bonuses, and allowances (E)		Severance pay and pension (F)		Remuneration to employees (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	All companies in the consolidated financial statements	Cash value	Share value	Cash value	Share value	The Company	All companies in the consolidated financial statements	
Chairman	Ren-Yi Chiu	2,765	2,765	-	-	-	-	88	88	(1.07%)	(1.07%)	-	-	-	-	-	-	-	-	(1.07%)	(1.07%)	None
Directors	Han-Min Chen	360	360	-	-	-	-	21	21	(0.14%)	(0.14%)	7,106	7,106	108	108	-	-	-	-	(2.40%)	(2.40%)	None
Directors	Chung-Jung Tsai	360	360	-	-	-	-	-	-	(0.14%)	(0.14%)			-	-	-	-	-	-	(0.14%)	(0.14%)	None
Directors (note)	Shang-Chih Gong	360	360	-	-	-	-	51	51	(0.15%)	(0.15%)	-	-	-	-	-	-	-	-	(0.15%)	(0.15%)	None
Independent	Ke-Hua Ding	840	840	-	-	-	-	81	81	(0.35%)	(0.35%)	-	-	-	-	-	-	-	-	(0.35%)	(0.35%)	None

Title	Name	Director's remuneration								Ratio of the Sum of Items A, B, C, and D to Net Income After Tax (%)		Remuneration for part-time employees								Ratio of the Sum of Items A, B, C, D, E, F, and G to Net Income After Tax (%)		Remuneration from reinvestments other than subsidiaries or the parent company
		Remuneration (A)		Severance pay and pension (B)		Director's remuneration (C)		Business expenses (D)				Salary, bonuses, and allowances (E)		Severance pay and pension (F)		Remuneration to employees (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	All companies in the consolidated financial statements	Cash value	Share value	Cash value	Share value	The Company	All companies in the consolidated financial statements	
Director																						
Independent Director	Shou-Shan Wu	840	840	-	-	-	-	66	66	(0.34%)	(0.34%)	-	-	-	-	-	-	-	-	(0.34%)	(0.34%)	None
Independent Director	Yu-Ren Wu	840	840	-	-	-	-	66	66	(0.34%)	(0.34%)	-	-	-	-	-	-	-	-	(0.34%)	(0.34%)	None

1. The policy, system, standards and structure of the remuneration packages of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment: The remuneration to independent directors of the Company includes executive rewards, transportation, and the remuneration to directors distributed according to the Articles of Incorporation. For the duties fulfilled for the Company, with earnings or not, the Company shall pay independent directors a fixed amount as the rewards. The rewards are to be determined by the Board of Directors referring to the common practice in the industry according to the Company's "Director Remuneration Payment Guidelines" reflective of the extent of each director's involvement in corporate operations and the value of his/her contribution. In cases of earnings, for the remuneration to directors to be distributed as required by the Articles of Incorporation, the President and the Compensation and Remuneration Committee are to submit the Earnings Distribution Proposal reflective of the extent of each director's involvement in corporate operations and the value of his/her contribution, which will then be turned into the Board of Directors for approval.
2. Except as disclosed above, remuneration received by directors in the latest year for on-balance sheet services (e.g., acting as a non-employee consultant) rendered to the Company: None.

Note: Director Shang-Chih Gong resigned on December 13, 2022.

(II) 2022 President and Vice President remuneration

Unit: Thousand New Taiwan Dollars (NT$)

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Amount of employee remuneration (D)				Ratio of the Sum of Items A, B, C, and D to Net Income After Tax (%)		Remuneration from reinvestments other than subsidiaries or 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 value	Share value	Cash value	Share value			
President	Han-Min Chen	5,042	5,042	108	108	2,064	2,064	-	-	-	-	(2.72%)	(2.72%)	None
Vice President	Jun-Cai Lin	2,286	2,286	108	108	1,514	1,514	-	-	-	-	(1.47%)	(1.47%)	None
Vice President	Felix, Li-Ming Chen	1,466	1,466	87	87	970	970	-	-	-	-	(0.95%)	(0.95%)	None
Vice President	Ming-Jie Chiang	1,978	1,978	108	108	1,248	1,248	-	-	-	-	(1.26%)	(1.26%)	None

(III) 2022 Names of managerial personnel provided with employee remuneration, and how remuneration has been distributed: None.

(IV) Analysis of remuneration provided in the last two years by the Company and all companies in its financial reports to Company directors, the Company President, and Company Vice Presidents as a percentage of net profit after tax as reported in individual financial reports, and a description of remuneration policies, standards, and packages, the procedure for deciding on the remuneration amount, and the relationship between the remuneration provided and business performance and future risks

1. Total remuneration paid to Company directors, the Company President, and Company Vice Presidents as a percentage of net profit after tax as reported in each individual financial report.

Unit: Thousand New Taiwan Dollars (NT$)

Item / Title	The Company and all companies in its financial reports			
	2021		2022	
	Total remuneration	Proportion of net profit after tax as reported in financial reports (%)	Total remuneration	Proportion of net profit after tax as reported in financial reports (%)
Directors	6,302	(5.24)	6,738	(2.54)
President and Vice Presidents	14,713	(12.24)	16,979	(6.39)

2. Remuneration policies, standards, and packages for directors, the Company president, and vice-presidents, the procedures for determining remuneration, and the relationship between the remuneration provided and business performance and future risks.

(1) Director: The Company's Board of Directors have passed the Rules on the Distribution of Director Remuneration, and have also amended the Company's Articles of Incorporation to include this policy on director remuneration after the policy has been approved by the shareholders' meeting to ensure that these policies are followed.

(2) President and Vice Presidents: The Company's remuneration policy for its President and Vice-presidents determines a reasonable remuneration amount based on their responsible work duties, academic background, work experience, and the salary rates paid by other companies.

IV. **The State of Implementation of Corporate Governance**

(I) Operations of the Board of Directors

The Board of Directors met 6 times (A) in the most recent year (2022). Attendance details are as follows:

Title	Name	Attendance in person Times (B)	Attendance by proxy	Attendance in person rate (%) (B/A)	Notes
Chairman	Ren-Yi Chiu	6	-	100	Reelected to additional term on May 27, 2022.
Directors	Han-Min Chen	6	-	100	Reelected to additional term on May 27, 2022.
Directors	Chung-Jung Tsai	6	-	100	Reelected to additional term on May 27, 2022.
Directors	Shang-Chih Gong	6	-	100	Reelected to additional term on May 27, 2022. Resigned on December 13, 2022
Independent Director	Ke-Hua Ding	6	-	100	Reelected to additional term on May 27, 2022.
Independent Director	Shou-Shan Wu	5	1	83.3	Reelected to additional term on May 27, 2022.
Independent Director	Yu-Ren Wu	6	-	100	Reelected to additional term on May 27, 2022.

Other matters that should be documented:

I. The date of the board meeting, the term, contents of the proposals, opinions of all independent directors, and the Company's handling of opinions of independent directors shall be recorded under the following circumstances in the operations of the board of directors meeting:

(I) Items specified in Article 14-3 of the Securities and Exchange Act

Date of Board meeting (Iteration)	Content of proposal	Opinion of all independent directors	Company response to opinion of independent directors
2022.03.04 (24th meeting of the 4th Board of Directors)	Selection of Contract Research Organization for the Company's phase three clinical trials for ENERGI-F703 in the United States	In agreement	None
	The Company's proposal to apply for patent funding from the Industrial Technology Research Institute		
	The Company's 2021 annual shareholders' meeting approved a private placement of stock shares		
2022.04.08 (25th meeting of the 4th Board of Directors)	Review of the independence and competency of the Company's certified public accountants	In agreement	None
	Amendment of the Company's Procedures for the Acquisition and Disposal of Assets		
	Intended private placement for capital increase in cash with common stock shares issued.		
	The Company proposes to request all current shareholders to give up their subscription rights for the first round of capital-raising since the Company has become listed/OTC-traded, pursuant to the Regulations on Underwriting by Listed/OTC-Traded Companies.		
	Disbursement of research and development bonuses to managers		
2022.08.11 (2nd meeting of the 5th Board of Directors)	Proposal to amend the Company's Internal Control System	In agreement	None
	Renumeration for the Company's 5th chairperson of the board, directors, and independent directors		
	The Company's 2022 employee salary adjustment plan		

2022.11.11 (4th meeting of the 5th Board of Directors)	Disbursement of research and development bonuses to managers	In agreement	None
	The Company's 2023 Internal Audit Plan, submitted by the Company's Audit Office		

(II) Other board resolutions apart from the aforementioned matters with respect to objections or qualified opinions expressed by independent directors on record or in writing: None.

II. If a director recuses themselves due to a conflict of interest, the name of the director, the content of the proposal, the reasons for recusal, and their participation in the vote held for the proposal shall be provided

Board of directors Date	Name of director	Content of proposal	Reasons for recusal	Voting participation
2022.04.08	Han-Min Chen	Disbursement of research and development bonuses to managers	Conflict of interest	Did not participate in voting
2022.08.11	Han-Min Chen	The Company's 2021 employee salary adjustment plan	Conflict of interest	Did not participate in voting
	Ren-Yi Chiu	Renumeration for the Company's 5th chairperson of the board, directors, and independent directors	Conflict of interest	Recused themselves from participating in voting held for the chairperson remuneration proposal
2022.11.11	Han-Min Chen	Disbursement of research and development bonuses to managers	Conflict of interest	Did not participate in voting

III. Frequency and period, scope, evaluation method, and evaluated items for the Board of Directors' self-evaluation.

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation items
Implemented once a year	Evaluation of performance for the period from	Evaluation of the performance	Internal self-evaluation	(1) Items evaluated in Board Performance Evaluation: Level of participation in the Company's

	January 1, 2022 to December 31, 2022	of the overall Board of Directors, individual board members, Remuneration Committee, and Audit Committee	of the board of directors, self-evaluation of directors	operations, quality of board decision-making, board composition and structure, appointment of directors and their continuing education, and internal controls (2) Performance evaluation of individual directors: Familiarity of goals and missions of the Company, understanding of director's responsibilities, level of participation in the Company's operations, internal relationship management and communication, and professionalism and continued development, and internal controls (3) Evaluation of Remuneration Committee and Audit Committee performance: Degree of participation in the Company's operations, awareness of duties displayed by functional committees, functional committee decision-making quality, selection of members for and composition of functional committees, and internal controls

As of January 2023, the Company has completed self-evaluations for the performance of its Board of Directors, individual board members, Audit Committee, and Remuneration Committee in 2022. The overall Board of Directors and individual board members received scores of 4.93 points and 4.99 points in these performance self-evaluations respectively, out of a maximum of 5. The Audit Committee and Remuneration Committee both received the maximum score of 5 in these self-evaluations. This shows that the Company's Audit Committee and Remuneration Committee have performed well overall, comply with Company policies, and have effectively improved the function of the Board of Directors.

IV. Goals this year and in the most recent year for improving the functionality of the Board

(for example, setting up an Audit Committee, and improving transparency), and evaluation of how effectively they have been implemented:

(1) This iteration of the Board of Directors is composed of 7 directors (including 3 independent directors), each of whom possess the financial and professional business experience required by the Company. The operations of the Board of Directors fully comply with the Company's Rules of Procedure for Board of Directors' Meetings.

(2) At each Board meeting, the implementation status of decisions made in the previous Board meeting is reported to directors, in addition to any material financial, business, or audit reports. This allows the Board of Directors to effectively understand how the Company is progressing with regard to implementing its business plans, supporting them in making business decisions.

(3) The Company's Certified Public Accountants shall present financial reports to the Board of Directors in person, explaining the audit results presented in each report.

(4) Each of the Company's directors shall continue to take courses on corporate governance.

(5) In order to improve corporate governance, the Company has already established a Remuneration Committee and an Audit Committee each composed of three independent directors with rich financial and business administration experience. In the future, the Company shall establish additional functional committees based on business needs.

(6) The Company has established roles for a spokesperson and acting spokesperson, and shall disclose material financial and business information on the Market Observation Post System and Company website pursuant to law.

(II) Operations of the Audit Committee

The Audit Committee met 7 (A) times in the most recent year (2022). Attendance details are as follows

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance in person rate (%) (B/A)	Notes
Independent Director	Ke-Hua Ding	7	-	100	Reelected to additional term on May 27, 2022.
Independent Director	Shou-Shan Wu	7	-	100	Reelected to additional term on May 27, 2022.
Independent Director	Yu-Ren Wu	7	-	100	Reelected to additional term on May 27, 2022.

Other matters that should be documented:

I. The date of the Audit Committee meeting, the term, contents of the proposals, dissenting or qualified opinions given by independent directors or contents of major proposed items, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting. ：

(I) Items specified in Article 14-5 of the Securities and Exchange Act

Audit Committee meeting dates (Iteration)	Content of proposal	Suggestions or objections from independent directors	Results of Audit Committee resolutions	The Company's response to Audit Committee opinions
2022.02.18 (15th meeting of the first Audit Committee)	The Company’s 2022 Budget	None	Review Passed	N/A
2022.03.25 (16th meeting of the first Audit Committee)	The Company’s 2021 financial statements	None	Review Passed	N/A
	The Company’s proposal for 2021 deficit compensation			
	The Company’s 2021 Statement on Internal Control			

	Review of the independence and competency of the Company's certified public accountants			
	Amendment of the Company's Procedures for the Acquisition and Disposal of Assets			
	Intended private placement for capital increase in cash with common stock shares issued.			
2022.06.17 (1st meeting of the second Audit Committee)	Proposal to amend the Company's Internal Control System	None	Review Passed	N/A
2022.07.28 (2nd meeting of the second Audit Committee)	The Company's financial reports for the second quarter of 2022	None	Review Passed	N/A
2022.08.25 (3rd meeting of the second Audit Committee)	Adjustment to the Company's 2022 Budget	None	Review Passed	N/A
2022.10.27 (4th meeting of the second Audit Committee)	The Company's financial reports for the third quarter of 2022	None	Review Passed	N/A
	Acknowledgment of the Statement on Internal Control issued during the internal control review period			
	The Company's 2023 Internal Audit Plan, submitted by the Company's Audit Office			
2022.12.23 (5th meeting of the second Audit Committee)	The Company's 2023 Budget	None	Review Passed	N/A

(II) In addition to matters above, other resolutions that have not been approved by the Audit Committee but have been passed by a vote of two-thirds or more of the entire board of directors: N/A.

II. When there are recusals of independent directors due to conflicts of interests, names of the independent directors, contents of resolutions, reasons of recusal, and voting participation should be stated: N/A.

III. Communication between independent directors, chief internal auditors, and certified public accountants

(I) Communication between independent directors and chief internal auditors:

1. Regular communications: A monthly audit report shall be submitted through email to each member of the Audit Committee. Committee members may notify the chief internal auditor of any questions or further instructions through email or telephone.
2. Irregular communications: At other times, Audit Committee members may communicate with the chief internal auditor through telephone, email, or an in-person meeting for the purpose of increasing the value provided by Company audits, and improving the effectiveness and efficiency of the Company's business operations. Committee members shall also report any major violations discovered to the chief internal auditor, pursuant to law. There are many varied and smooth channels of communication between the Company's chief internal auditors and Audit Committee.

Date	Topic of communication	Suggestions from independent directors and the Company's handling status
2022.03.25	The 2021 Statement on Internal Control issued by the Company	None
2022.06.17	Proposal to amend the Company's Internal Control System	None
2022.10.27	Acknowledgment of the Statement on Internal Control issued during the internal control review period	None
2022.10.27	Submission of audit plans for 2023	None

(II) Communication between independent directors and accountants:

1. Regular communications: Half-year and annual financial report, with the certified public accountants attending the Audit Committee meeting to explain and communicate audit information.
2. Irregular communications: Should a major or special incident occur, or if required by laws or regulations, certified public accountants may at any time be required to attend an Audit Committee meeting to explain or communicate information on the incident.

Date	Topic of communication	Suggestions from independent directors and the Company's handling status
2022.03.25	Information on the audit methods used, scope, report type, significant accounting estimates,	None

		audit results, key audit matters, and statement of independence for the Company's 2021 annual financial reports.		
	2022.07.28	Information on the audit methods used, scope, report type, audit results, and statement of independence for the Company's 2022 Q2 financial reports.	None	
	2022.10.27	Information on the audit methods used, scope, report type, audit results, and statement of independence for the Company's 2022 Q3 financial reports.	None	

(III) Corporate governance operations status, deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and reasons for deviating

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Does the company establish and disclose its corporate governance principles pursuant to the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established its Corporate Governance Best Practice Principles on February 14, 2019, and have published these principles on the Company's website.	No significant deviation
II. Shareholding structure & shareholders' equity	✓		(I) The Company has established roles for a spokesperson and acting spokesperson, and have assigned employees to be responsible for disclosing required Company information and processing the suggestions and proposals received from shareholders, ensuring that shareholder rights are protected.	No significant deviation
(I) Has the company defined internal operating procedures for dealing with shareholder proposals, doubts, disputes, and litigation as well as implemented those procedures?	✓			No significant deviation
(II) Does the company have a list	✓		(II) The Company has maintained a list of shareholders using the shareholders register provided by a shareholder services agent	No significant deviation

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
of major shareholders that have actual control over the company and a list of ultimate owners of those major shareholders? (III) Has the company established and implemented risk management and firewall systems within its conglomerate structure? (IV) Does the company have internal regulations in place to prevent its internal staff from trading securities based on information yet to be public on the market?	✓		on the book closure date, and has maintained good interaction with our main shareholders, in order to better maintain a list of the ultimate beneficiary owners. (III) While the Company has no affiliates at the moment, we have already established various rules governing relationships with our affiliates. We have clear rules regulating transactions with affiliates and preventing unusual transactions, which are part of our risk management systems. (IV) The Company has established Operating Rules for Preventing Insider Trading and Operating Procedures for Handling Material Insider Information in order to prevent insider trading transactions.	No significant deviation

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
III. Composition and responsibilities of the board of directors (I) Has the board of directors devised and implemented a plan for a more diverse composition of the board with concrete management goals?	✓		(I) Apart from establishing the Company's Corporate Governance Best Practice Principles, the Company has also established a Candidate Nomination System for Directors (including independent directors), and specified this system in our Articles of Incorporation. When selecting its directors (including independent directors), the Company shall not only take into consideration the professional backgrounds of each director and independent director, but also place a high importance on diversity. The Company currently has 6 directors, including 3 independent directors. Out of these directors, one director is an employee of the Company, and the three independent directors have served in their roles for 3-6 years. 66.7% of the 6-member Board of Directors are below 70 years of age (4 directors), and 33.3% are above 70 years of age (2 directors). All of our current directors are well reputed in industry or academia, and have practical experience with company management, or serving in government regulatory agencies. Apart from possessing leadership skills, crisis management skills, and international	No significant deviation

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(II) In addition to the		✓	perspectives, Ke-Hua Ding, one of the Company's 3 independent directors, had previously served as the Chairperson of the Financial Supervisory Commission, independent director Shou-Shan Wu had previously served as the chairperson of the Taipei Exchange, and independent director Yu-Ren Wu had previously served as the Vice President of Academic Affairs for Meiho University. Our independent directors thus possess professional expertise in finance, accounting, legal compliance, industry knowledge, and business judgment ability. Our 3 non-independent directors Ren-Yi Chiu, Han-Min Chen, and Chung-Jung Tsai each have experience in senior management roles and industry. They have experience with corporate business operations in the finance, biotechnology, and services industry, and have strong professional skills, due to their business management expertise, industry knowledge, and ability to make operational judgments. Information on how diversity policies for our Board of Directors have been implemented:	Described in the summary

<table>
<tr><th colspan="2" rowspan="2">Evaluation item</th><th colspan="10">Operating status</th><th rowspan="2">Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th colspan="8">Summary</th></tr>
<tr><td></td><td>Remuneration Committee and the Audit Committee, which are required by law, is the Company willing to create on a voluntary basis other functional committees?</td><td>✓</td><td></td><td colspan="8"><table>
<tr><th>Diversity criteria
Name of director</th><th>Nationality</th><th>Gender</th><th>Operational management</th><th>Leadership and decision making</th><th>Finance and accounting</th><th>Business judgment ability/industry knowledge</th><th>Legal expertise</th><th>Crisis management ability/ability to incorporate international perspectives</th></tr>
<tr><td>Ordinary directors: Ren-Yi Chiu</td><td>Republic of China</td><td>Male</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td><td>✓</td></tr>
<tr><td>Ordinary directors: Han-Min Chen</td><td>Republic of China</td><td>Male</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td><td>✓</td></tr>
<tr><td>Ordinary directors: Chung-Jung</td><td>Malaysia</td><td>Male</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td></td><td>✓</td></tr>
</table></td><td>No significant deviation</td></tr>
<tr><td>(III)</td><td>Has the company established guidelines and methods for evaluating the performance of the board of directors, conducted performance evaluation annually, reported the results to the board, and used the results as a reference for the remuneration, nomination, and reelection of individual directors?</td><td></td><td></td><td colspan="8"></td><td></td></tr>
</table>

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<tr><th rowspan="2">Evaluation item</th><th colspan="3">Operating status</th><th rowspan="2">Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Tsai</td><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>Independent Director: Shou-Shan Wu</td><td>Republic of China</td><td>Male</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>Independent Director: Ke-Hua Ding</td><td>Republic of China</td><td>Male</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td><td>✓</td></tr>
<tr><td>Independent Director: Yu-Ren Wu</td><td>Republic of China</td><td>Male</td><td>✓</td><td>✓</td><td></td><td>✓</td><td></td><td>✓</td></tr>
</table>

(II) The Company has already established a Remuneration Committee and Audit Committee, and will in the future establish other functional committees based on business needs.

(III) The Company has established Rules for Director Performance Evaluations. The Company units responsible for carrying out</td><td></td></tr>
</table>

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			this evaluation shall collect information on activities related to the Board of Directors, and prepare a series of survey forms, including a Board of Directors Performance Self-Evaluation Survey Form, a Director Performance Self-Evaluation Survey Form, and a Functional Committee Performance Self-Evaluation Survey Form. The unit responsible for coordinating this evaluation shall collect all returned survey forms, and record these evaluation results in a report, with evaluation results scored based on the performance indicator scoring criteria provided in these rules. This report shall be submitted to the Board of Directors for discussion, including discussion of potential measures for improving performance based on these results. Director remuneration, and whether or not a director is nominated to serve for an additional term, shall also be based on these performance results.	
	✓		The Company's criteria for evaluating the performance of the Board of Directors includes the following five major aspects: 1. Participation in the operation of the Company. 2. Improving the quality of board decisions.	No significant deviation

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(IV) Does the company regularly evaluate the independence of CPAs?			3. Board composition and structure. 4. Election and continuing education of directors. 5. Internal control. The Company's criteria for evaluating the performance of individual board members includes the following six major aspects: 1. Alignment of the goals and missions of the Company. 2. Awareness of duties. 3. Participation in the operation of the Company. 4. Internal relationship management and communication. 5. Profession and continuing education of directors. 6. Internal control. The Company has used the sample "Rules for Performance Self-Evaluation of Board of Directors of Limited Corporations" template issued by the Taiwan Stock Exchange Corporation as reference for a new performance self-evaluation for functional committee members. This self-evaluation includes the following five major aspects: 1. Participation in the operation of the Company. 2. Awareness of functional committee duties.	

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			3. Improving the quality of committee decisions. 4. Composition and election of members. 5. Internal control. As of January 2023, the Company has completed self-evaluations for the performance of its Board of Directors, individual board members, Audit Committee, and Remuneration Committee in 2022. The overall Board of Directors and individual board members received scores of 4.93 points and 4.99 points in these performance self-evaluations respectively, out of a maximum of 5. The Audit Committee and Remuneration Committee both received the maximum score of 5 in these self-evaluations. These evaluation results have been submitted to the Remuneration Committee on February 24, 2023, and to the Board of Directors on March 6, 2023. The main suggestions proposed to improve performance and the future direction of continued improvement are as follows: Board of Directors: Participation in the Company's business operations: The Company's Board of Directors scored 4.93 points on average	

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			in the performance self-evaluation, lower than the average score of 4.98 points in 2021. The main reason for this lower score was due to the Board of Directors having a 98% meeting attendance rate in 2022, lower than the 100% attendance rate on 2021. Another reason was the lower number of Board meetings convened in 2022 (6 meetings) compared to 2021 (8 meetings). In the future, the Company shall provide advance notice for Board meetings to be convened, providing directors with more time to make themselves available for the meeting. The Company shall also improve arrangements for and better plan next year's Board meetings. Directors: The Company's directors scored higher on average in the performance self-evaluations for individual directors and for functional committee members compared to last year, showing that they have a grasp of the Company's goals and mission, understand their roles and responsibilities as directors, and have improved their level of participation in both the Company's business operations, and other aspects of Company operations. The Company's functional committees have also	

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			performed well, and have effectively improved the ability of the Board of Directors to monitor and manage Company operations, improving the effectiveness and quality of the Board of Directors' corporate governance. The Company has disclosed our Board of Directors Performance Evaluation Guidelines on the Market Observation Post System and on the Company's website. The results of our Board Performance Evaluations shall also be disclosed on the Company's website. (IV) Pursuant to the Company's Guidelines for Evaluating Certified Public Accountants and Assessing Their Performance Results, the Company's Accounting Department shall assess the Company's hired certified public accountants based on independence and performance indicators at least once a year, submitting these evaluation results to the next most recent Board meeting for discussion. The Company's Board of Directors has reviewed and approved of the independence and competency of the Company's certified public accountants as of March 31, 2023.	

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
IV. For TWSE/TPEx-listed companies, are there suitable persons in an appropriate number and designated supervisors for corporate governance to take charge of related matters (including but not limited to providing directors and supervisors with materials required for them to carry out their tasks, helping directors and supervisors comply with the law, taking care of board of directors' meetings and shareholders' meetings as required by law, and preparing minutes of board of directors' meetings and shareholders' meetings)?	✓		Through a Board of Directors resolution passed on March 22, 2019, the Company has already established a corporate governance department and hired a Chief Corporate Governance Officer to be responsible for all corporate governance affairs, including providing information necessary for Company directors to carry out their duties, manage affairs related to Board meetings and shareholders' meetings, complete and change Company registration, and create the minutes for Board and shareholders' meetings. Through a Board of Director's resolution passed on October 14, 2021, the Company's Chief Corporate Governance Officer role is currently taken on by Senior Executive Vice-President Ming-Jie Chiang from the Main Management Office. Senior Executive Vice-President Chang has served as a manager for the Company, and also possesses over ten years of experience in managing the financial, service, and meeting affairs of publicly-listed companies. Senior Executive Vice-President Chang has upheld the spirit of corporate governance, and continues to carry out the duties required by his role. Business operations implementation status for 2022 are as follows: (I) Report new amendments to laws and regulations relevant to the	No significant deviation

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Company's business operations and corporate governance to Company directors when they take on the role. Regularly update this information. (II) Provide required company information to directors, and maintain smooth communication between directors and managers in charge of company operations. (III) Pursuant to the Corporate Governance Best Practice Principles, meetings shall be convened between independent directors and the Company's chief internal auditors or certified public accountants when there is a need for independent directors to understand some part of the Company's financial operations. (IV) Help plan and arrange for continuous education and training for the Company's independent directors and ordinary directors relevant to the industry in which the Company does business, and based on each director's academic and professional background. (V) Report on the status of corporate governance operations to the Board of Directors, independent directors, or Audit Committee.	

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Ensure that the Company's shareholders meetings and Board meetings are being convened pursuant to relevant laws and regulations, as well as the Company's Corporate Governance Best Practice Principles. (VI) Help and remind directors of the laws they are required to follow when carrying out their duties or passing Board of Director's resolutions, and provide suggestions for when the Board of Directors may potentially pass a resolution in violation of the law. (VII) Review announcements of important resolutions made at Board meetings to make sure that these announcements are accurate and in compliance with the law, ensuring that investors have been fairly provided with required transaction information. (VIII) Set agendas for Board meetings, and inform directors of this agenda seven days prior to the meeting. When a meeting is convened, provide directors with information on the meeting topics, reminding directors that they would need to recuse themselves ahead of time if necessary due to a conflict of	

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Operating status</th><th rowspan="2">Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>interest. Complete minutes for Board meetings within twenty days of the meeting taking place.
(IX) Register Board meeting dates in advance pursuant to law, and prepare meeting notifications, the meeting agenda handbook, and meeting minutes within the deadlines required by law. Register any amendments to the Company’s Articles of Incorporation or the reelection of directors in advance.

The training of the Company’s Chief Corporate Governance Officer, Senior Executive Vice-President Ming-Jie Chiang, in 2022 are as follows:
<table>
<tr><th>Date of Training</th><th>Organizer</th><th>Course Name</th><th>Training Hours</th><th>Training Total Hours</th></tr>
<tr><td>2022/08/11</td><td>Taiwan Corporate Governance Association</td><td>Corporate Governance and Securities Regulations</td><td>3</td><td>12</td></tr>
</table></td><td></td></tr>
</table>

Evaluation item	Operating status							Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary					
			2022/08/11	Taiwan Corporate Governance Association	Discussion of the Responsibilities of Directors Regarding Operational Risks and Legal Responsibility under Corporate Governance	3		
			2022/12/08	Securities & Futures Institute	Protection of Business Secrets	3		
			2022/12/09	Securities & Futures Institute	The Value of Information Security in the Post-Pandemic, US-China Trade War Era	3		

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
V. Does the company establish a communication channel and build a designated section on its website for stakeholders (including without limitation shareholders, employees, customers, suppliers, etc.), and properly respond to corporate social responsibility issues that stakeholders are concerned about?	✓		The Company has established roles for a spokesperson and acting spokesperson, and has disclosed all required information on communications channels on the Market Observation Post System pursuant to law. At the same time, the Company has also publicly-disclosed financial and corporate governance information on the Market Observation Post System and on our website, which also features a stakeholders section with the goal of establishing good investor relations. This allows the Company to sufficiently respond to any corporate social responsibility issues raised by our stakeholders.	No significant deviation
VI. Has the company designated a professional shareholder service agency to deal with matters of the shareholders' meeting?	✓		The Company has hired the Chinatrust Commercial Bank Shareholder Service Agency to handle its shareholders' meeting affairs and provide various shareholder services.	No significant deviation
VII. Disclosure of Information (I) Has the company established a corporate website to	✓		(I) The Company discloses its financial and corporate governance information on the website www.energenesis-biomedical.com.	No significant deviation

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
disclose information regarding the company's financial, business, and corporate governance status?	✓		(II) The Company's website is available in both Chinese and English. The Company has established roles for a spokesperson and acting spokesperson, and have assigned employees to be responsible for organizing and disclosing required Company information. Additionally, information on the investor conferences held by the Company shall be disclosed on the Market Observation Post System and the Company website, pursuant to law.	No significant deviation
(II) Has the company established other information disclosure channels (e.g., maintaining an English-language website, appointing responsible people to handle information collection and disclosure, appointing spokespersons, or webcasting investor conferences on the company website)?		✓		As described in summary
(III) Does the company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and			(III) Apart from publishing our financial reports by the deadlines required by law, the Company has also published monthly reports on our operating status before or in advance of the deadlines legally required for emerging stock companies. The Company only does not publish its annual financial reports within two months of the end of the accounting year. In the future, the Company shall make plans to gradually begin publishing and submitting its financial report within two months of the end of the accounting year.	

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
declare the Q1, Q2 and Q3 financial reports and operating status of each month within the prescribed deadline?				
VIII. Does the Company have other information that contributes to better understanding of its corporate governance standing (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, training completed by directors and supervisors, implementation of risk management policies and risk evaluation criteria, implementation of customer	✓		1. Employee rights: The Company looks to pursue a harmonious labor-management relationship, and respects the rights of employees to express their opinions. We protect the legal rights of our employees pursuant to the Labor Standards Act. 2. Employee care: The Company looks to build sound relationships with our employees on the basis of mutual trust and reliance by implementing a comprehensive employee welfare system and a good employee training and education system. 3. Investor relations: The Company has established dedicated roles for a spokesperson and acting spokesperson, and have assigned dedicated employees to be responsible for investor relations. 4. Supplier relationship: The Company operates according to ethical management principles, and chooses to collaborate with well-reputed suppliers through fair and transparent methods, protecting the rights	No significant deviation

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Operating status</th><th rowspan="2">Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>policies, liability insurance policies purchased for directors and supervisors)?</td><td></td><td></td><td>and interests of both parties.
5. Rights and interests of stakeholders: The Company has provided many channels for stakeholders to communicate with and make recommendations to the Company, protecting their legal rights.
6. Status of directors' continuing education: The Company has arranged for its directors to take corporate governance courses, and keeps directors updated at all times of any changes to laws and regulations related to their corporate governance duties. The Board meeting attendance rate of the Company’s directors is normal, and directors are prohibited from participating in votes on Board meeting proposals should there be concerns that they possess a conflict of interest detrimental to the Company. In 2022, our directors attended the following training courses:
<table>
<tr><th>Title</th><th>Name</th><th>Date of Training</th><th>Organizer</th><th>Course Name</th><th>Hours</th></tr>
<tr><td>Chairman</td><td>Ren-Yi Chiu</td><td rowspan="3">2022/08/11</td><td rowspan="3">Taiwan Corporate Governance Association</td><td rowspan="3">Corporate Governance and Securities Regulations</td><td rowspan="3">3</td></tr>
<tr><td>Vice Chairman</td><td>Han-Min Chen</td></tr>
<tr><td>Directors</td><td>Chung-</td></tr>
</table></td><td></td></tr>
</table>

Evaluation item	Operating status							Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary					
				Jung Tsai				
			Directors	Shang-Chih Gong (Note)				
			Independent Director	Ke-Hua Ding				
			Independent Director	Shou-Shan Wu				
			Independent Director	Yu-Ren Wu				
			Chairman	Ren-Yi Chiu	2022/08/11	Taiwan Corporate Governance Association	Discussion of the Responsibilities of Directors Regarding Operational Risks and	3
			Vice Chairman	Han-Min Chen				
			Directors	Chung-Jung Tsai				

Evaluation item	Operating status								Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary						
			Directors	Shang-Chih Gong (Note)			Legal Responsibility under Corporate Governance		
			Independent Director	Ke-Hua Ding					
			Independent Director	Shou-Shan Wu					
			Independent Director	Yu-Ren Wu					
			Independent Director	Shou-Shan Wu	2022/09/16	Taiwan Insurance Institute	Analysis of Fair Customer Treatment Principles	3	
			Independent Director	Shou-Shan Wu	2022/10/13	Securities & Futures Institute	Introduction to New Emerging Forms of FinTech crimes and Anti-	3	

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	

				Money Laundering from a Company Perspective	
Independent Director	Shou-Shan Wu	2022/10/25	Taiwan Academy of Banking and Finance	E-Course on the Financial Consumer Protection Act and Fair Customer Treatment Principles	3

Note: Director Shang-Chih Gong resigned as director on December 13, 2022.

7. Implementation of risk management policies and risk assessment standards: Establish various internal rules pursuant to law, carrying out risk management and assessment.
8. Implementation of customer relations policies: The Company maintains stable and good relationship with customers, and upholds the policy of putting customers first, to generate profit for the Company.
9. Liability insurance purchased by the Company for directors: The

Evaluation item	Operating status			Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Company has purchased liability insurance for its directors, and have submitted a report to the Board of Directors.	
IX. Please describe the improvement status of and provide the items and measures that shall be prioritized for improvement with regard to the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year (August 11, 2022): At the moment, the Company is an emerging stock company, and is not required to undergo corporate governance evaluation.				

(IV) If the company has established a remuneration committee, or appointed members to a remuneration committee, please disclose the composition, responsibilities, and operations of this committee:

The Company has established a Remuneration Committee and formulated a committee charter for this Remuneration Committee, pursuant to the Securities and Exchange Act and the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange. The Remuneration Committee is responsible for professionally and objectively evaluating the Company's policies on director and manager performance evaluation and salary and compensation. The Committee shall also provide suggestions to the Board of Directors based on these evaluations, which the Board of Directors shall take into consideration when making related decisions.

The Company's Remuneration Committee is composed of 3 persons, all of whom meet legal criteria on expertise and independence. The third Remuneration Committee was formed on May 27, 2022, following a re-election of the Board of Directors after the original Board had reached its term limits. The third Remuneration Committee is composed of Mr. Shou-Shan Wu, Mr. Ke-Hua Ding, and Mr. Yu-Ren Wu, with Mr. Shou-Shan Wu acting as the convener and chair of the Committee.

1. Compensation Committee member profiles

Criteria / Identity Type / Name		Professional Qualifications and Experiences	Independence	Number of other public companies in which the member also serves as a member of their remuneration committee
Independent Director (Convener)	Yu-Ren Wu	Note	Note	-
Independent Director	Ke-Hua Ding	Note	Note	1
Independent Director	Shou-Shan Wu	Note	Note	1

Note: please refer to page 15 of this Annual Report for more details on our directors

2. Roles and Responsibilities of the Remuneration Committee:

The Company's Remuneration Committee is responsible for professionally and objectively evaluating the Company's policies and system for director, Audit

Committee member, and manager remuneration. The Committee shall also provide suggestions to the Board of Directors based on these evaluations, which the Board of Directors shall take into consideration when making related decisions.

3. Remuneration Committee Operations:

   The Company's Second Remuneration Committee consists of 3 members. Committee term: May 27, 2022 to May 26, 2025. The Remuneration Committee has held 5 meetings (A) in the most recent year (2022), with meeting attendance records as follows:

Title	Name	Attendance in person (B)	Attendance by proxy	Attendance in person rate (%) (B/A)	Notes
Convener	Yu-Ren Wu	5	-	100	
Committee member	Ke-Hua Ding	5	-	100	
Committee member	Shou-Shan Wu	5	-	100	

Other matters that should be documented:

I. Describe the date, term, agenda, and resolutions of the board meeting and the response to the Remuneration Committee's recommendations where the board did not adopt or modify the Remuneration Committee's recommendations (e.g., describe the difference and reasons where the board of directors approves a better compensation package than what is recommended by the Remuneration Committee): None.

II. If a member opposes a resolution the Committee has adopted or has qualified opinions for which there is a written record or a statement, the date and session of the meeting, the resolution, opinions of all the members, and the handling of their opinions shall be indicated: None.

III. Proposals discussed by and resolution results of the Remuneration Committee in the most recent year, and how the Company has responded to the opinions issued by Committee members:

Remuneration Committee Date (Iteration)	Content of proposal	Resolutions	The Company's response to Committee opinions
2022.02.18 (15th meeting of	The Company’s Board of Directors Performance Evaluation.	Unanimously approved by all	Handled following the

second Remuneration Committee)		attending committee members	resolution results of the Remuneration Committee
2022.03.25 (16th meeting of the second Remuneration Committee)	Disbursement of research and development bonuses to managers.	Unanimously approved by all attending committee members	Handled following the resolution results of the Remuneration Committee
2022.07.28 (1st meeting of the third Remuneration Committee)	The Company's 2022 employee salary adjustment plan. Renumeration for the Company's 5th chairperson of the board, directors, and independent directors.	Unanimously approved by all attending committee members	Handled following the resolution results of the Remuneration Committee
2022.10.27 (2nd meeting of the third Remuneration Committee)	Disbursement of research and development bonuses to managers.	Unanimously approved by all attending committee members	Handled following the resolution results of the Remuneration Committee
2022.12.23 (3rd meeting of the third Remuneration Committee)	Evaluation of the progress made by Company managers towards achieving performance targets in 2022 Proposed plans for performance targets and work progress for the Company's directors and managers in 2023 Distribution of 2022 year-end bonuses for the Company's managers Disbursement of research and development bonuses to managers	Unanimously approved by all attending committee members	Handled following the resolution results of the Remuneration Committee

(V) Sustainable Development implementation and deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for such deviations

Evaluation item		Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
		Yes	No	Summary	
I.	Has the Company established a governance framework to promote sustainable development and a dedicated department (or have another department be responsible for related efforts) for fulfilling sustainable development, with the board of directors authorizing high-level managers to handle such efforts, and having relevant progress be supervised by the board of directors?	✓		Pursuant to Article 9 of the Company's Sustainable Development Best Practice Principles, amended after a Board of Directors' resolution passed on March 4, 2022, the Company's Main Management Office shall be the dedicated unit responsible for promoting sustainable development, in order to effectively implement sustainable development management. The Office shall be responsible for sustainable development policies, systems, or related management directives, submitting and enforcing specific action plans, and periodically reporting to the Board of Directors.	No material deviation
II.	Does the company perform risk assessments following the materiality principle when dealing with environmental, social, and corporate governance-related issues that concern the company's operations, and has it defined related risk management policies or strategies?	✓		The Company has established its Risk Management Policies and Procedures as of October 6, 2022, based on a risk assessment of the environmental, social, and governance issues facing the Company's business operations. These Policies and Procedures have also been published on the	No material deviation

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Company's website.	
III. Environmental topics				
(I) Has the company developed an appropriate environmental management system, given its distinctive characteristics?	✓		(I) The Company is a drug developer, and does not not conduct any factory manufacturing operations. It has not violated any environmental protection laws. Additionally,	No material deviation
(II) Is the company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		the Company's research laboratories are all required to hire qualified waste recycling companies to dispose of waste. (II) The Company is a drug developer, and has no manufacturing operations. While the	No material deviation
(III) Does the company assess the potential risks and opportunities of climate change facing its current and future operations, and has it implemented measures in response?	✓		Company does not generally use recycled materials with a relatively lower level of environmental impact, it still nevertheless sorts and recycles the waste it generates. It has also limited air conditioners to specific temperatures, and makes use of environmentally-friendly chopsticks and cups, contributing to energy conservation and carbon reduction.	No material deviation
(IV) Does the company take inventory of its greenhouse gas emissions, water consumption,		✓		Described in the summary

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
and the amount of waste it has produced in the past two years, and has it implemented policies to reduce energy and water consumption, carbon and greenhouse gas emissions, and the amount of waste produced?			(III) The Company is a drug developer, and thus faces no environmental concerns related to its industrial operations. It does irregularly attempt to raise awareness of environmental issues, and requests employees to comply with environmental protection practices. (IV) The Company is not in an energy-intensive industry, nor has it established or used facilities that emit large quantities of greenhouse gases. The Company actively promotes energy conservation practices for its office buildings, encourages the sorting and recycling of waste materials, and uses environmentally-friendly chopsticks and cups in order to reduce our impact on the climate. In the future, we shall disclose this information based on the Company's business requirements.	
IV. Social topics (I) Has the company developed its policies and	✓		(I) The Company has established its human	No material deviation

Evaluation item		Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
		Yes	No	Summary	
	procedures in accordance with laws and the International Bill of Human Rights?			resource management rules pursuant to the Labor Standards Act and the Act of Gender Equality in Employment. The Company has also ensured that employees are provided	
(II)	Does the company establish and implement reasonable employee benefits (including remuneration, leave, and other benefits), and ensure business performance or results are reflected adequately in employee remuneration?	✓		with the necessary insurance, and has distributed the required employee retirement benefits, protecting the rights of employees. The Company's employment policies also do not discriminate on gender.	No material deviation
(III)	Does the company provide employees with a safe and healthy work environment? Are employees trained regularly on safety and health issues?	✓		(II) The Company has established a reasonable remuneration policy, as well as a Remuneration Committee responsible for evaluating director and manager performance and the Company's remuneration policy. The Company has established a set of Work Rules that specify an effective system for giving out awards and implementing disciplinary penalties.	No material deviation
(IV)	Does the Company have in place effective tools to help employees with career planning and	✓		(III) The Company places a high priority on employee safety and health, and on providing	No material deviation

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
development? (V) 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 or customer rights protection and grievance procedure policies implemented? (VI) 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? If so, describe the results.	✓		employees with a friendly, safe, and comfortable working environment. The Company implements annual employee health examinations, and provides employees with group insurance, company vacation trips, and birthday dinner celebrations, allowing employees to better understand and protect their personal health, and to take breaks to recuperate their physical and mental energy. (IV) In order to encourage employees to continue learning and improving their skills, the Company subsidies education and training fees for employees taking external training courses. This encourages employees to improve their skills and upgrade their personal capabilities. (V) The Company is a drug developer, and does not directly sell products to ordinary consumers. The Company's product and	No material deviation

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			service marketing and labeling complies with all required laws and regulations, and with international standards. (VI) The Company has established Supplier Management Rules, Sustainable Development Best Practice Principles, and Ethical Corporate Management Best Practice Principles. These rules apply not only to its own internal employees, and the Company also requests that the individual and corporate suppliers it works together with follow these rules. The Company regularly evaluates its main suppliers. Should it discover that a supplier has violated its corporate sustainable development policies, or that its actions have had a clear environmental or social impact, the Company shall terminate or dissolve its collaboration agreement with the supplier, depending on how serious the violation or	

Evaluation item	Operating status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			impact was.	
V. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third-party assurance or guarantees for the reports above?		✓	The Company is currently not legally required to prepare a sustainability report. In the future, the Company shall begin preparing and disclosing a sustainability report if required to do so by the competent authorities, or by laws and regulations.	Described in the summary
VI. Describe the deviations, if any, between actual practice and the sustainable development regulations, if the company has formulated such principles based on the *Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies*: The Company has established a set of Sustainable Development Best Practice Principles pursuant to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies. These Practices have been implemented in practice with no material deviations.				
VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development: The Company recognizes the impact that companies have on sustainable development. While pursuing sustainable business operations and profits, the Company has prioritized environmental, social, and corporate governance issues, including these factors into its corporate management policy and operating activities.				

(VI) Implementation of corporate management and deviation from Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and approaches	✓		(I) The Company has established a Code of Ethics, Ethical Corporate Management Best Practice Principles, and Ethical Corporate Management Operating Procedures and Code of Conduct. The Company's Board of Directors has also passed a resolution clearly prohibiting Company directors, managers, employees, or a person with significant control over the Company from directly or indirectly providing, promising, requesting, or accepting any undue benefits, or carrying out any inappropriate actions that constitute a breach of integrity, an illegal act, or a breach of fiduciary duty during the course of commercial business operations in exchange for being awarded with or maintaining benefits.	No material deviation
(I) Has the company implemented a board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the board of directors and management towards enforcement of such policy?	✓			No material deviation
(II) Has the company established a risk assessment mechanism against unethical conduct, regularly analyzed and assessed operating activities with higher risk for unethical conduct, and established	✓		(II) Apart from advocating for ethical corporate behavior, the Company has acted to prevent unethical behavior through its internal controls and signed agreements. Through its internal audit systems, implemented by the internal audit department, and Company whistle-blowing channels, the Company looks to prevent unethical business	No material deviation

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
prevention measures in response which at a minimum include the preventive measures specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies? (III) 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?			practices. (III) The Company has established Ethical Corporate Management Best Practice Principles, Ethical Corporate Management Operating Procedures and Codes of Conduct, a Code of Ethics, and Operating Rules for Preventing Insider Trading, which it regularly reviews and amends. In particular, these rules specify that employees are required to strictly conduct themselves, and are prohibited from accepting any gifts as a result of their personal work responsibilities. Employees are also prohibited from taking advantage of their work relationships and authority to receive hospitality, gifts, or rebates, misappropriate public funds, or receive other illegal benefits, preventing dishonest behavior that may affect business relationships or transactions.	

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
II. Enforcement of ethical corporate management	✓		(I) The Company carries out all commercial business activities in a fair and transparent manner, and avoids transacting with counterparties with a history of unethical conduct. The Company has also established a system for evaluating transaction counterparties, and clearly specify the rights and obligations of both parties in the articles on collaboration in agreements signed with other parties.	No material deviation
(I) Does the company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓			No material deviation
(二) Does the company have a dedicated unit responsible for business integrity under the board of directors which reports the ethical management policy and programs against unethical conduct regularly (at least once a year) to the board of directors while overseeing such operations?	✓		(II) The Company's President's Office is a dedicated unit responsible for promoting ethical corporate management, and regularly (at least once a year) reports to the Board of Directors on the implementation of ethical corporate management policies and Company measures for preventing unethical conduct.	No material deviation
(三) Has the company established policies to prevent conflicts of interests, implemented such policies, and provided			(III) The Company's Ethical Corporate Management Operating Procedures and Code of Conduct clearly specifies that if a director's interest potentially conflicts with those of the Company for a proposal brought	No material

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
adequate channels of communications?			before the Board of Directors, due to their personal interest or the interest of the legal person they represent, the director may not participate in the discussion or voting for the proposal, and must recuse themselves from discussing or voting on the proposal. They may also not act as a proxy for other directors to vote on the proposal.	deviation
（四）Does the Company have effective accounting and internal control systems in place to implement business ethics, and does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit systems accordingly to prevent unethical conduct, or engage CPAs to perform such audits?	✓		(IV) The Company constantly reviews its accounting standards and internal controls, allowing it to ensure that the design and implementation of its standards continue to be effective. The Company's internal audit department is responsible for regularly reviewing if these standards are being complied with, and for submitting these review results in a report to the Board of Directors.	No material deviation
(V) Does the company organize internal and				

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Operating status</th><th rowspan="2">Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>external education and training periodically to help enforce honest operations?</td><td></td><td></td><td>(V) The internal information security courses held by the Company in 2022 are as follows:
<table>
<tr><th>Date</th><th>Participants</th><th>Speaker</th><th>Course hours</th><th>Course overview</th></tr>
<tr><td>2022/08/11</td><td>Directors/ an employee of the Company</td><td>Deloitte Taiwan Attorney Robin Lin</td><td>3 hours</td><td>Corporate Governance and Securities Regulations</td></tr>
<tr><td>2022/08/11</td><td>Directors/ an employee of the Company</td><td>Deloitte Taiwan Attorney Robin Lin</td><td>3 hours</td><td>Discussion of the Responsibilities of Directors Regarding Operational Risks and Legal Responsibility under Corporate Governance</td></tr>
</table></td><td></td></tr>
</table>

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
			Each quarter / an employee of the Company / Company IT supervisor / / Information Security Course	
III. Implementation of the Company's whistleblowing system	✓		(I) The Company has either established an email address or hotline for receiving internal whistleblowing reports on the Company website and on its internal network, or it has hired an independent external organization to provide email addresses and hotlines for receiving whistleblowing reports from internal Company employees and other external parties. (II) The Company's Code of Conduct for Reporting Cases of Illegal, Unethical or Dishonest Behavior clearly specifies a set of standard operating procedures for handling reports. After an investigation, the persons responsible for implementing measures in response to the report or for handling the report shall sign written declarations to keep the identity of the whistleblower and the details of the report	No material deviation
(I) Does the company provide incentives and means for employees to report malpractices? Does the company assign dedicated personnel to investigate the reported malpractices?	✓			No material deviation
(II) Does the company have in place standard operating procedures for investigating and processing reports, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓			No material deviation

Evaluation item	Operating status			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Summary	
(III) Has the company provided proper whistleblower protection?			confidential. (III) The Company has implemented measures to protect whistleblowers from inappropriate retaliation.	
IV. Information disclosure improvement Has the company disclosed the contents or its ethical corporate management principles as well as relevant implementation results on its website and on the Market Observation Post System?	✓		The Company has established Ethical Corporate Management Best Practice Principles, and discloses all required information on the Market Observation Post System and Company website in a timely manner.	No material deviation
V. Describe the deviations, if any, between actual practice and the ethical corporate management principles, if the company has formulated such principles based on the *Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies*: The Company has established a Code of Ethics, Ethical Corporate Management Best Practice Principles, and Ethical Corporate Management Operating Procedures and Codes of Conduct, and there is no material deviation between the actual implementation of these rules and the content of these rules.				
VI. Other important information to facilitate a better understanding of the Company's implementation of ethical corporate management: The Company has established Ethical Corporate Management Best Practice Principles, and Ethical Corporate Management Operating Procedures and Codes of Conduct. These rules shall be amended when appropriate based on operational developments.				

(VII) If the company has established corporate governance best-practice principles and the related regulations, disclose how these are to be searched:

The Company has established the following rules pursuant to law, and have disclosed them on the Market Observation Post System (http://mops.twse.com.tw) and Company website (https://www.energenesis-biomedical.com/).

1. Corporate Governance Best Practice Principles
2. Rules of Procedure for Shareholders Meetings
3. Rules of Procedure for the Board of Directors' Meetings
4. Procedure for Electing Directors
5. Rules Governing the Scope of Powers of Independent Directors
6. Code of Ethics
7. Audit Committee Charter
8. Ethical Corporate Management Best Practice Principles
9. Remuneration Committee Charter
10. Sustainable Development Best Practice Principles
11. Board of Directors Performance Evaluation Guidelines
12. Ethical Corporate Management Operating Procedures and Code of Conduct
13. Rules for Preventing Insider Trading.
14. Supplier Management Rules
15. Code of Conduct for Reporting Illegal, Unethical or Dishonest Behavior
16. Risk Management Policies and Procedures

(VIII) Other significant information which may improve the understanding of corporate governance and operation:

The Company has established Sustainable Development Best Practice Principles, and the Company’s business operations have been conducted pursuant to the spirit of corporate governance and the required rules. In the future, the Company shall establish further rules as required by its business operations, and continue to improve corporate governance. The Company has arranged for its directors and managers to take courses on corporate governance, and keeps them updated at all times of the newest laws and regulations.

(IX) Status of implementation of internal control system

1. Internal Control System Statement: Please refer to page 93.
2. Those who entrust an accountant to review the internal control system must disclose the accountant's review report: Please refer to page 94.

Energenesis Biomedical Co., Ltd.
Internal Control System Statement

Date: February 18, 2023

The Company hereby makes the following statement about its internal control system for the year 2022 based on the assessments it performed:

I. The Company recognizes that the establishment, execution, and maintenance of its internal control policies are the responsibilities of the Company's board of directors and managerial personnel; such policies have been implemented throughout the Company. The objective of these controls is to reasonably ensure that the goals of operational effectiveness and efficiency (including profitability, performance, asset security, etc.), financial report reliability, timeliness, transparency, and regulatory compliance are achieved.

II. There are inherent limitations to even the most well designed internal control system. As such, an effective internal control system can only reasonably ensure the achievement of the three aforementioned goals. Additionally, changes to the environment and scenario may also change the effectiveness of an internal control system. However, self-monitoring measures have been implemented for the Company's internal control policies to allow for immediate corrections to be made once procedural flaws have been identified.

III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the items in "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Governing Regulations") that are related to the effectiveness of internal control systems. The criteria provided in the Governing Regulations pertain to the management control process, and consist of five major aspects each representing a different stage of internal control: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Monitoring operations. Each of the elements in turn contains certain audit items. Please refer to "Governing Regulations" for details.

IV. The Company has adopted the above criteria for its internal control systems in order to evaluate the effectiveness of its internal control system design and implementation.

V. Based on the evaluation results above: Based on the evaluation results above, as of December 31, 2022 the Company considers the design and execution of its internal control system (including those adopted for supervision and management of subsidiary branches) to be effective for understanding our operational effectiveness and how much progress has been made towards achieving efficiency goals, financial reporting reliability, timeliness, transparency, and the legal compliance of our internal controls system. The Company is able to provide reasonable assurance that the above goals have been achieved.

VI. This statement constitutes part of the Company’s annual report and prospectus, and shall be disclosed to the public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement has been approved by the Company’s Board of Directors in a meeting held on February 18, 2023, where 0 of the 6 attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

Energenesis Biomedical Co., Ltd.

Chairman: Ren-Yi Chiu Seal

President: Han-Min Chen Seal

Report on Internal Control System Review

The statement, issued on November 11, 2022 after evaluation, that the attached internal control system of Energenesis Biomedical Co., Ltd. relevant to external financial reports and information security protection has been effectively designed and implemented as of September 30, 2022 has been audited by the accountants of this Firm. Maintaining an effective internal control system and evaluating its effectiveness is the responsibility of a company's management executives. The responsibility of the Firm's accountants is to express an opinion on the effectiveness of a company's internal controls system and on the internal control system statement described above, based on the results of our
audit.

The Firm's accountants have carried out this audit pursuant to the Regulations Governing Establishment of Internal Control Systems by Public Companies and general accepted auditing standards, in order to provide reasonable assurance on whether the internal control system of the company described above is able to remain effective across several major aspects. This audit required the Firm to understand the company's internal control system, evaluate the overall procedures carried out by the company's management to evaluate the effectiveness of their internal control system, test and evaluate how effectively the internal control system has been designed and implemented, along with other audit work that the Firm's accountants consider to be necessary. The Firm's accountants believe that this audit is able to provide a reasonable basis for the opinion expressed.

All internal control systems possess inherent limitations, and so the internal control system of Energenesis Biomedical Co., Ltd. Described above may be unable to prevent or detect mistakes or wrongdoing that has already occurred. Additionally, changes to the business environment may reduce compliance with internal control systems. Thus, an internal control system that is effective for this period may not continue to remain effective in the future.

Based on the criteria for judging the effectiveness of internal control systems provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies, the accountants' opinion is that the design and implementation of the internal control system adopted by Energenesis Biomedical Co., Ltd. for external financial reports and information security protection is able to remain effective in all major scenarios as of September 30, 2022. We have found the statement issued on November 11, 2022 by Energenesis Biomedical Co., Ltd, that its internal control system relevant to external financial reports and information security protection has
Deloitte, Taiwan

Auditors Shu-Juan Yeh Auditors Guo-Ning Huang

been found to be effectively designed and implemented after an evaluation, to be sufficiently fair in all material aspects.

November 14, 2022

(X) Disciplinary actions imposed by law on the Company or its employees, disciplinary actions imposed by the Company on its employees for violation of internal control regulations, and the possible significant impact such disciplinary actions might have on shareholder equity or securities prices, as well as the content of the disciplinary actions and deficiencies and improvements in the most recent year and up to the publication date of this Annual Report: None.

(XI) Important resolutions of the shareholders' meeting and board of directors in the most recent year and up to the publication date of this Annual Report:

1. Major resolutions made at the shareholders' meeting and their implementation:

Meeting name Date	**Major resolutions made, and how they have been implemented:**
Annual Shareholders' Meeting 2022.05.27	I. 2021 Financial Statements and Business Report. Implementation status: Resolution passed. II. 2021 Appropriation for Offsetting Deficits. Implementation status: Resolution passed. III. Discussion of amendment to the Articles of Incorporation. Implementation status: Resolution passed. IV. Discussion of amendment to the Company's Procedures for the Acquisition and Disposal of Assets. Implementation status: Resolution passed. V. Discussion of amendment to the Rules of Procedures for Shareholders' Meetings. Implementation status: Resolution passed. VI. Discussion of proposal to issue common stock shares through private placement to raise cash capital. Implementation status: Resolution passed. VII. Discussion of proposal for the Company to apply to become a listed/OTC-traded company. Implementation status: Resolution passed. VIII. Discussion of Company proposal to request all current shareholders to give up their subscription rights for the first round of capital-raising since the Company becomes listed/OTC-traded, pursuant to the Regulations on Underwriting by Listed/OTC-Traded Companies.

Meeting name Date	Major resolutions made, and how they have been implemented:
	Implementation status: Resolution passed IX. Proposal to hold new election for Company directors (including independent directors). Implementation status: List of directors elected to the 5th Board of Directors in new election: Directors (Four candidates elected): Ren-Yi Chiu, Han-Min Chen, Chung-Jung Tsai, Shang-Chih Gong. Independent directors (three candidates elected): Ke-Hua Ding, Shou-Shan Wu, Yu-Ren Wu.

2. Important board resolutions:

Meeting name Date	Summary of important resolutions
Board of directors 2022.03.04	I. Selection of Contract Research Organization for the Company's Phase three clinical trials for ENERGI-F703 in the United States. II. The Company's 2022 Budget. III. Proposed plans for performance targets and work progress for the Company's directors and managers in 2022. IV. Proposal to set a baseline date for the Company's issue of new stocks for capital increase through issuing employee subscription rights for the fourth quarter of 2021. V. The Company's proposal to apply for patent funding from the Industrial Technology research Institute. VI. Amendment to the Company's Corporate Governance Best Practice Principles. VII. Amendment to Company's Corporate Social Responsibility Best Practice Principles. VIII. The Company's 2021 annual shareholders' meeting approved a private placement of stock shares, but it is planned to not conduct this private placement during the remainder of this period.

Meeting name Date	Summary of important resolutions
	IX. Amendment to the Company's Articles of Incorporation. X. Reelection of all directors (including independent directors). XI. Proposed plans for accepting requests for discussion items to be included on the annual shareholders' meeting agenda backed by over one percent of all shareholders, and matters related to accepting nominations for independent director. XII. Proposed discussion items to be included on the Company's 2022 annual shareholders' meeting agenda.
Board of directors 2022.04.08	I. The Company's 2021 financial statements. II. The Company's proposed 2021 deficit compensation plans. III. The Company's 2021 Statement on Internal Control. IV. Review of the independence and competency of the Company's certified public accountants. V. Amendment of the Company's Procedures for the Acquisition and Disposal of Assets. VI. Amendment to the Rules of Procedure for Shareholders' Meetings. VII. Intended private placement for capital increase in cash with common stock shares issued. VIII. The Company's proposal to apply to become a listed/OTC-traded company. IX. The Company's proposal to request all current shareholders to give up their subscription rights for the first round of capital-raising since the Company becomes listed/OTC-traded, pursuant to the Regulations on Underwriting by Listed/OTC-Traded Companies. X. Nominate candidates for independent director, and review the qualifications of nominated candidates. XI. Lifting of non-compete clauses for newly-appointed directors. XII. Additions to the Company's 2022 annual shareholders' meeting agenda. XIII. Disbursement of research and development bonuses to managers.

Meeting name Date	Summary of important resolutions
	XIV. Proposal to set a baseline date for the Company's issue of new stocks for capital increase through issuing employee subscription rights for the first quarter of 2022.
Board of directors 2022.05.27	I. Election of the Company's chairperson and vice chairperson. II. Appointment of members to the the Third Remuneration Committee.
Board of directors 2022.08.11	I. The Company's financial reports for the second quarter of 2022 II. Proposal to amend the Company's Internal Control System. III. Renumeration for the Company's 5th chairperson of the board, directors, and independent directors. IV. The Company's 2022 employee salary adjustment plan. V. Proposal to set a baseline date for the Company's issue of new stocks for capital increase through issuing employee subscription rights for the second quarter of 2022. VI. Amendment to the Company's Corporate Governance Best Practice Principles.
Board of directors 2022.10.06	I. Adjustment to the Company's 2022 Budget. II. Amendment to the Rules of Procedure for Board of Directors' Meetings. III. Proposal to establish the Company's Risk Management Policies and Procedures. IV. Reappointment of the Company's legal consultants. V. Proposal to set a baseline date for the Company's issue of new stocks for capital increase through issuing employee subscription rights for the 3rd quarter of 2022.
Board of directors 2022.11.11	I. The Company's financial reports for the third quarter of 2022. II. Acknowledgment of the Statement on Internal Control issued during the internal control review period. III. Proposal regarding the Company's Table for Evaluating and Describing the Company's Ability to Prepare Corporate Financial Reports. IV. The Company's proposal to enter into an overallotment and shareholder voluntary centralized stock deposit agreement with

Meeting name Date	Summary of important resolutions
	CTBC Securities Co., Ltd., and to coordinate with CTBC on helping shareholders deposit their stocks into a central securities depository. V. Financial forecasts for the Company for the the fourth quarter of 2022, and the first quarter of 2023. VI. Proposed audit plan for the Company for 2023. VII. In consideration of the Company's progress in its drug development operations and its business conditions, the Company proposed to amend the target amount for its 3rd round of capital raising in 2017. VIII. Disbursement of research and development bonuses and other bonuses to managers. IX. The Company's proposed Corporate Governance Report. X. Amendment to the Company's Procedures for Handling Material Internal Information.

(XII) Dissenting or qualified opinions from directors objecting to an important resolution passed by the Board of Directors that is on record or has been stated in a written statement in the past year and up to the publication date of this Annual Report: None.

(XIII) A summary of resignations and dismissals of the Company's chairperson, president, accounting manager, financial manager, chief internal auditor, corporate governance officer, and R&D manager in the most recent year and up to the publication date of this Annual Report: None.

V. **Compensation for external accounting services:**

(I) Fees paid to certified public accountants in the most recent year:

Unit: Thousand NTD

Name of accounting firm	Name of accountants	Accountant's duration of audit	Audit fee	Non-audit fees	Total	Notes
Deloitte, Taiwan	Shu-Juan Yeh Guo-Ning Huang	2022/01/01~2022/12/31	1,070	580	1,650	

(II) If the accounting firm has been changed, and the annual audit fees were lower for the year of the firm change compared to that of the previous year, audit fees before and after the changes and the reason for such changes should be disclosed: The Company has not changed accounting firms.

(III) If audit fees have decreased by more than 10% compared to the previous year, the amount, percentage of decrease, and reason for the reduction in audit expense should be disclosed: N/A.

VI. **Information on change of certified public accountant:**

(I) Information on predecessor accountant: N/A.

(II) Information on accountants succeeding from the previous year: N/A.

(III) Response from predecessor accountant with regard to Article 10, Subparagraph 6, Item 1 and Item 2-3: None.

VII. **The company's chairman, general manager, or any managerial personnel in charge of finance or accounting matters who has, during the past year, held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: N/A.**

VIII. **Share transfers and share pledging by directors, supervisors, managers and shareholders holding more than 10% equity in the past year and up to the publication date of this Annual Report:**

(I) Information on any equity or pledge changes of a director, supervisor, managerial personnel, or shareholder with a stake of more than 10% in the Company:

Unit: thousand shares

Title	Name	2022		2023, up to March 28	
		Increase (decrease) in the number of shares held	Increase (decrease) in pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in pledged shares
Chairman	Ren-Yi Chiu	-	-	-	-

Title	Name	2022		2023, up to March 28	
		Increase (decrease) in the number of shares held	Increase (decrease) in pledged shares	Increase (decrease) in the number of shares held	Increase (decrease) in pledged shares
Vice Chairman/Manager	Han-Min Chen	-	-	-	-
Directors	Chung-Jung Tsai	-	-	-	-
Directors (note)	Shang-Chih Gong	-	-	-	-
Independent Director	Ke-Hua Ding	-	-	-	-
Independent Director	Shou-Shan Wu	-	-	-	-
Independent Director	Yu-Ren Wu	-	-	-	-
Managers	Jun-Cai Lin	(150)	-	-	-
Managers	Felix, Li-Ming Chen	(304)	-	-	-
Managers	Ming-Jie Chiang	(8)	-	-	-
Managers	Yi-Fang Cheng	40	-	-	-
Managers	Kuang-Hua Yang	(65)	-	-	-
Managers	Chun-Fang Huang	-	-	-	-
Managers	Pei-Zhou Chen	-	-	-	-
Managers	Mei-Fang Chen	-	-	-	-

Note: Resigned on 2022.12.13.

(II) Information on the related parties of equity transfers:

Unit: Shares; NTD

Name	Reason for equity transfer	Date of transaction	Transaction counterparty	Relationship between transaction counterparty and the Company, a Company director, manager, or shareholder with a stake of more than 10% in the Company.	No. of shares	Transaction price
Kuang-Hua Yang	Disposals	2022.03.11	Hsin-Jie Wang	Assistant Vice President for the Company's President's Office	25,000	34
Kuang-Hua Yang	Disposals	2022.03.16	Shu-Ling Ceng	Spouse of the Assistant Vice President for the Company's President's Office	25,000	34
Kuang-Hua Yang	Gift	2022.05.18	Qian-Hui Yang	Underage child of the transaction party	75,000	-

Ming-Jie Chiang	Gift	2022.06.15	Yi-Ting Jiang	Underage child of the transaction party	20,000	-
Ming-Jie Chiang	Gift	2022.06.15	Shao-Cheng Jiang	Underage child of the transaction party	20,000	-
Ming-Jie Chiang	Gift	2022.06.15	Xiao-Ling Su	Spouse of the transaction party	30,000	-

(III) Information on whether the counterparties of equity pledges are related parties: None.

IX. Information on the relationship between any of the top ten shareholders (related party, spouse, or kinship within the second degree):

March 28, 2023; Unit: Shares

Name	Shareholding		Shares held by spouse and children not yet of age		Shares held through nominee arrangement		Information disclosing where there are related parties, spouses, or relationships of kinship within second degree among any of the top ten shareholders, and their names and the relationships among them		Notes
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name	Relationship	
Han-Min Chen	6,306,295	9.43%	390,000	0.58%	1,000,000	1.50%	Songhe International Capital Co., Ltd.	Representative	-
Yuanta Commercial Bank entrusted with custody of the special investment account of Ruby Bay Limited.	4,747,037	7.10%	-	-	-	-	-	-	-
Yuanta Commercial Bank entrusted with custody of the special investment account of Ruby Bay Limited. Representative: Chung-Jung Tsai	-	-	-	-	4,747,037	7.10%	Yuanta Commercial Bank entrusted with custody of the special investment account of Ruby Bay Limited.	Representative	-
Ren-Yi Chiu	4,419,786	6.61%	934,000	1.40%	1,167,500	1.75%	New Prismastic Investment	Representative Spouse	-

Name	Shareholding		Shares held by spouse and children not yet of age		Shares held through nominee arrangement		Information disclosing where there are related parties, spouses, or relationships of kinship within second degree among any of the top ten shareholders, and their names and the relationships among them		Notes
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name	Relationship	
							Jin-Hua Huang		
San Fu Global Ltd.	2,320,000	3.47%	-	-	-	-	-	-	-
San Fu Global Ltd. Representative: Chun-Ming Zhang	-	-	-	-	-	-	San Fu Global Ltd.	Representative	-
Kun-Nan Hong	1,658,192	2.48%	-	-	-	-	-	-	-
SCI Pharmtech, Inc.	1,602,895	2.40%	-	-	-	-	-	-	-
SCI Pharmtech, Inc. Representative: Wei-Chun Weng	80,000	0.12%	40,000	0.06%	-	-	SCI Pharmtech, Inc.	Representative	-
New Prismastic Investment (Inc.)	1,167,500	1.75%	-	-	-	-	Ren-Yi Chiu	Representative	-
New Prismastic Investment (Inc.) Representative: Ren-Yi Chiu	4,419,786	6.61%	934,000	1.40%	1,167,500	1.75%	New Prismastic Investment Jin-Hua Huang	Representative Spouse	-
Songhe International Capital Co., Ltd.	1,000,000	1.50%	-	-	-	-	Han-Min Chen	Representative	-
Songhe International Capital Co., Ltd. Representative: Han-Min Chen	6,306,295	9.43%	390,000	0.58%	1,000,000	1.50%	Songhe International Capital Co., Ltd.	Representative	-

Name	Shareholding		Shares held by spouse and children not yet of age		Shares held through nominee arrangement		Information disclosing where there are related parties, spouses, or relationships of kinship within second degree among any of the top ten shareholders, and their names and the relationships among them		Notes
	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	No. of shares	Shareholding ratio	Name	Relationship	
Jin-Hua Huang	866,000	1.30%	4,487,786	6.71%	-	-	Ren-Yi Chiu	Spouse	-
Zong-Yi Lin	700,000	1.05%	-	-	-	-	-	-	-

Note: The Company had a total of 66,845,000 outstanding shares as of March 28, 2023.

X. **The shareholding of the Company, directors, supervisors, managers, and enterprises that are directly or indirectly controlled by the Company in the same re-invested company:** None.

Chapter IV. Fundraising Conditions

I. Capital and shareholding:

(I) Source of share capital:

March 28, 2023; Unit: thousand shares; Thousand NTD

Year Month	Issue price	Authorized capital		Paid-in capital		Notes		
		No. of shares	Amount	No. of shares	Amount	Source of share capital	Shares acquired by non-cash assets	Other
August, 2012	NT$10	2,980	29,800	1,000	10,000	Share capital established 10,000 NTD thousands	-	Note 1
November, 2013	NT$10	2,980	29,800	2,000	20,000	Capital raised in cash 10,000 NTD thousands	-	Note 2
November, 2014	NT$10	3,300	33,000	3,300	33,000	Capital raised in cash 13,000 NTD thousands	-	Note 3
September, 2015	NT$10	50,000	500,000	10,700	107,000	Capital raised in cash 74,000 NTD thousands	-	Note 4
February, 2016	NT$10	50,000	500,000	23,300	233,000	-	Value of stock issued for technological assets 126,000 NTD thousands	Note 5
December, 2016	NT$15	50,000	500,000	27,800	278,000	Capital raised in cash NT$45,000 thousand	-	Note 6
March, 2017	NT$16	50,000	500,000	30,800	308,000	Capital raised in cash 30,000 NTD thousands	-	Note 7
July, 2017	NT$20	50,000	500,000	33,000	330,000	Capital raised in cash 22,000 NTD thousands	-	Note 8
March, 2018	NT$21	50,000	500,000	43,000	430,000	Capital raised in cash 100,000 NTD thousands	-	Note 9
May, 2018	**NT$10**	**50,000**	**500,000**	**47,050**	**470,500**	**Capital increase in cash raised through private placement 40,500 NTD thousands**	-	Note 10

Year Month	Issue price	Authorized capital		Paid-in capital		Notes		
		No. of shares	Amount	No. of shares	Amount	Source of share capital	Shares acquired by non-cash assets	Other
June, 2018	**NT$10**	**50,000**	**500,000**	**48,000**	**480,000**	**Capital increase in cash raised through private placement 9,500 NTD thousands**	-	Note 11
December, 2018	**NT$38.5**	**100,000**	**1,000,000**	**48,779**	**487,790**	**Capital increase in cash raised through private placement 7,790 NTD thousands**	-	Note 12
February, 2019	NT$10	100,000	1,000,000	49,085	490,850	Employee subscription right certificates 3,060 NTD thousands	-	Note 13
August, 2019	NT$42	100,000	1,000,000	54,085	540,850	Capital raised in cash 50,000 NTD thousands	-	Note 14
October, 2019	NT$10 and NT$12	100,000	1,000,000	54,437	544,370	Employee subscription right certificates 3,520 NTD thousands	-	Note 15
December, 2019	**NT$62.1**, NT$10 and NT$12	100,000	1,000,000	58,662	586,620	**Capital increase in cash raised through private placement 41,300 NTD thousands** and employee subscription right certificates 950 NTD thousands	-	Note 16
February, 2020	NT$10 and NT$12	100,000	1,000,000	58,812	588,120	Employee subscription right certificates 1,500 NTD thousands	-	Note 17
April, 2020	NT$10	100,000	1,000,000	58,843	588,430	Employee subscription right certificates 310 NTD thousands	-	Note 18
August, 2020	NT$12	100,000	1,000,000	58,895	588,950	Employee subscription right certificates 520 NTD thousands	-	Note 19

Year Month	Issue price	Authorized capital		Paid-in capital		Notes		
		No. of shares	Amount	No. of shares	Amount	Source of share capital	Shares acquired by non-cash assets	Other
November, 2020	NT$10, NT$12, and NT$13.7	100,000	1,000,000	59,355	593,550	Employee subscription right certificates 4,600 NTD thousands	-	Note 20
February, 2021	NT$10, NT$12, and NT$13.7	100,000	1,000,000	59,536	595,360	Employee subscription right certificates 1,810 NTD thousands	-	Note 21
April, 2021	NT$10, NT$12 and NT$13.7	100,000	1,000,000	59,584	595,840	Employee subscription right certificates 480 NTD thousands	-	Note 22
September, 2021	NT$12 and NT$13.7	100,000	1,000,000	59,656	596,560	Employee subscription right certificates 720 NTD thousands	-	Note 23
November, 2021	NT$10, NT$12, and NT$13.7	100,000	1,000,000	59,771	597,710	Employee subscription right certificates 1,150 NTD thousands	-	Note 24
December, 2021	NT$44	100,000	1,000,000	66,371	663,710	Capital raised in cash 66,000 NTD thousands	-	Note 25
April, 2022	NT$10, NT$12, and NT$13.6	100,000	1,000,000	66,481	664,810	Employee subscription right certificates 1,100 NTD thousands	-	Note 26
April, 2022	NT$12 and NT$13.6	100,000	1,000,000	66,537	665,370	Employee subscription right certificates 560 NTD thousands	-	Note 27
September, 2022	NT$10, NT$12, and NT$13.6	100,000	1,000,000	66,563	665,630	Employee subscription right certificates 260 NTD thousands	-	Note 28
October, 2022	NT$12 and NT$13.6	100,000	1,000,000	66,845	668,450	Employee subscription right certificates 2,820 NTD thousands		Note 29

Note 1: Bei-Fu-Jing-Deng-Zi No.1015054236 (Approved 2012.8.28)
Note 2: Bei-Fu-Jing-Si-Zi No.1025068801 (Approved 2013.11.4)
Note 3: Bei-Fu-Jing-Si-Zi No.1035193436 (Approved 2014.11.4)
Note 4: Xin-Bei-Fu-Jing-Si-Zi No.1045175339 (Approved 2015.9.4)
Note 5: Xin-Bei-Fu-Jing-Si-Zi No.1055127637 (Approved 2016.2.1)
Note 6: Fu-Chan-Ye-Shang-Zi No. 10595549300 (Approved 2016.12.21)
Note 7: Fu-Chan-Ye-Shang-Zi No. 10652610210 (Approved 2017.4.5)
Note 8: Fu-Chan-Ye-Shang-Zi No. 10656668310 (Approved 2017.7.26)
Note 9: Fu-Chan-Ye-Shang-Zi No. 10747453210 (Approved 2018.3.29)
Note 10: Fu-Chan-Ye-Shang-Zi No. 10749592910 (Approved 2018.5.29)
Note 11: Fu-Chan-Ye-Shang-Zi No. 10750086510 (Approved 2018.6.26)
Note 12: Fu-Chan-Ye-Shang-Zi No. 10755610410 (Approved 2018.12.17)

Note 13: Fu-Chan-Ye-Shang-Zi No. 10846234910 (Approved 2019.2.26)
Note 14: Jing-Shou-Shang-Zi No. 10801105160 (Approved 2019.8.16)
Note 15: Jing-Shou-Shang-Zi No. 10801136230 (Approved 2019.10.4)
Note 16: Jing-Shou-Shang-Zi No. 10801182140 (Approved 2019.12.18)
Note 17: Jing-Shou-Shang-Zi No. 10901010830 (Approved 2020.02.21)
Note 18: Jing-Shou-Shang-Zi No. 10901048610 (Approved 2020.04.10)
Note 19: Jing-Shou-Shang-Zi No. 10901162850 (Approved 2020.08.24)
Note 20: Jing-Shou-Shang-Zi No. 10901218870 (Approved 2020.11.27)
Note 21: Jing-Shou-Shang-Zi No. 11001013630 (Approved 2021.02.1)
Note 22: Jing-Shou-Shang-Zi No. 11001068260 (Approved 2021.04.30)
Note 23: Jing-Shou-Shang-Zi No. 11001154780 (Approved 2021.09.14)
Note 24: Jing-Shou-Shang-Zi No. 11001201930 (Approved 2021.11.03)
Note 25: Jing-Shou-Shang-Zi No. 11001235850 (Approved 2021.12.27)
Note 26: Jing-Shou-Shang-Zi No. 11101043660 (Approved 2022.04.01)
Note 27: Jing-Shou-Shang-Zi No. 11101067160 (Approved 2022.04.26)
Note 28: Jing-Shou-Shang-Zi No. 11101063380 (Approved 2022.09.12)
Note 29: Jing-Shou-Shang-Zi No. 11101199450 (Approved 2022.10.19)

Types of Shares Unit: Shares

Shares Type	Authorized capital			Notes
	Shares issued and outstanding	Unissued shares	Total	
Ordinary shares	66,845,000	33,155,000	100,000,000	The Company's shares are not listed or traded over the counter

Information for shelf registration: None.

(II) Shareholder structure:

March 28, 2023/Unit: Person: Shares

Shareholder structure / Quantity	Government Institution	Financial Institution	Other Legal person	Individuals	Foreign Institutions and Foreigners	Total
Number of people	-	-	27	2,304	5	2,336
No. of shares held	-	-	10,285,492	51,351,340	5,208,168	66,845,000
Shareholding ratio	-	-	15.39%	76.82%	7.79%	100.00%

(III) Share distribution:

1. Ordinary shares

March 28, 2023/Unit: Person: Shares

Shareholding range	Number of shareholders	No. of shares held	Shareholding ratio
1 to 999	165	29,468	0.04%
1,000 to 5,000	1,339	2,921,618	4.37%
5,001 to 10,000	278	2,203,855	3.30%
10,001 to 15,000	111	1,435,303	2.15%
15,001 to 20,000	94	1,711,878	2.56%
20,001 to 30,000	78	2,005,644	3.00%
30,001 to 40,000	51	1,776,904	2.66%
40,001 to 50,000	31	1,444,638	2.16%
50,001 to 100,000	76	5,636,236	8.43%
100,001 to 200,000	56	7,828,127	11.71%
200,001 to 400,000	39	10,890,442	16.29%
400,001 to 600,000	6	2,859,052	4.28%
600,001 to 800,000	3	2,014,130	3.01%
800,001 to 1,000,000	2	1,866,000	2.79%
More than 1,000,001 shares	7	22,221,705	33.25%
Total	2,336	66,845,000	100.00%

2. Preferred shares: The Company has not issued preferred shares, so this section is omitted.

(IV) Major shareholders:

All shareholders with a shareholding ratio of 5% or more. If less than ten shareholders meet this criteria, disclose the names, number of shares held by, and shareholding ratio of the ten largest shareholders.

March 28, 2023/Unit: Shares

Shares / Name of major shareholder	No. of shares held	Shareholding ratio (note)
Han-Min Chen	6,306,295	9.43%
Yuanta Commercial Bank entrusted with custody of the special investment account of Ruby Bay Limited.	4,747,037	7.10%
Ren-Yi Chiu	4,419,786	6.61%
San Fu Global Ltd.	2,320,000	3.47%
Kun-Nan Hong	1,658,192	2.48%
SCI Pharmtech, Inc.	1,602,895	2.40%
New Prismatic Investment Co. Ltd.	1,167,500	1.75%
Songhe International Capital Co., Ltd.	1,000,000	1.50%
Jin-Hua Huang	866,000	1.30%

Zong-Yi Lin	700,000	1.05%

Note: The Company had a total of 66,845,000 outstanding shares as of March 28, 2023.

(V) Share price, net worth, earnings, dividends and other related information for the past two years:

Unit: NTD Thousand shares

Item \ Year			2021	2022	Current year up to March 31, 2023
Market Price per Share	Highest		Not listed/OTC-traded	Not listed/OTC-traded	Not listed/OTC-traded
	Lowest		Not listed/OTC-traded	Not listed/OTC-traded	Not listed/OTC-traded
	Average		Not listed/OTC-traded	Not listed/OTC-traded	Not listed/OTC-traded
Net worth per share	Before distribution		12.84	9.01	Note
	After Distribution		12.84	9.01	Note
Earnings per share	Weighted average shares		60,053	66,632	Note
	Earnings per share		(2.00)	(3.99)	Note
Dividends per Share	Cash dividends		-	-	-
	Stock grants	-	-	-	-
		-	-	-	-
	Accumulated unpaid dividend		-	-	-
Return analysis	PE ratio		Not listed/OTC-traded	Not listed/OTC-traded	Not listed/OTC-traded
	Price / Dividend Ratio		Not listed/OTC-traded	Not listed/OTC-traded	Not listed/OTC-traded
	Cash Dividend Yield Rate		Not listed/OTC-traded	Not listed/OTC-traded	Not listed/OTC-traded

Note: As of the date of publication of this Annual Report, materials from the latest quarter that have been audited (reviewed and approved) by an accountant have not yet been received.

Company dividend policy and implementation:

1. Dividend policy provided in the Articles of Incorporation:

   If there are earnings remaining after annual settlement, the Company first shall pay taxes on these earnings as required by law, and use these earnings to offset cumulative losses. Then, 10% of the remaining amount is set aside as the legal reserve. However, no funds shall be set aside into this legal reserve once the legal reserve amount reaches the Company's paid-in capital amount. Afterwards, the Company shall set aside or divert funds from the special reserve pursuant to law. The Board of Directors shall then draft a proposal for shareholder dividend allocation for distributing any remaining earnings, along with the accumulated undistributed earnings for the same period, and submit the draft to the shareholder's meeting.

   To address business expansion demand and industrial growths, the Company's dividend policy shall prioritize fulfillment of future operational needs and normalization of the financial structure first in principle. The Board of Directors is to define it and distribution occurs as decided through the shareholders' meeting. The business run by the Company is currently at the operational growth stage and hence distribution of earnings is as follows in principle:

   It may be adequately adjusted taking into consideration the cash flows, earnings, and demand for future expansion of the operational scale of the Company. Each year, no less than 20% of disposable earnings is set aside to be the shareholder dividend/bonus and among the dividends distributed for the year, suitable cash dividends are set aside. The cash dividends distributed, however, may not be less than 10%. The remainder will be stock dividends. In case of a major investment plan and the impossibility to acquire other funds, nevertheless, the Board of Directors may propose no distribution of cash dividends, which is to be finalized through the shareholders' meeting.

2. Shareholder dividends distribution proposal (executed) for the current year:

   As of the end of 2022, the Company still has remaining accumulated losses, and so has not distributed any earnings.

(VI) Effect of stock grants proposed in the latest shareholders' meeting on the Company's business performance and earnings per share:

A Board of Directors resolution passed on February 18, 2023 decided that no dividends would be distributed as earnings have been used to reduce accumulated losses. Thus, this section has been omitted.

(VII) Remuneration of employees, directors, and supervisors:

1. Percentages and ranges of remuneration to employees, directors, and supervisors, as specified in the Company's Articles of Incorporation:

   The Company shall set aside the remuneration in case of any remainder following retention of the pre-tax profit of the year prior to subtraction of the remuneration to employees and that to directors for making up accumulated losses, which may not be less than 1% to employees and higher than 2% to directors. The ratio of remuneration to employees and that to directors and the remuneration to employees is to be done in stock or cash, which shall be supported by a majority of directors attending the Board of Directors' meeting that account for two-thirds or more of all directors and shall be presented during the shareholders' meeting.

2. Basis for estimating the amount of remuneration of employees, directors and supervisors, basis for calculating the number of shares to be distributed as employee bonus, the actual distributed amount for the current period, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount:
   (1) No employee or director remuneration has been distributed, as the Company still retains accumulated losses as of the end of 2022.
   (2) A Board of Director's resolution has decided that any difference between the distributed cash amount and the amount reported on financial reports shall be considered as a change in accounting estimates, and recognized as distributed profits for that period.
3. Remuneration proposals passed by the board of directors:
   (1) Employee, director, and supervisor remuneration will be distributed in cash or shares. In case of any discrepancy between the amounts and the amortized estimates for the year, the differences, reasons, and responses shall be disclosed: This section is omitted as the Company did not make a profit in 2022.
   (2) The amount of employee remuneration distributed in stock as a percentage of total net income after tax and total employee remuneration for the period: This section is omitted as the Company did not make a profit in 2022.
4. Any discrepancy between actual remuneration distribution of employees, directors, and supervisors (including the number of shares, the amount and share price) and the recognized remuneration of employees, directors, and supervisors, and disclosure of the differences, reasons, and responses: None.

(VIII) Status of Company Share Buyback: None.

II. **Issuance of corporate bonds:** None.

III. **Preferred Shares:** None.

IV. **Issuance of Global Depositary Receipts (GDR):** None.

V. **Exercise of Employee Stock Subscription Rights:**

(I) The Company's outstanding employee stock subscription right certificates:

March 31, 2023

Employee subscription rights tranche	The 1st employee subscription rights certificates issued for 2016		
Effective date and total number of units	August 18, 2017, and 1,000 units		
Date of issuance	December 1, 2016	March 1, 2017	July 18, 2017
Units already issued	1,000 units		
Units available for issue	0 units		
Number of rights issued as a proportion of all outstanding shares	1.50%		
Subscription duration	7		
Mode of implementation	Outstanding ordinary shares		
Subscription period and subscription limits (%)	2 years after rights issue: 50% 3 years after rights issue: 75% 4 years after rights issue: 100%		
Units exercised (shares)	665,000 shares	45,000 shares	22,000 shares
Amount exercised (NT$)	NT$6,650,000	NT$450,000	NT$220,000
Number of rights unexercised (Note)	-	-	69,000 shares
Subscription price per share for unexercised rights	NT$10 per share		
Number of rights unexercised as a proportion of all outstanding shares	-	-	0.10%
Impact on shareholders' equity	In order to attract and retain the professional talent that we require, the Company offers employees share subscription rights to motivate employees, enhancing their unity, productivity, and sense of belonging in order to work together alongside the Company and shareholders to create mutual profit. These subscription rights thus have a positive impact on shareholders' equity. Additionally, should all employees exercise the subscription rights they have been granted based on the time periods and proportions described above, the Company's capital stock would only increase by 0.10%. This would not have a significant impact on the Company's stockholders' equity.		

Note: 69 units were not exercised, not including the 199 units rescinded due to employees leaving the Company.

Employee subscription rights tranche	The 1st employee subscription rights certificates issued for 2017	
Effective date and total number of units	August 18, 2017, and 1,200 units	
Date of issuance	May 1, 2017	July 18, 2017
Units already issued	1,200 units	
Units available for issue	0 units	
Number of rights issued as a proportion of all outstanding shares	1.80%	
Subscription duration	7	
Mode of implementation	Outstanding ordinary shares	
Subscription period and subscription limits (%)	2 years after rights issue: 50% 3 years after rights issue: 75% 4 years after rights issue: 100%	
Units exercised (shares)	822,000 shares	-
Amount exercised (NT$)	NT$9,864,000	-
Number of rights unexercised (Note)	51,000 shares	61,000 shares
Subscription price per share for unexercised rights	NT$12 per share	
Number of rights unexercised as a proportion of all outstanding shares	0.08%	0.09%
Impact on shareholders' equity	In order to attract and retain the professional talent that we require, the Company offers employees share subscription rights to motivate employees, enhancing their unity, productivity, and sense of belonging in order to work together alongside the Company and shareholders to create mutual profit. These subscription rights thus have a positive impact on shareholders' equity. Additionally, should all employees exercise the subscription rights they have been granted based on the time periods and proportions described above, the Company's capital stock would only increase by 0.17%. This would not have a significant impact on the Company's stockholders' equity.	

Note: 112 units were not exercised, not including the 266 units rescinded due to employees leaving the Company.

March 31, 2023

Employee subscription rights tranche	The 1st employee subscription rights certificates issued for 2018		
Effective date and total number of units	July 6, 2018, and 1,800 units		
Date of issuance	July 26, 2018	November 21, 2018	June 17, 2019
Units already issued	1,800 units		
Units available for issue	0 units		
Number of rights issued as a proportion of all outstanding shares	2.70%		
Subscription duration	7		
Mode of implementation	Outstanding ordinary shares		
Subscription period and subscription limits (%)	2 years after rights issue: 50% 3 years after rights issue: 75% 4 years after rights issue: 100%		
Units exercised (shares)	782,000 shares	-	-
Amount exercised (NT$)	NT$10,687,700	-	-
Number of rights unexercised (Note)	640,000 shares	-	-
Subscription price per share for unexercised rights	NT$13.6 per share	NT$46.7 per share	NT$40.8 per share
Number of rights unexercised as a proportion of all outstanding shares	0.96%	-	-
Impact on shareholders' equity	In order to attract and retain the professional talent that we require, the Company offers employees share subscription rights to motivate employees, enhancing their unity, productivity, and sense of belonging in order to work together alongside the Company and shareholders to create mutual profit. These subscription rights thus have a positive impact on shareholders' equity. Additionally, should all employees exercise the subscription rights they have been granted based on the time periods and proportions described above, the Company's capital stock would only increase by 0.96%. This would not have a significant impact on the Company's stockholders' equity.		

Note: 640 units were not exercised, not including the 378 units rescinded due to employees leaving the Company.

Employee subscription rights tranche	The 1st employee subscription rights certificates issued for 2021	
Effective date and total number of units	July 6, 2021, and 2,000 units	
Date of issuance	September 1, 2021	January 2, 2022
Units already issued (Note 1)	1,912 units	
Units available for issue	0 units	
Number of rights issued as a proportion of all outstanding shares	2.86%	
Subscription duration	7	
Mode of implementation	Outstanding ordinary shares	
Subscription period and subscription limits (%)	2 years after rights issue: 50% 3 years after rights issue: 75% 4 years after rights issue: 100%	
Units exercised (shares)	-	-
Amount exercised (NT$)	-	-
Number of rights unexercised (Note 2)	1,543,000 shares	40,000 shares
Subscription price per share for unexercised rights	NT$53.90 per share	NT$46.01 per share
Number of rights unexercised as a proportion of all outstanding shares	2.31%	0.06%
Impact on shareholders' equity	In order to attract and retain the professional talent that we require, the Company offers employees share subscription rights to motivate employees, enhancing their unity, productivity, and sense of belonging in order to work together alongside the Company and shareholders to create mutual profit. These subscription rights thus have a positive impact on shareholders' equity. Additionally, should all employees exercise the subscription rights they have been granted based on the time periods and proportions described above, the Company's capital stock would only increase by 2.37%. This would not have a significant impact on the Company's stockholders' equity.	

Note 1: 2,000 units planned to be issued, but only 1,912 units were actually issued. 88 units were made invalid.

Note 2: 1,583 units were not exercised, not including the 329 units rescinded due to employees leaving the Company.

(II) As of the date of publication of the annual report, the names of all managers who have been issued subscription rights, the names of the ten employees who have been issued the most number of subscription rights, and the acquisition and subscription status of the these share rights:

1. Employee subscription rights certificates issued for 2016

March 31, 2023

	Title	Name	Number of rights vested	Vested rights as a percentage of total outstanding shares	Exercised				Unexercised			
					Number of rights	Subscription price	Value of rights (NTD thousands)	Ratio of rights to total outstanding shares	Number of rights	Subscription price	Value of rights (NTD thousands)	Ratio of rights to total outstanding shares
Managers	President (Note 1)	Ren-Yi Chiu	574 thousand shares	0.86%	436 thousand shares	NT$10	4,360	0.65%	69 thousand shares	NT$10	690	0.10%
	President (Note 2)	Han-Min Chen										
	Vice President	Jun-Cai Lin										
	Vice President	Felix, Li-Ming Chen										
	Vice President	Ming-Jie Chiang										
	Director	Yi-Fang Cheng										
	Director	Kuang-Hua Yang										
	Senior Vice President of the Accounting Department (Note 3)	Li-Hua Huang										
	Audit Manager (Note 4)	Xin-Wen Zhang										
Em	Manager	Ren-Jie Lee	377 thousan	0.56%	274 thous	NT$10	2,740	0.41%	-	-	-	-

	Manager	Shu-Qing Yang	d shares		and shares							
	Manager	Zong-Lin Cai										
	Specialist (Note 5)	Mao-Hua Ceng										
	Assistant (Note 6)	Zi-Ling Zhuo										
	Assistant Research Fellow (Note 7)	Jia-Fang He										
		Qian-Yu Guo										
		Jia-Ming Zhang										
	Senior specialist	Qiong-Min Lee										
	Specialist (Note 8)	Rui-Tang Li										

Note 1: This employee resigned from the role of President on July 17, 2017.

Note 2: This employee was newly-appointed to the role of President on July 17, 2017.

Note 3: This employee left the Company on June 5, 2021.

Note 4: This employee left the Company on October 5, 2021.

Note 5: This employee left the Company on June 1, 2017

Note 6: This employee left the Company on July 2, 2017.

Note 7: Jia-Fang He left the Company on July 21, 2021, and Jia-Ming Zhang left the Company on August 4, 2020.

Note 8: This employee left the Company on June 19, 2020.

2. Employee subscription rights certificates issued for 2017

March 31, 2023

	Title	Name	Number of rights vested	Vested rights as a percentage of total outstanding shares	Exercised				Unexercised			
					Number of rights	Subscription price	Value of rights (NTD thousands)	Ratio of rights to total outstanding shares	Number of rights	Subscription price	Value of rights (NTD thousands)	Ratio of rights to total outstanding shares
Managers	President (Note 1)	Ren-Yi Chiu	714 thousand shares	1.07%	510 thousand shares	NT$12	6,120	0.76%	112 thousand shares	NT$12	1,344	0.17%
	President (Note 2)	Han-Min Chen										
	Vice President	Jun-Cai Lin										

	Vice President	Felix, Li-Ming Chen										
	Vice President	Ming-Jie Chiang										
	Director	Yi-Fang Cheng										
	Director	Kuang-Hua Yang										
	Senior Vice President of the Accounting Department (Note 3)	Li-Hua Huang										
	Audit Manager (Note 4)	Xin-Wen Zhang										
Employee	Manager	Ren-Jie Lee	390 thousand shares	0.58%	290 thousand shares	NT$12	3,480	0.43%	-	-	-	-
	Manager	Shu-Qing Yang										
	Manager	Zong-Lin Cai										
	Specialist (Note 5)	Mao-Hua Ceng										
	Specialist (Note 6)	Jing-Ting Chen										
	Assistant (Note 7)	Zi-Ling Zhuo										
	Assistant Research Fellow (Note 8)	Jia-Fang He										
		Qian-Yu Guo										
		Jia-Ming Zhang										
	Senior specialist	Qiong-Min Lee										

Note 1: This employee resigned from the role of President on July 17, 2017.
Note 2: This employee was newly-appointed to the role of President on July 17, 2017.
Note 3: This employee left the Company on June 5, 2021.
Note 4: This employee left the Company on October 5, 2021.
Note 5: This employee left the Company on June 1, 2017.
Note 6: This employee left the Company on October 1, 2017.
Note 7: This employee left the Company on July 2, 2017.
Note 8: Jia-Ming Zhang left the Company on August 4, 2020

3. Employee subscription rights certificates issued for 2018

March 31, 2023

	Title	Name	Number of rights vested	Vested rights as a percentage of total outstanding shares	Exercised				Unexercised			
					Number of rights	Subscription price	Value of rights (NTD thousands)	Ratio of rights to total outstanding shares	Number of rights	Subscription price	Value of rights (NTD thousands)	Ratio of rights to total outstanding shares
Managers	President	Han-Min Chen	1,050 thousand shares	1.57%	368 thousand shares	NT$13.6 and NT$13.7	5,030	0.55%	494 thousand shares	NT$13.6	6,718	0.74%
	Vice President	Jun-Cai Lin										
	Vice President	Felix, Li-Ming Chen										
	Vice President	Ming-Jie Chiang										
	Vice President (Note 1)	Jun-Sheng Liu										
	Director	Yi-Fang Cheng										
	Director	Kuang-Hua Yang										
	Acting Director	Hsin-Jie Wang										
	Senior Vice President of the Accounting Department (Note 2)	Li-Hua Huang										
	Audit Manager (Note 3)	Xin-Wen Zhang										
	Audit Manager (Note 4)	Jia-Qi Li										

Employee	Senior Manager (Note 5)	Li-Min Liao	525 thousand shares	0.79%	289 thousand shares	NT$13.6 and NT$13.7	3,949	0.43%	146 thousand shares	NT$13.6	1,986	0.22%
	Manager	Ren-Jie Lee										
	Manager	Shu-Qing Yang										
	Manager	Zong-Lin Cai										
	Manager	Yan-Kai Chen										
	Senior Manager (Note 6)	Xiao-Lin Zhou										
	Assistant Research Fellow (Note 7)	Jia-Fang He										
		Qian-Yu Guo										
		Jin-Zhen Chen										
	Specialist	Ya-Chun Guo										

Note 1: This employee left the Company on February 28, 2021.

Note 2: This employee left the Company on June 5, 2021.

Note 3: This employee left the Company on October 5, 2021.

Note 4: This employee left the Company on September 30, 2021.

Note 5: This employee left the Company on February 7, 2022.

Note 6: This employee left the Company on March 31, 2021.

Note 7: Jia-Fang He left the Company on July 21, 2021.

4. Employee subscription rights certificates issued for 2021

March 31, 2023

	Title	Name	Number of rights vested	Vested rights as a percentage of total outstanding shares	Exercised				Unexercised			
					Number of rights	Subscription price	Value of rights (NTD thousands)	Ratio of rights to total outstanding shares	Number of rights	Subscription price	Value of rights (NTD thousands)	Ratio of rights to total outstanding shares
Managers	President	Han-Min Chen	951 thousand shares	1.42%	-	-	-	-	891 thousand shares	NT$53.9 and NT$46.01	47,867	1.33%
	Vice President	Jun-Cai Lin										
	Vice President	Felix, Li-Ming Chen										
	Vice President	Ming-Jie Chiang										
	Director	Yi-Fang Cheng										
	Director	Kuang-Hua Yang										
	Director	Chun-Fang Huang										
	Senior Vice President of the Accounting Department	Pei-Zhou Chen										
	Audit Manager (Note 1)	Xin-Wen Zhang										
	Audit Manager	Mei-Fang Chen										
Employee	Assistant Vice President (Note 2)	Li-Min Liao	580 thousand shares	0.87%	-	-	-	-	440 thousand shares	NT$53.9	23,716	0.66%

	Assistant Vice President	Hsin-Jie Wang										
	Manager	Ren-Jie Lee										
	Manager	Shu-Qing Yang										
	Manager	Zong-Lin Cai										
	Manager	Dong-Qing Fu										
	Manager	Jun-Quan Chen										
	Manager (Note 3)	Jia-Qi Li										
	Manager	Yan-Kai Chen										
	Senior specialist	Qiong-Min Lee										

Note 1: This employee left the Company on October 5, 2021.

Note 2: This employee left the Company on February 7, 2022.

Note 3: This employee left the Company on September 30, 2021.

VI. **Restricted Stock Awards:** None.

VII. **New Share Issue for Merger or Acquisition of other Companies:** None.

VIII. **Implementation of Capital Allocation Plan: Up to the quarter prior to the publication date of this Annual Report, negotiable securities issued in previous batches or through private placements that have not yet been completed or were completed within the last three years, for which estimated returns have not yet been realized:**

(I) Capital raised in cash approved in 2017

1. Content of plan:

(1) Date of approval by competent authority, and document number: December 19, 2017, Jin-Guan-Zheng-Fa-Zi No. 1060048819.

(2) Total capital required for this plan: NT$210,000 thousands.

(3) Source of capital: 10,000 thousand common shares issued to raise capital in cash. Each share was issued at a price of NT$21, and NT$210,000 thousands in capital was raised in total.

(4) Projects that capital was raised for, capital utilization schedule:

Unit: Thousand NTD

Project	Planned completion date	Total capital required	Schedule for capital utilization															
			2018				2019				2020				2021			
			First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
Taiwan Phase 3 clinical trials for F703 Diabetic Foot Ulcer	2021 Fourth quarter	150,000	0	0	0	30,000	7,500	7,500	7,500	7,500	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250
Phase 2 clinical trials for F701 Alopecia Treatment Drug	2018 Fourth quarter	30,000	0	10,000	10,000	10,000	0	0	0	0	0	0	0	0	0	0	0	0

Addition of working capital	2018 First quarter	30,000	30,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total		210,000	30,000	10,000	10,000	40,000	7,500	7,500	7,500	7,500	11,250	11,250	11,250	11,250	11,250	11,250	11,250	11,250

The following are the projects that capital was raised for after amendment to plans for raising capital passed in a Board of Directors resolution on November 11, 2022, and the capital utilization schedule:

Unit: Thousand NTD

Project	Planned completion date	Total capital required (After amendment)	Schedule for capital utilization												
			Accumulated as of 2021	2022				2023				2024			
				First quarter (actual)	Second quarter (actual)	Third quarter (actual)	Fourth quarter (Estimated)	First quarter (Estimated)	Second quarter (Estimated)	Third quarter (Estimated)	Fourth quarter (Estimated)	First quarter (Estimated)	Second quarter (Estimated)	Third quarter (Estimated)	Fourth quarter (Estimated)
Taiwan Phase 3 clinical trials for F703 Diabetic Foot Ulcer	2024 Fourth quarter	150,000	10,626	476	1,176	21,453	269	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500
Phase 2 clinical trials for F701 Alopecia Treatment Drug	2022 Second quarter	25,861	25,850	4	7	0	0	0	0	0	0	0	0	0	0
Addition of working capital	2022 Fourth quarter	34,139	30,000	0	0	0	4,139	0	0	0	0	0	0	0	0
Total		210,000	66,476	480	1,183	21,453	4,408	14,500	14,500	14,500	14,500	14,500	14,500	14,500	14,500

The Company approved three projects to raise capital for in 2017, with one of these projects being the Phase 2 clinical trials for the F701 Hair Loss

Prevention Topical Solution. Originally, the Company estimated that the project would require NT$30,000 thousands in capital, with the last payment for the project being recognized as occurring in June 2022. However, the project was completed in the second quarter of 2022, and total accumulated payments made for the project only totaled NT$25,681 thousands. Under the Company's strict management of funding usage, the Company proposed amending the use purpose for the remaining NT$4,139 thousands of project funding originally raised for the Phase 2 clinical trials for the F701 Hair Loss Prevention Topical Solution, listing this amount instead as additional working capital that can be used to meet future operating needs. This proposal was submitted to and passed by the Board of Directors on November 11, 2022. As this NT$4,139 thousands amount only represented 1.97% of the total NT$210,000 thousands raised, this change of funding purpose does not meet the 20% criteria which would require a funding usage change plan to be submitted to the Board of Directors.

(5) Content of the change plan, reason for change of funding purpose, and benefits before and after the change: None.

(6) Date on which information was reported to the information disclosure website designated by the Financial Supervisory Commission: December 21, 2017

2. Implementation status:

(1) How raised capital was used

After plan amendment, capital utilization rates and other details on how the raised capital was being used are as follows:

Unit: Thousand NTD

Project	Implementation Status		As of the first quarter of 2023	Reasons for getting ahead of or falling behind schedule, and reason for changes made to plan
Taiwan Phase 3 clinical trials for F703 Diabetic Foot Ulcer	Amount utilized	Planned	48,500	Preparations for Taiwan Phase 3 clinical trials for F703 Diabetic Foot Ulcer have begun.
		Actual	40,361	
	Utilization rate (%)	Planned	32.33%	
		Actual	26.90%	
Phase 2 clinical trials for F701 Alopecia Treatment Drug	Amount utilized	Planned	25,861	Fully implemented according to planned schedule after amendment
		Actual	25,861	
	Utilization rate (%)	Planned	100.00%	
		Actual	100.00%	
Addition of working capital	Amount utilized	Planned	34,139	Implemented according to planned schedule after amendment
		Actual	34,139	
	Utilization rate (%)	Planned	100.00%	
		Actual	100.00%	

(2) Evaluation of plan implementation effectiveness

A. Changes to current assets, current liabilities, total liabilities, interest expenses, operating revenues, and earnings per share

Unit: Thousand NTD

Item	2017.12.31 (Before capital raising)	2018.03.31 (After capital raising)	Increase (decrease) amount	Proportional increase (decrease)
Current assets	133,786	320,768	186,982	139.76%
Current liabilities	16,306	5,830	(10,476)	(64.25)%
Total liabilities	49,097	40,566	(8,531)	17.38%
Interest expenses	593	175	418	70.49%
Operating income	5,193	1,002	4,191	80.70%
Earnings per share (NTD)	(2.26)	(0.51)	1.75	0.77%

Note: Financial figures for 2017 are based on financial reports that have been audited by accountants, while financial figures for the end of March 2018 are based on the Company's own financial statements.

Drug development is the Company's main business operation, which requires constant capital funding in order to achieve new drug development targets. In general, the Company's current asset and current liabilities figures have noticeably improved after completing this round of capital raising. Only the research and development expenditures invested into drug development have caused the Company to make losses, and the Company is committed to getting our new drug licensed as quickly as possible to increase Company profits.

B. Analysis of financial structure and solvency

Unit: %

Item		2017.12.31 (Before raising capital in cash)	2018.03.31 (After raising capita in cash)
Financial structure	Debt asset ratio	16.14	8.31
	Long-term capital to fixed assets ratio	438.21	729.66
Solvency	Current ratio	820.47	5,502.02
	Quick ratio	792.57	5,435.99

Note: Financial figures for 2017 are based on financial reports that have been audited by accountants, while financial figures for the end of March 2018 are based on the Company's own financial statements.

The total amount of cash raised in this round total NT$210,000 thousands, and capital raising concluded in March 2018. Based on the planned capital utilization schedule, capital raised was used as operational funds and to fund research and development expenditures. After capital raising, the Company's book cash assets

looked noticeably more abundant, showing that the capital raised effectively provided the funds required for the Company's future research and development expenditures, and have effectively accelerated the pace of our clinical trials. Our financial structure also looked more sound, and the Company's business stability was improved.

(II) Capital raised in cash approved in 2019

1. Content of plan:

(1) Date of approval by competent authority, and document number: May 1, 2019 Jin-Guan-Zheng-Fa-Zi No. 1080313918 (Original date of approval by competent authority and document number: January 2, 2019 Jin-Guan-Zheng-Fa-Zi No. 1070347858 and January 19, 2019 Jin-Guan-Zheng-Fa-Zi No. 1080302089, due to later applications to extend the capital-raising period and to adjust the number of shares issued and share issue price).

(2) Total capital required for this plan: NT$400,000 thousands.

(3) Source of capital:

A. To raise capital, 5,000 thousand common shares with a par value of NT$10 were issued at an issue price of NT$42 per share, raising a total of NT$210,000 thousands in capital.

B. NT$190,000 thousands from the Company's own equity

(4) Projects that capital was raised for, capital utilization schedule:

Unit: Thousand NTD

Project	Planned completion date	Total capital required	Schedule for capital utilization														
			2019				2020				2021				2022		
			First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter
EU Phase 3 clinical trials for F703 Diabetic Foot Ulcer	2022 First quarter	400,000	0	0	15,000	25,000	30,000	30,000	30,000	30,000	30,000	50,000	50,000	50,000	60,000	0	0

(5) Content of the change plan, reason for change of funding purpose, and benefits before and after the change: None.

(6) Date on which information was reported to the information disclosure website designated by the Financial Supervisory Commission: January 3, 2019

2. Implementation status:

(1) How raised capital was used

Unit: Thousand NTD

Project	Implementation Status		As of the first quarter of 2023	Reasons for getting ahead of or falling behind schedule, and reason for changes made to plan
F703 Diabetic Foot Ulcer EU Phase 3 clinical trials	Amount utilized	Planned	400,000	The Company has only begun preparing for evaluating the EU Phase 3 clinical trials for ENERGI-F703, and have not actually began conducting these trials.
		Actual	0	
	Utilization rate (%)	Planned	100.00%	
		Actual	0%	

(2) Evaluation of plan implementation effectiveness

In April 2019, the Company submitted a request to the competent securities authority for an adjustment to the issue price and issue quantity for the new shares to be issued under this plan for raising capital. After obtaining approval from the competent authorities, the Company began working on the capital-raising project, and completed raising capital in the second quarter of 2019. It was originally planned to gradually begin contributing capital towards the EU Phase 3 clinical trials for ENERGI-F703 Diabetic Foot Ulcer (DFU) in the third quarter of 2019, but as these trials were still in the evaluation and preparation stage at that time, they have not yet begun.

(III) Capital raised in cash approved in 2021

1. Content of plan:

(1) Date of approval by competent authority, and document number: October 19, 2021 Jin-Guan-Zheng-Fa-Zi No. 1100371201 (Original date of approval by competent authority and document number: September 7, 2021 Jin-Guan-Zheng-Fa-Zi No. 1100357076, due to later applications to adjust the number of shares issued and to extend payment deadlines for specific persons).

(2) Total capital required for this plan: NT$441,300 thousands.

(3) Source of capital:

A. To raise capital, 6,600 thousand common shares with a par value of NT$10 were issued at an issue price of NT$44 per share, raising a total of NT$290,400 thousands in capital.

B. NT$150,900 thousands from the Company's own equity.

(4) Projects that capital was raised for, capital utilization schedule:

Unit: Thousand NTD

Project	Planned completion date	Total capital required	Schedule for capital utilization											
			2022				2023				2024			
			First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter	First quarter	Second quarter	Third quarter	Fourth quarter
US Phase 3 clinical trials for F703 Diabetic Foot Ulcer	2024 Fourth quarter	441,300	0	25,200	33,600	30,600	43,200	43,200	43,200	43,200	43,200	43,200	43,200	49,500

(5) Content of the change plan, reason for change of funding purpose, and benefits before and after the change: None.

(6) Date on which information was reported to the information disclosure website designated by the Financial Supervisory Commission: October 14, 2021

2. Implementation status:

(1) How raised capital was used

Unit: Thousand NTD

Project	Implementation Status		As of the first quarter of 2023	Reasons for getting ahead of or falling behind schedule, and reason for changes made to plan
US Phase 3 clinical trials for F703 Diabetic Foot Ulcer	Amount utilized	Planned	132,600	Due to US Phase 3 clinical trials for F703 Diabetic Foot Ulcer already beginning.
		Actual	110,362	
	Utilization rate (%)	Planned	30.04%	
		Actual	25.00%	

(2) Evaluation of plan implementation effectiveness

The Company plans to mainly use this capital for the US Phase 3 clinical trials for ENERGI-F703 Diabetic Foot Ulcer. ENERGI-F703's main function is to support the healing of wounds, as a new drug for treating diabetic foot ulcers. Phase 2 clinical trials for US and Taiwan have currently been completed. Currently, the only drug on the market approved by the United States FDA for treating diabetic foot ulcer wounds is Regranex®, which uses human platelet-derived growth factors (rh-PDGF) as an active ingredient. As Regranex® is a protein-based drug, it needs to be stored at low temperatures, and is relatively expensive (approximately US$800/tube, and around 10-12 tubes are needed for each treatment procedure). Additionally, the United States Food and Drug Administration previously issued a product warning in June 2008 that using more than 3 tubes of Regranex® may increase the risk of death for cancer patients by as much as 5 times. A new drug for this market is thus necessary and urgently required. Apart from being able to support the healing of diabetic foot ulcers, ENERGI-F703 is also less expensive than Regranex®, and does not lead to higher risk of death for cancer patients.

At the moment, the Company has already planned Phase 3 clinical trials for the ENERGI-F703 Diabetic Foot Ulcer Topical Gel around the world (applied to the US/Taiwan/EU FDA to begin clinical trials). Just the US market for diabetic foot ulcers is estimated to be worth up to US$500 million from 2025 onwards, and the Company hopes to be able to tap into these massive market opportunities while carrying out global Phase 3 clinical trials.

As of the fourth quarter of 2022, the Company has already applied to begin Phase 3 clinical trials for ENERGI-F703 in the United States, and have set aside in advance the expenses necessary for these trials. This round of capital-raising raised NT$290,4000 thousands, which can be used to moderately support the expenses for the US Phase 3

clinical trials, providing a substantial help for the Company to obtain US drug permits and earn licensing fees from the drug.

Chapter V.Operational Highlights

I. Business Activities:

(I) Business Scope:

1. Main scope of operation

F102170	Wholesale of other food products and groceries
F108040	Cosmetic wholesale industry
F203010	Food and Beverage retail industry
F208040	Retail of cosmetics
ZZ99999	All business items that are not prohibited or restricted by law, except those that are subject to special approval
F113030	Precision instruments wholesale industry
F113060	Weight and Measuring equipment wholesale industry
F116010	Wholesale of photography equipment
F118010	Wholesale of information software
F213040	Retail of precision instruments
F213050	Retail of weight and measuring equipment
F216010	Retail of photography equipment
F218010	Retail of computer software
F401010	International trade industry
F601010	Intellectual property rights
I103060	Management Consulting industry
I301010	Information software service
I301020	Data processing services
I301030	Electronic information supply service
IC01010	Medication testing
IG01010	Biotechnology service
IG02010	Research and development service

Energenesis Biomedical new drug development is a multi-functional platform based mainly on ENERGI small-molecule purine compounds. At its core is the technology featuring active regulation of the AMP activated protein kinase (AMPK) and addition of the adenosine triphosphate (ATP). Medicinal repositioning is the main development mode. Niche markets “without drugs” or with “unmet drugs” are selected as the entry points and multiple related patents are applied for in multiple countries for protection. Once the proof of concept is validated in Phase 2 clinical trials, “technical authorization” or “collaborative development” will be prioritized. Therefore, upfront royalty payment and profie-sharing are the main operational and profitability modes of the Company.

2. Revenue breakdown of major products

The Company's new drug development business remains at the clinical trial/R&D stage. Therefore, no new drug authorization royalty income is available internationally yet. The subordinate Biotechnology Service Department, on the other hand, runs and develops two major products and sells them domestically and internationally; they are, respectively, experimental reagents and experimental analysis labor and service. The revenue of the Biotechnology Service Department is described as follows:

Unit: Thousand New Taiwan Dollars (NT$)

Primary Product	2021		2022	
	Net revenue	Ratio in revenue (%)	Net revenue	Ratio in revenue (%)
Income from sales of reagents	4,128	55.12	2,929	39.85
Service revenues	3,361	44.88	4,422	60.15
Total	7,489	100.00	7,351	100.00

Source: The Company's 2021 and 2022 Financial Statements that have been certified by CPAs.

3. Current Products

Projects of the Company in new drug developments that have reached the clinical trial stage include the topical gel treating diabetic foot ulcer ENERGI-F703 (ENERGI-F703), the topical gel treating venous leg ulcer ENERGI-F703VLU (ENERGI-F703VLU) and the topical solution preventing against hair loss ENERGI-F701 (ENERGI-F701). Among them, Phase 2 clinical trials in the US and Taiwan are completed for ENERGI-F703 and ENERGI-F701. ENERGI-F703, in particular, has

been approved for its application for Phase 3 clinical trials in the US and Phase 2 clinical trials are ongoing for ENERGI-F703VLU.

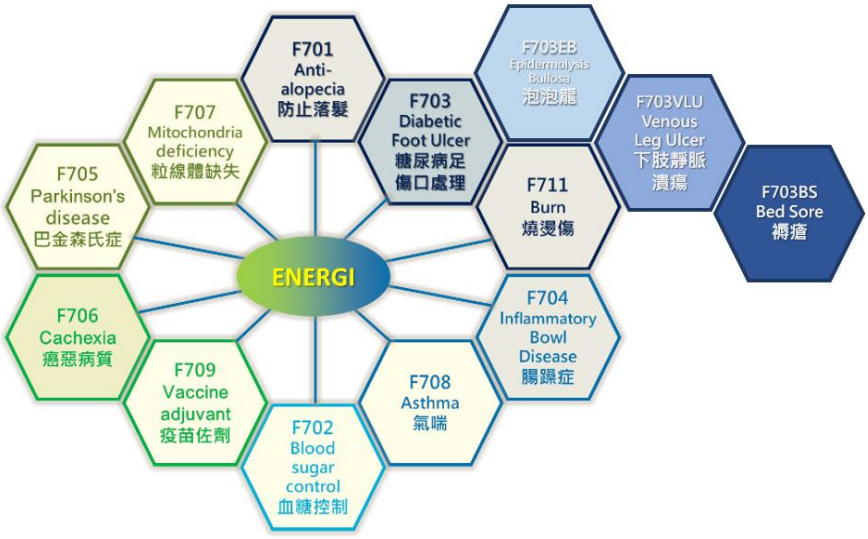
Product			Introduction	Application
New Drug Research and Development	ENERGI-F701	Topical Solution to Prevent Against Hair	It is indicated for abnormal hair loss and Phase 2 clinical trials are completed. Differential analysis is currently ongoing to facilitate submission of the application for Phase 3 clinical trials with the National Medical Product Administration (NMPA).	It treats indications such as androgentic alopecia, scarring alopecias, trichotillomania, trichorrhexis nodosa, and telogen effluvium, among others.
	ENERGI-F703	Diabetic Foot Ulcer Topical Gel	Phase 2 clinical trials are completed for this topical new drug that boosts wound healing in the case of diabetic foot ulcer and its application for Phase 3 clinical trials in the US is currently approved.	It treats various types of wounds that are difficult to heal, such as diabetic foot ulcer, pressure ulcer, venous leg ulcer, and epidermolysis bullosa, among other chronic wounds.
Biotechnology Service	Test Reagent		(1) Western Blot Reagent	Western blot is an experimental approach that is often adopted in molecular biology, biochemistry, and immunogenetics for detecting protein expression.
			(2) Antibody Production Accessory Reagent	In the production of monoclonal antibodies, by adding this reagent, it boosts the hybridoma cell growth factor and reinforces the cell survival rate as the B-cell fuses with cancer cells and the fusion cell spontaneously produces excessive antibodies. When there are more surviving cells, it is more likely to obtain the positive clone.
			(3) Protein Purification Experiment Reagent	It is used in the purification and quantitative analysis of proteins.
			(4) Proteomics Research Reagent	It is highly specific because of its IMAC R&D rationale and can render highly pure phospho-proteins. It is applicable to proteomics studies with purified highly-pure phospho-proteins.
			(5) Common Buffer Solution	Various concentrate buffer solutions used in normal scientific studies

	Experimental Analysis Service	The outstanding technical and senior R&D team of the Company in protein analysis provides customers are provided with project solutions for respective stages such as fundamental protein research and new biological drug development.	Primary (-omic) experiments are known for their multiple service and scientific experimental platforms that are available now. Experiments are mainly authorized by academic institutions and medicinal units. Mass spectrometry or 2D electrophoresis is adopted for research project experiments. Our service team can provide with the advised service platform as needed for the authorized experiments in order to carry out the experiments precisely and help the authorizer obtain experiment data of steady quality.

4. New Products/Services) Planned to Be Developed

A. New Drug Research and Development

Due to the fact that the active ENERGI ingredients have wide-ranging efficacy on all cells, can induce the activity of AMPK, and can bring up the level of the cyclic adenosine monophosphate bank, their mechanism of action is somewhat different from that of drugs that are already available at present. Besides the ongoing clinical trial protocols, there are the projects of ENERGI-F703EB- topical cream for treating wound in hereditary epidermolysis bullosa and ENERGI-F705 - oral drugs for Parkinson's disease) for which pre-submission clinical trial IND evaluation and data are being prepared. The Company maximizes the exploration of ENERGI-related applications (indications; see the figure below). The new drug items being developed and the clinical trial status are described in detail as follows:



(A) Hair Loss Prevention Topical Solution (ENERGI-F701)

For this clinical trial, Director Chih-Chiang Chen at the Division of Dermatology of Taipei Veterans General Hospital served as the Principal Investigator. This randomized, double-blind, active-controlled, parallel-group, Phase 2 clinical trial of the efficacy and safety of ENERGI-F701 in the treatment of abnormal hair loss in women aimed to explore the difference in clinical response between the study group (ENERGI-F701) and the active control group (Regaine/2% Minoxidil) in women with abnormal hair loss upon 12 weeks of treatment. The study was of double-blind design, with 1:1 of subjects enrolled in the study group and the active control group and the number of evaluable subjects enrolled was 60. The number of subjects actually included in the intent-to-treat analysis (ITT): 63. Besides proof of concept, results of this study are analyzed to serve as reference in the design of Phase 3 clinical trials. In the prevention against abnormal hair loss, Phase 2 trials of ENERGI-F701 in the US and Taiwan were completed in March 2020 and application for Phase 3 trials is being planned at present.

(B) Diabetic Foot Ulcer Topical Gel (ENERGI-F703)

For this clinical trial, Director Nien-Zhi Dai of Plastic Surgery at the Tri-Service General Hospital served as the Principal Investigator. This randomized, double-blind, active-controlled, parallel-group, and multi-center Phase 3 clinical trial of the efficacy and safety of ENERGI-F703 in the treatment of diabetic foot ulcer (DFU) was exploratory in nature and aimed to explore difference in clinical response between the study group (ENERGI-F703 gel) and the placebo group (Vehicle gel) in patients with DFU upon 12 weeks of treatment. For the welfare of study patients, the number of patients was 2:1 in the study group versus the placebo group. The number of evaluable subjects enrolled: 106. The number of subjects actually included in the intent-to-treat analysis (ITT): 133. Besides proof of concept, results of this study are analyzed to serve as reference in the design of Phase 3 clinical trials. Phase 2 clinical trials of ENERGI-F703 for the indication of diabetic foot ulcer were completed in the US and Taiwan in October 2019. The complete clinical trial design and respective data were released in eClinicalMedicine (Impact Factor = 17.033), a sub-journal of The Lancet, the international authoritarian medical journal on May 24, 2022. It is now in Phase 3 clinical trials.

(C) Venous Leg Ulcer (ENERGI-F703VLU)

For this clinical trial, Dr. Meing-Chung Chang at Taipei Tzu Chi Hospital served as the Principal Investigator. This randomized, double-blind, active-controlled, parallel-group, and multi-center Phase 2 clinical trial of the efficacy and safety of ENERGI-F703 in the treatment of venous leg ulcer (VLU) was exploratory in nature and aimed to explore difference in clinical response between the study group

(ENERGI-F703 gel) and the placebo group (Vehicle gel) in patients with VLU upon 12 weeks of treatment. The first VLU patient was enrolled at Taipei Shin Kong Wu Ho-Su Memorial Hospital in August 2022.

(D) Parkinson's Disease (ENERGI-F705)

The pre-clinical trial phase of this clinical trial is ongoing. The disintegration test of the oral formulation of ENERGI-F705 and the 6-month repeated toxicity study in rodents and 9-month one in non-rodents are done. The application for Phase 1 clinical trials with the TFDA/FDA is underway now.

(E) Topical Cream for Hereditary Epidermolysis Bullosa (ENERGI-F703EB)

The pre-clinical trial phase of this clinical trial is ongoing. The application for Phase 1 clinical trials with the TFDA/FDA is underway now.

B. Biotechnology Service

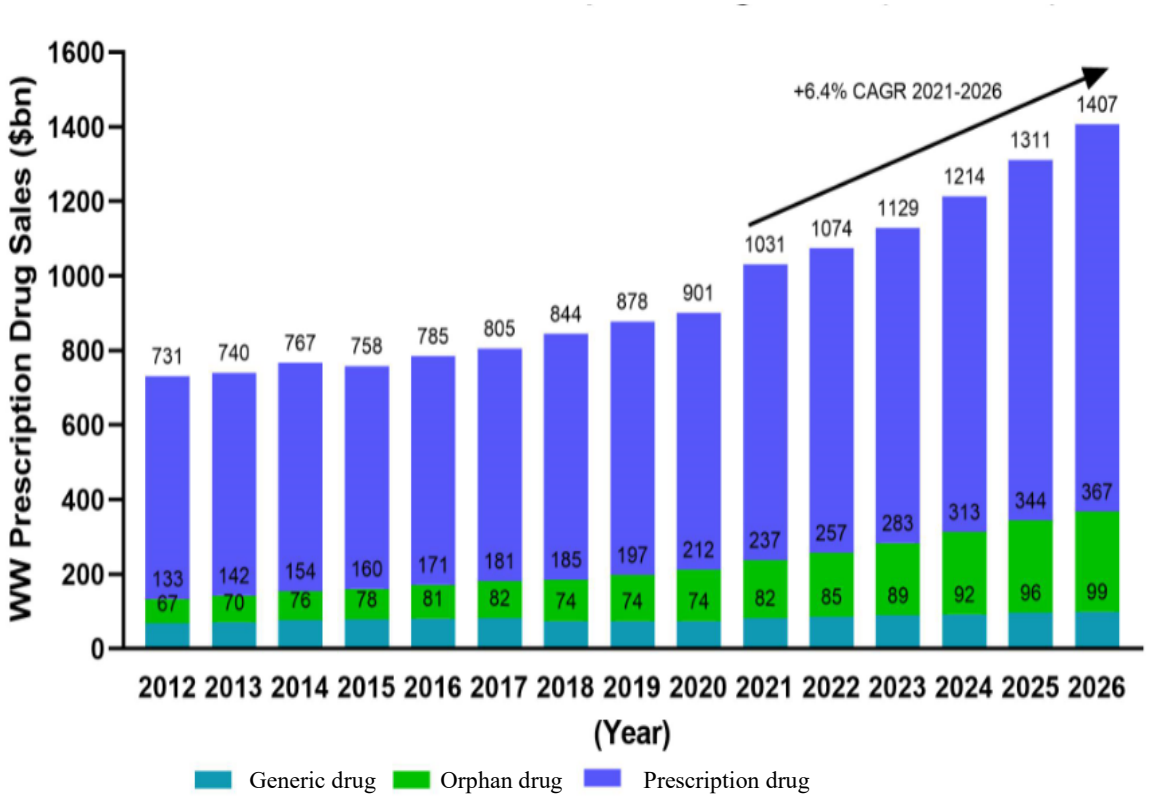
Besides new drug R&D business, Energenesis Biomedical, with its commercial protein test and analysis reagents and advanced technicality in -omic analyses, has been accepting fundamental protein studies and projects for respective stages in the development of new drugs as authorized by customers since 2014. The biotechnology service provided by the Company includes -omic experiments. We currently have multiple platforms offering such service and scientific experiments, namely genomes, transcriptomes, proteomes, and metabolomes. The Company continues to broaden its small-to-medium-sized customer bases and provides advanced customized technical service.

(II) Industry overview

1. Current state and development of the industry

As biotechnology advances quickly, new drugs approved for marketing mushroomed for the past few years in European and American countries in addition to the rapid growth in the sales of drugs that are new on the market. Research data of Evalluate Pharma show that the global medicinal revenue in 2021 already reached US$ 1.03 trillion and it is expected to reach US$1.41 trillion by 2026, with a compound annual growth rate of up to 6.4%. The revenue of patented prescription drugs in 2021 reached US$790 billion, accounting for about 77%, followed by orphan drugs, indicating that patented prescription drugs are the mainstream on the overall market of medicinal product and are expected to maintain the steady growths in the future. The estimated revenue will reach US$1.04 trillion by 2026. The Top 20 drugs of 2021 included innovative new drugs such as Comirnaty, Humira, and Spikevax. Such drugs will support the growths in the revenue of prescription drugs around the world in 2021 onwards (Table 1). Growths on the market of orphan drugs are expected to multiply as well. In the future, for new drugs to be developed, more attention will be paid to their mechanism of action and specific patient populations.

Figure 1. Global prescription drug market size



Source: EvaluatePharma Report in August 2021

Table 1. 2021 Top 20 best-sellers around the world

Ranking	Name of Drug	2021 Sales ($ billion)
1	Comirnaty®	36.8
2	Humira®	20.7
3	Spikevax®	17.7
4	Keytruda®	17.2
5	Eliquis®	16.73
6	Revlimid®	12.8
7	Imbruvica®	9.8
8	Stelara®	9.1
9	Eylea®	8.9
10	Biktarvy®	8.6
11	Opdivo®	8.5
12	Xarelto®	7.5
13	REGEN-COV/Ronaprever®	7.5
14	Trulicity®	6.5
15	Darzalex®	6
16	Trikafta/Kaftrio®	5.7
17	Gardasil 9®	5.7
18	Dupixent®	5.6
19	Veklury®	5.6
20	Ibrance®	5.4

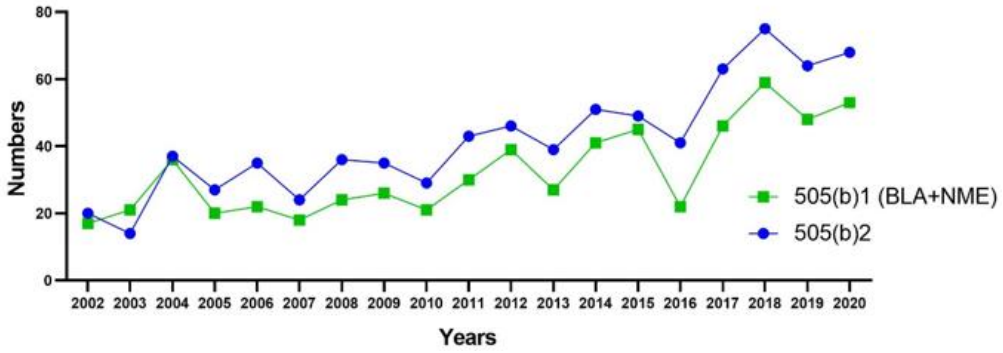
Source: Fierce Pharma special report Jul.,2021.

Marketing authorizations to be obtained with the US FDA include those for new drugs (NDAs) and those for generic drugs (ANDAs). NDAs can be further divided into 505(b)(1) and 505(b)(2). 505(b)(1) is meant for new chemical entities (NCEs) while 505(b)(2) is for non-NCEs. For ANDAs, on the other hand, it is 505(j). Patents of many small-molecule drugs are expiring each year (Patent Cliff). This is when generic drugs fight to share the original market of such developer drugs, which hence leads to a sharp drop in the income from developer drugs. As such, pharmaceutical companies are constantly seeking new drugs to replace existing ones with expiring patents or maximizing the scope of indication of drugs to extend the income. The Pharmaceutical Research and Manufacturers of America estimated that approximately every one of 5,000~10,000 new small-molecule compounds from the chemical molecules of chemical banks or compound banks is likely to be approved through clinical trials and be successfully developed into a new chemical entity, indicating the high R&D cost and low success rate of high throughput screening of chemical molecules. Many pharmaceutical companies have switched to developing protein-based

drugs over the past few years. The fact that the production cost of protein-based drugs is far greater than that of ordinary small-molecule ones and that it requires a high technical level, however, has made it more and more difficult for the drugs to get approved. The strategy to obtain a drug permit taking the 505(b)(2) non-NCEs approach is hence gradually gaining prominence among small-to-medium-sized pharmaceutical companies.

For 505(b)(2) non-NCEs, new drugs are being developed taking advantage of known compounds or marketed drugs. The types of new drugs being developed include: New dosage form/dosage, new formula, combination, new administration route, new active ingredient, new indication, etc. The fact that quite complete toxicological and pharmacokinetics data are available for active ingredients and more scientific publications and validation studies are available allows "a significant reduction in required R&D funds, speedy acquisition of the drug permit, and a decrease in the cost of developing new drugs." In addition, the FDA assures 3 to 5 years of market exclusivity after a non-NCE drug is available on the market (7 years for orphan drugs). According to the data released by the US FDA, after 2000, the gold cross appeared in the number of drug permits obtained under 505(b)(2) as compared to that under 505(b)(1), indicating that development of such drugs (505(b)(2)) has been gaining prominence on the market (Figure 2).

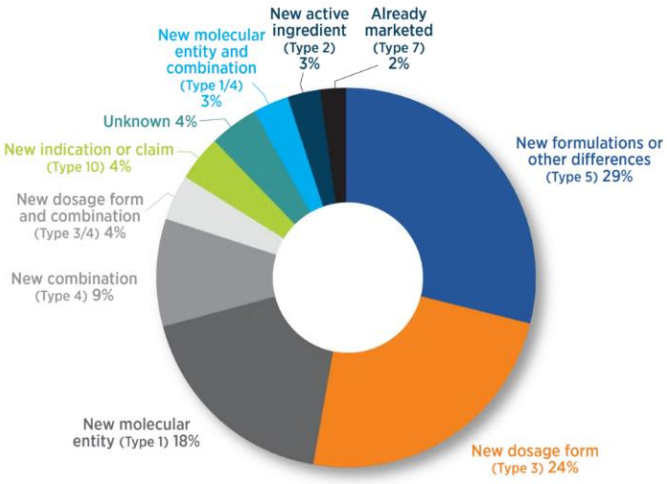
Figure 2: Statistics of drug permits issued under 505(b)(1) and 505(b)(2) by the US FDA each year



Source: US FDA, Premier, Nat Rev Drug Discov.2021 Feb;20(2):85-90. Survey statistics; sorted out by Energenesis.

Among the 68 non-NCE new drugs approved in the US in 2020, 12 (18%) were NMEs (new medicine entities) (Figure 3). In other words, although the entities were known to people, they were yet to be considered as drugs and be used as such. Examples include Benznidazole® (benzidazole oral tablet), which treats Chagas disease in children aged 2 to 12 and vaborbactam® (Vabomere intravenous infusion), which treats urinary tract infection in adults. The FDA assures 5 years of market exclusivity after such non-NCE drugs are available on the market, which is the same as that for NCE new drugs under 505(b)(1).

Figure 3. Types of drugs approved in 2020 under 505(b)(2) in the US

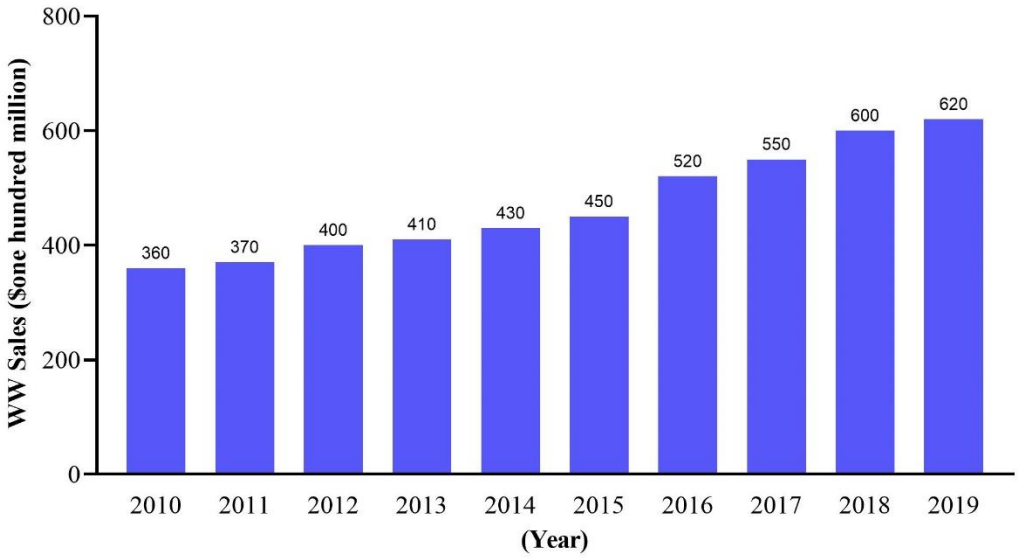


Source: Premier(2021.04)

The most well-known re-positioned drug is Tecfidera® of US Biogen for the treatment of multiple sclerosis. Its sales reached US$4.2 billion in 2018 (http://investors.biogen.com/static-files). The active ingredient dimethyl fumarate was originally a prohibited industrial biocide. In March 2013, Biogen received the approval from the FDA for its treatment of multiple sclerosis. The annual drug value is up to US$54,000. This is proof that with the right positioning, an existing ingredient under 505(b)(2) can bring about enormous business opportunities.

In addition, the Company's Biotechnology Service Department investigated and prepared for the developments of bio-economy in Taiwan and finalized the "Taiwan Bio-economy Industry Development Plan" in 2016 having taken into consideration the international trend in promoting the biotechnology sector in 2015 in light of the fact that biotechnology was listed as a prioritized technology in 1980 and that the "Biotechnology Industry Development Plan" was promulgated in 1995. Since 2005, biotechnology budget has been on the rise in Taiwan. It was NT$15.951 billion in 2006 and NTD24.821 billion in 2016. Governmental and advanced education, in particular, accounted for NT$19.523 billion, about 79% (2017 Biotechnology Industry White Paper of the Ministry of Economic Affairs). Sales and service of Energenesis Biomedical in terms of its reagents and service also target these customers. All of the plans mentioned above are proof of governmental incentives and constant devotion of funds to the development of the biotechnology industry. A majority of such funds is spent on research and development. This is why the market for research reagents and that for research service have been growing (Figure 4).

Figure 4. Global life sciences service and product market size (2010-2019)



Source: CITIC Securities research and survey statistics.

2. Upstream, midstream and downstream industry relations

New drug research and development is a long road and requires devotion of excessive research manpower, time, and money from pre-clinical studies to clinical trials of respective phases. Few new drugs are introduced to the market successfully; the risk of failure is high. For the upstream, mid-stream, and downstream of the industry, refer to Figures 5 and 6 for details.

Figure 5. Correlation among upstream, mid-stream, and downstream of the biomedicine industry

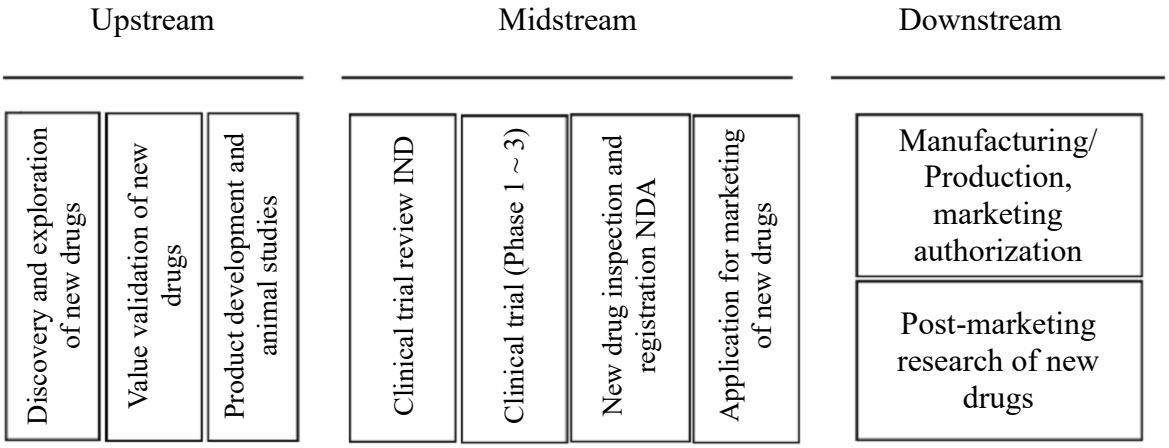
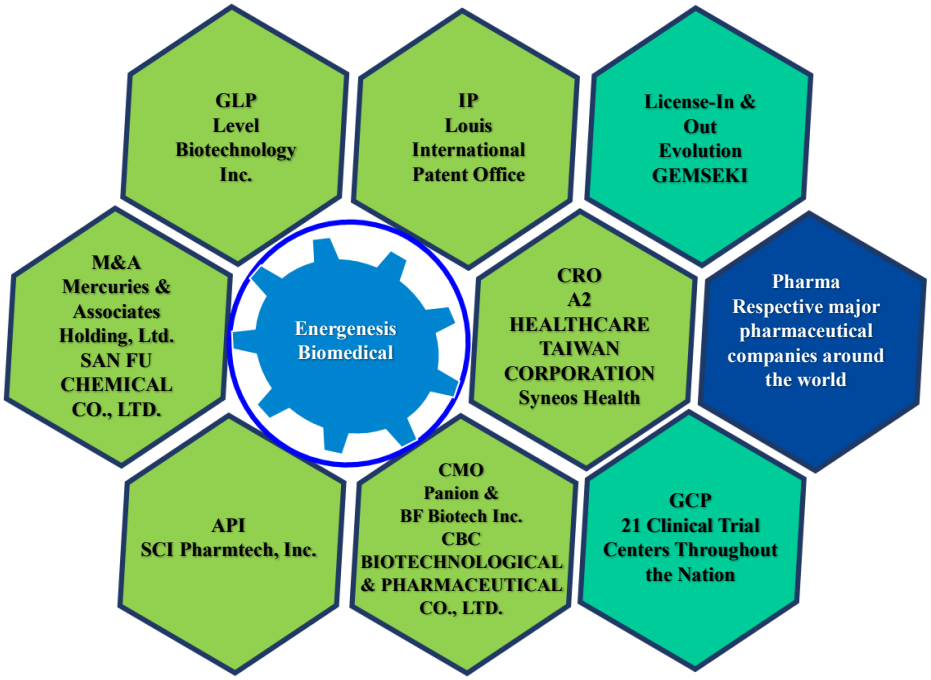


Figure 6. Relevance of Energenesis Biomedical to the upstream, mid-stream, and downstream of the industry



3. Development Trends of Products

A. Development of New Drugs

(A) Development trends of respective primary products/indications:

a. ENERGI-F703/Diabetic foot ulcer (DFU)

Main symptoms of diabetic patients are metabolism disorders and ineffective utilization, absorption, and intake of blood sugar by cells. As a result, source of energy is reduced. The high sugar level triggers at the same time an inflammatory state inside the body due to the excessive oxidative stress. Once a wound occurs, there is no sufficient energy for repairing and the persistent inflammatory state gives rise to a vicious circle. The small wound becomes a big one. The open wound increases the possibility of infection and leads to ulceration. Feet, in the distal ends of the limbs, are often left unnoticed when there are wounds. Foot ulcer is a chronic wound in diabetic patients. Around 50% of such ulcer gives rise to infections because of the open wound. Chances of amputation s after infection are 154.5 times those before infection. Meanwhile, the death rate within a year of infection is 16.7% and that within 5 years is nearly 50%. It is even higher than that of many malignancies.

ENERGI-F703, which is under development, is a small-molecule drug of the Company developed applying the existing purine salvage pathway inside the organism. Phase 2 clinical data of ENERGI-F703 show that, compared to the placebo group, ENERGI-F703 could effectively expedite healing of foot wounds in diabetic patients and no side effects were observed. The clinical trial report has been prepared and submitted to the US FDA and TFDA. This fundamental study was selected in the 2020 Annual Congress of the American Diabetes Association (ADA 2020), the largest scale in the world, to be the only HighLight abstract in foot care. The full text of the article was also released in the official journal FASEB Journal of the Federation of American Societies for Experimental Biology in 2021. In addition, the clinical study was published in the international topnotch science journal EClinicalMedicine in 2022. The impact index of the journal is up to 17.04. EClinicalMedicine is a sub-journal under The Lancet. This shows that the ENERGI drug developed by the Company is highly recognized by international topnotch science journals because of its breakthrough and innovative mechanism of action.

In the coming years, the Company plans to focus the developments of ENERGI-F703 on the following three:

I. Exploration of Biomarkers

Studies released by the Company show that the expression of enzymes that are crucial to the purine salvage pathway of wounds in diabetic patients will be rapidly increased because of the wounds to accordingly enhance the catalyzing effect of ENERGI. We will continue to explore the sequential variation of these crucial enzymes in the wounds of patients and the difference in patients' genotypes. Precision medicine, which has emerged over the past few years, features utilization of biomarkers as the response indicator of the efficacy of a drug, which will be a future trend, in light of the fact that different people differ in terms of how disease occurs and the efficacy of a drug. Personalized precision medicine allows the selection of a treatment method or a drug that is the most suitable for patients to maximize the efficacy. The expression of enzymes that are crucial to the purine salvage pathway of wounds in diabetic patients is exactly the indicator of the patients' response to such drugs.

II. Maximized Market Application

The effect of the ENERGI drug in boosting energy inside cells is widely seen in various types of cells except that the dosage level of ENERGI in different cells and the ratio of the energy boosted differ somewhat. ENERGI works to expedite wound healing with enhanced cell migration by boosting the energy of epidermal cells. This means that they not only work significantly on wounds with metabolism disorders such as diabetic foot ulcer but also are full of developmental potential as treatments for other chronic wounds that are difficult to heal. In the future, based on the experience in the development of ENERGI-F703 for the treatment of diabetic foot ulcer, the Company will extend the types of indications of this product to improve its application value. The R&D Department of the Company already activated the recruitment of patients with venous leg ulcer (VLU) for Phase 2 clinical trials and is proactively joining hands with domestic and international topnotch research institutes in conducting pre-clinical studies of ENERGI-F703 for the treatment of multiple types of wounds that are difficult to heal, such as burns and bedsores. The internal project management team will integrate internal and external R&D resources reflective of the various pre-clinical study findings and is confident in clinical studies and developments of multiple new indications more efficiently according to prior new drug development and management experience with diabetic foot ulcer.

III. Evaluation of Combination Therapy

The pathogenesis of diabetic foot ulcer includes foot pressure, neurological disorder, and peripheral vascular disease. Therefore, the principles for treating such patients are: First, medication to control blood sugar and wound infection; Second, debridement through surgery of the wound and local revascularization; and other auxiliary dispositions, such as suitable dressings and hyperbaric oxygen treatment. Such auxiliary treatments help evaluate the difference in improving diabetic foot ulcer wound healing when they are combined with the ENERGI drug.

b. ENERGI-F701/ Against Abnormal Hair Loss (Treatment of Alopecia)

Abnormal hair loss is a common disorder. More than 95% of abnormal hair loss in men has to do with androgen while 90% of that in women has to do with androgen. This shows that androgen is the biggest cause of abnormal hair loss currently known. For female hair loss, related products such as Minoxidil are seldom prescribed at a dermatology clinic mainly because of the fact that 25% of alcohol is needed for dissolution given the chemical structure of Minoxidil. As such, users are at risk of skin sensitivity and increased hair loss in the beginning. A treatment cycle that lasts for 4 to 6 months is usually unacceptable for female patients who are urgently needing medication to correct hair loss. We inhibit the expression of TGF-β to delay hair follicle aging by increasing cell ATP, extending the cell reproduction cycle of hair follicle papilla cells, and minimizing hair loss as a result of aging and apoptosis of hair follicle papilla cells. ENERGI can also be converted to AMP inside cells to accordingly activate the AMP activated protein kinase (AMPK). Results of this clinical trial are included in the report that has been submitted to the US FDA and the TFDA and the mechanism of action described in the study is published in the high-end dermatology journal Experimental Dermatology. On the market where anti-hair loss products remain lacking more than 20 years later since Minoxidil (Brand Rogaine) was first introduced to the market, ENERGI-F701 is obviously full of developmental potential.

Table 2. Differences between Rogaine® and ENERGI-F701

Item \ Product	Rogaine® (Rogaine)	ENERGI-F701 Solution
Mechanism	Minoxidil Vasodilation	Boost cell energy (ATP) to prevent against aging of hair follicle cells
Application method	External use	External use
Scope of action	Forehead and vertex	Forehead and vertex
Promotion of hair growth	Yes	Yes
Prevention against hair loss	No	Yes
Delayed aging of hair follicle cells	Not proven	Yes
Applicable gender	Men and women	Men and women
Side effects	Hair loss in the beginning of use	Not observed
Expected duration of efficacy	4-6 months	0.5 -1 month

In the coming years, the Company plans to focus the developments of ENERGI-F701 on the following three:

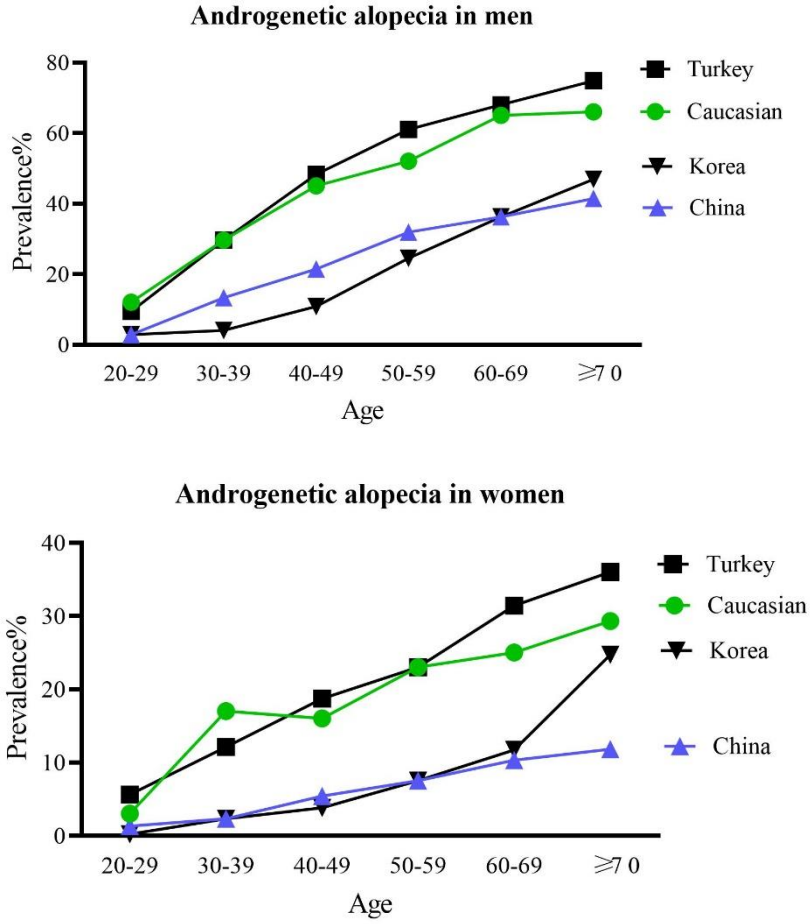
1. Exploration of Biomarkers

Studies released by the Company show that enzymes that are crucial to the purine salvage pathway of hair follicle papilla cells are constantly expressed and hence are capable of catalyzing ENERGI to be AMP. We will continue to explore the sequential variation of these crucial enzymes in scalp hair follicles of patients of different ages and genders and the difference in patients' genotypes. Precision medicine, which has emerged over the past few years, features utilization of biomarkers as the response indicator of the efficacy of a drug, which will be a future trend, in light of the fact that different people differ in terms of how disease occurs and the efficacy of a drug. Personalized precision medicine allows the selection of a treatment method or a drug that is the most suitable for patients to maximize the efficacy.

II. Maximized Market Application

Abnormal hair loss is common regardless of the race, gender, and age (Figure 7). Indications expected to be explored in the future should include abnormal hair loss of a variety of causes. Energenesis Biomedical will continue to conduct clinical trials exploring abnormal hair loss of a variety of causes in order to maximize the market for ENERGI-F701.

Figure 7. Distribution of abnormal hair loss by the race, gender, and age



Source: J.Pak.Med.Assoc.2015 Aug

III. Evaluation of Combination Therapy

Abnormal hair loss drugs that are available at present on the market only include Finasteride and Minoxidil. Their patents have all expired. Finasteride is a Type II 5-alpha reductase inhibitor that can effectively correct abnormal hair loss caused by androgen; it, however, is associated with sexual dysfunction and liver metabolism issues and may not be used in women. Strategies such as combining it with ENERGI drugs or dose reduction or synergization may be evaluated in the future and the difference in the correction of abnormal hair loss.

B. Products of Biotechnology Service Department:

As far as the developmental trends in the experiment and analysis and the sales of reagents are concerned, reagents of the Company's Biotechnology Service Department are a type of knowledge-based product whose main value lies in the formulation and efficacy; the gross profits of the product

are relatively high. Compared with their counterparts on the global life sciences research market, products from Taiwan are lagging behind European and American brands in terms of the entry time, brand awareness, and complete portfolios. At present, in terms of life sciences, European and American research teams remain the world's leaders. Those from Taiwan and Japan, among other Asian countries, mainly receive their trainings in Europe and America. As such, there are no particular leading brands on the market from Taiwan, China, Korea, and Japan now. Major brands that are leading are mainly from Europe and America and they account for a majority of the market. As technologies in life sciences in our country constantly improve, however, significant growths are expected in the future. In addition, the Biotechnology Service Department provides experiment analysis service and primarily -omic experiments, for which there are multiple service and scientific experimental platforms currently available. Experiments are mainly authorized by academic institutions and medicinal units. Mass spectrometry or 2D electrophoresis is adopted for research project experiments. The service team can provide with the advised service platform as needed for the authorized experiments in order to carry out the experiments precisely and help the authorizer obtain experiment data of steady quality.

4. Competition

A. ENERGI-F703/Diabetic foot ulcer (DFU)

(A) Commercial Drugs

To date, on the global drug market, Regranex® is the only one that has been approved by the FDA for the treatment of diabetic foot ulcer, but its patent has expired. Its active ingredient is the recombinant human platelet-derived growth factor - BB, which can only be used in a wound smaller than "5 square centimeters" and free of vascular disease and infection. Regranex® is a protein-based drug that needs to be stored at a low temperature and is costly (about Us$800/tube; 10 to 12 tubes are needed per treatment cycle). The US Food and Drug Administration released the product warning in June 2008 that with the use of 3 tubes of Regranex® and above, the risk of death may be increased for cancer patients by up to 5 folds.

(B) Other Therapies to Boost Energy Inside Cells

Besides Energenesis Biomedical, which adopts energy defect as a strategy to supplement medication, two other companies and institutions also investigated the defectiveadenosine triphosphate, an energy molecule inside cells, for the feasibility to treat diabetic foot ulcer. They are described as follows:

Granexin(ACT1) (FirstString Research Inc.): Grenexin is developed by FirstString Research Inc., a small biotech company headquartered in South Carolina and devoted to wound healing and tissue regeneration. Granexin is a short-chain peptide consists of only 25 amino acids (ACT peptide) that can bind to Protein ZO1 to stabilize the underlying protein Connexin43 of the gap junction channel

and to accordingly reduce the negative impacts that inflammation has on wounds to boost wound healing. The product is topical gel in formulation whose Phase 3 clinical trials are ongoing concurrently in the US and in India. The analysis of GlobalData in 2016 revealed that Granexin rendered quite positive safety and efficacy results according to its Phase 2 clinical data. After 124 subjects were enrolled in its Phase 3 clinical trials, however, the trials were terminated early in May 2020. Therefore, it poses no threat to the ENERGI-F703 development project for the time being.

The University of Louisville research team proved in 2007 that cell activity can be increased with an increase in the intra-cellular energy molecule ATP to effectively boost chronic wound healing. Due to the fact that ATP carries negative charge to make it impossible to enter cells, however, the team encapsulates ATP with liposome. Such liposome encapsulation, nevertheless, is associated with price and stability issues when applied to topical cream and this is why clinical trials have yet to begin.

(C) Therapies Featuring Other Mechanisms

The clinical progress, active ingredients, and names of companies of diabetic wound healing drugs being developed around the world are summarized as follows:

Name of active ingredient	Active ingredient/means	Company name
Clinical Phase 3		
Granexin(ACT1)	Peptide	FirstString Research Inc.
ON-101	NA	Oneness Biotech Co Ltd
VM-202	Gene theraphy	ViroMed Co Ltd
ALLO-ASC-DFU	Stem Cell therapy	Anterogen Co Ltd
ENERGI-F703	**6 aminopurine**	**Energenesis Biomedical Co.,Ltd.**
Clinical Phase 2		
EscharEx	Enzymes	MediWound Ltd
BAY1193397	NA	Bayer
VF 001	Protein therapy	Factor Therapeutics
CSTC1	Phytotherapies	Charsire Biotechnology Corporation
Issar's research program	NA	Issar Pharma
Atexakin Alfa	Recombinant protein	Relief Therapeutics
TR-987	Glucans	TR Therapeutics,Inc.
TV1001SR	NA	Theravasc
LL-37	NA	ProMore Pharma
Clinical Phase 1		
CVBT-141B	Protein therapy	CardioVascular BioTherapeutics Inc
allo-APZ2-DFU	Stem Cell therapy	RHEACELL GmbH&Co.KG
EG-Decorin	Recombinant polypeptide	Eyegene Inc.
Plasminogen Sc	Protein therapy	ProMetic Life Sciences Inc
IL22-Fc	Recombinant proteins	Genentech Inc
Daprodustat(GSK 1278863)	NA	GlaxoSmithKline Plc
Orbsen's research program	Stem Cell therapy	Orbsen Therapeutics
Pre-clinical		
SER190	NA	Serodus
Ipoxyn	NA	Boston Therapeutics Inc
TOP-N53	NA	Topadur Pharma AG
MediaPharma's research program	Monoclonal Antibodies	MediaPharma s.r.l.
Vasculotide	Protein therapy	Sanofi
Neovasculgen	Stem Cell therapy	Human Stem Cell Institute(HSCI)
TWB-103	Stem Cell therapy	Transwell Biotech Co.,Ltd.
ND-336	NA	University of Notre Dame
AUP-16	Recombinant proteins	Aurealis Pharma
3K3A-APC	Recombinant protein	ZZ Biotech
Cytonics'Research programme	Peptide	Cytonics Corporation
Cymerus MSC	Stem Cell therapy	Cynata Therapeutics
APO-2(APOSECTM)	Stem Cell therapy	Aposcience

Source: Cortelliis Database

B. ENERGI-F701/Prevention Against Abnormal Hair Loss (Treatment of Alopecia)

(A) Commercial Drugs

The only active ingredient of abnormal hair loss products that have been approved by the FDA is Minoxidil. Except for the patent of the bubble spray formulation of Johnson & Johnson that expired in 2019, there are no solutions being protected by patents. As such, there are a variety of generic drugs on the market. According to the US FDA database, one can see that Minoxidil was successfully developed by US Pharmacia & Upjohn Company, LLC in 1979 and was provided in 2.5 mg and 10 mg tablets mainly for the treatment of hypertension under the name of Loniten. It is now discontinued on the market. Some of the related generic drugs, however, are still available on the market and are prescription drugs. This shows that there are still some products containing Minoxidil used in the treatment of hypertension.

The first Minoxidil-based product officially approved for the treatment of androgenic hair loss was not successfully developed until 1988 by US Pharmacia & Upjohn Company, LLC under the name of Rogaine. The solution has a dosage strength of 2%. After a series of mergers and resales, Rogaine now belongs to US Johnson & Johnson. The mechanism of Minoxidil in the promotion of hair growth is yet to be completely defined to date. A theory holds that Minoxidil is metabolized in hair follicles to be Minoxidil sulfate, which can inhibit potassium channels and increase vascular permeability. The increased bloodstream enables hair follicle cells to gain more nutrients and oxygen supply. According to the label, persistent use over 4 to 6 months is required in order to render significant results.

(B) Therapies Featuring Other Mechanisms

The clinical progress, active ingredients, and names of companies of abnormal hair loss drugs being developed around the world are summarized as follows:

Name of active ingredient	**Active ingredient/means**	**Company name**
Clinical Phase 2		
ENERGI-F701	**6 aminopurine**	**Energenesis Biomedical Co. Ltd.**
CB-03-01	Clascoterone	DermResearch Inc
CTP-543	DEC derivative	Concert Pharmaceuticals Inc
ATI-501	JAK inhibitor	Aclaris Therapeutics Inc
Setipiprant	tetrahydropyridoindole derivative and a selective CRTH2 antagonist	Allergan

PF-06651600,PF-06700841	JAK3 inhibitor	Pfizer
Baricitinib	JAK inhibitor	Eli Lilly

Source: Cortelliis Database

(III) Overview of Technology and R&D

(1) Technical Level And Research and Development in the Scope of Business Operation

A. Technical Level

The unique ENERGI development platform of Energenesis Biomedical takes advantage of purine compounds that go through biological metabolism to activate the key cell energy-regulating enzyme, AMP activated protein kinase (AMPK) and to boost self-healing with increased cell energy (adenosine triphosphate, ATP) for the ultimate goal of developing feasible therapeutic drugs. Due to the fact that senior scientific research management staff inside the Company all has abundant experience in medicinal development, the two indications being developed (ENERGI-F703 for diabetic foot ulcer and ENERGI-F701 for abnormal hair loss) are proven to feature new mechanisms of action. A new mechanism of action will be key to attracting pharmaceutical companies around the world for technical transfer authorization. In addition, in order to make the best of funds, to prevent against investment of excessive operating budget in hardware equipment and phased manpower, to facilitate expedited developments of new drugs, and to create a multi-party collaboration model and build managerial experience, external consultants and external R&D institutes are hired, including the CRO and the CMO, to help accomplish the tasks. In new drug developments, items supported through external technical collaboration include pre-clinical animal validation studies, pre-clinical animal toxicology studies, new drug manufacturing and production, and application and implementation of clinical trials. All of the technical collaboration items mentioned above are purely outsourced research contracts in nature. All related research findings will completely belong to Energenesis Biomedical.

In addition, over the past nearly three years, the Company has signed contracts with more than 20 first-rate universities and research centers throughout the nation in the name of academic recruitment of Energenesis Biomedical to explore the optimal medication combinations for different indications. Such partners are further improving the technical level and R&D capabilities of the Company significantly.

B. Research and Development

The ENERGI Drug Development Platform of Energenesis Biomedical Co., Ltd. has purine compounds as the prodrug. They are converted to be active molecules through one-step catalyzation by specific biological enzymes and accordingly enhance the activity of AMP activated protein kinase (AMPK). This core means helps increase the overall volume of adenosine triphosphate (ATP) and boost the self-healing ability. Results of many studies have shown that ATP supply will be insufficient in cases of hypoxia, glycolysis disorder, and mitochondrial damage. The level of ATP inside the body has to do with aging, neurodegenerative disorder, ischemic injury, tumor, diabetes, or inflammatory bowel disease. AMPK is the key enzyme regulating the demand of cells

for energy. ATP is strongly correlated to AMPK inside the body and concerns energy modulation under abnormal circumstances.

In addition, products of the Company's Biotechnology Service Department are mainly experiment reagent instruments and experimental techniques that will be used in the research and development of new drugs. They go through a standardized process prior to commercialization (including two major categories, reagents/instruments and experiment service). The customers are academic units, public and private universities, teaching hospitals, and biotechnology companies devoted to life sciences research. Such products support the research and development of new drugs in the Company. After standardization and specification, they are provided to customers as options of experiment service. Unlike other companies, the service provided by the Company is relatively highly professional and the entry level for counterparts in the future is relatively high, too.

(2) Research and development staff and their academic experience

Education	Employee	Proportion
Ph.D	7	47%
MA	8	53%
University/College	-	-
Below high school	-	-
Total	15	100%

(3) Annual R&D cost spent over the past 5 years

Unit: NTD thousand ,%

Year / Item	2022	The year ended March 31, 2023 (Note)
Research expenditure(A)	213,680	41,631
Gross operating income(B)	7,351	1,548
(A)/(B)	2,906.82%	2,689.34%

(Note) The financial figures on March 31, 2023 are self-accounted for by the company.

(4) The last five years of successful technology or product development

New drug development at Energenesis Biomedical is a multi-functional medicinal development platform prioritizing small-molecule ENERGI compounds and the primary R&D products ENERGI-F701 and F703 are still in the clinical trial stage and are yet to be granted the marketing authorization. The various indications of ENERGI, however, have been patented in most countries. Different dosage forms and levels are applied in wound care, metabolic syndrome, inflammatory disease, neurodegenerative disorder, and other fields; there are new drug projects ongoing.

The development status of each drug is summarized in the table below:

Energenesis Biomedical new drug development projects and their status

Product (Indication)	Development status	R&D accomplishment
ENERGI-F701 Abnormal hair loss	Phase 2 clinical trials are completed. Differential analysis is currently ongoing to facilitate submission of the application for Phase 3 clinical trials with the National Medical Product Administration (NMPA).	● Phase 2 clinical trials in the US/Taiwan are completed. ● Patents are obtained in the US, Taiwan, China, Japan, Korea, and Europe
ENERGI-F703 Diabetic Foot Ulcer	Phase 2 clinical trials in the US/Taiwan are completed and the US FDA approved in October 2022 the conduct of Phase 3 clinical trials in the US.	● Phase 2 clinical trials in the US/Taiwan are completed. ● Patents are obtained in the US, Taiwan, China, Japan, Korea, and Europe ● Received subsidies from the Ministry of Economic Affairs as an A+ Corporate Innovative R&D Project ● Received the 17th National Industrial Innovation Award - Corporate Innovation in the biotech pharmaceutical and precision medicine category
ENERGI-F703VLU Venous leg ulcer	Phase 2 clinical trials are conducted in Taiwan	● Clinical trials (IND) are approved by the US FDA and TFDA and recruitment of the first patient has begun. ● Patents are obtained in the US, Taiwan, China,

		Japan, Korea, and Europe
ENERGI-F703EB Hereditary epidermolysis bullosa	Pre-clinical trial	● Patents are obtained in the US, Taiwan, China, Japan, Korea, and Europe
ENERGI-F705 Parkinson's disease	The pre-clinical trial prior to IND is ongoing at present and Phase 1 clinical trials are expected to be applied for in 2023 with the TFDA/US FDA.	● Patents are obtained in the US, Taiwan, China, Japan, Korea, and Europe

(IV) Long- and short-term business development plans

(1) Short-term Development Plans

For the two products ENERGI-F701 and ENERGI-F703 whose Phase 2 clinical trials are completed, the development plans are briefly described as follows:

A. Talk over collaborative development or technical authorization.

There are currently three sales managers to take care of international authorization and several authorization consultants, including international legal affairs consultants. In addition, we work with international professional consulting companies and platforms, such as US EVOLUTION Life Science Partner to collectively develop the European and American markets and Japan GEMSEKI to collectively develop markets throughout Asia.

B. Conduct global Phase 3 clinical trials.

Besides continuing to communicate with pharmaceutical companies and to conduct Phase 3 clinical trials of ENERGI-F703 around the world, for ENERGI-F701, a CRO has been authorized to be the international Phase 3 partner and is ready to submit the application for Phase 3 clinical trials.

C. Expedite Commercialization in the OTC (Over-the-Counter) Model

For ENERGI-F701, proactive efforts are made to seek talks with international cosmetics heavyweights over possible technical authorization or collaborative development and expedite commercialization of ENERGI-F701.

D. Maximize Product Application and Indication

For ENERGI-F701, investigator-initiated clinical trials among men with abnormal

hair loss are conducted to broaden the user base of ENERGI-F701. For ENERGI-F703 VLU, Phase 2 clinical trials among patients with venous leg ulcer are conducted to broaden the user base of ENERGI-F703.

E. Prepare for IND Submission

Pre-IND subission evaluation and preparation of data are ongoing for projects such as ENERGI-F705 for the treatment of Parkinson's disease and ENERGI-F703B cream for hereditary epidermolysis bullosa.

(2) Mid-to-long-term Development Plans

A. Seek strategic partners to jointly develop pre-clinical new drugs

For ENERGI-F703EB, which treats hereditary epidermolysis bullosa, and ENERGI-F705, which treats Parkinson's disease, for example, we jointly research and develop new drugs with strategic partners and conduct clinical trials to expedite the clinical trial timeline.

B. Reinforce patent deployment and explore opportunities for international authorization over new drugs.

There are specialists to maintain and continue with related patent applications. Exhibitions are attended regularly on a yearly basis, including biotechnology exhibitions in the US, Japan, and Europe. We have approached over a hundred international pharmaceutical companies so far for talks over authorization and joint development.

C. Introduce potential candidate drugs through academic solicitation.

Since academic recruitments began in 2019, Energenesis Biomedical has completed nearly 30 studies authorized by academic units. For studies of drugs treating neurodegeneration disorders, metabolism disorders, and inflammatory disease, feasibility evaluations of next-generation sources are performed.

II. **Market and Sales Overview:**

1. Market Analysis

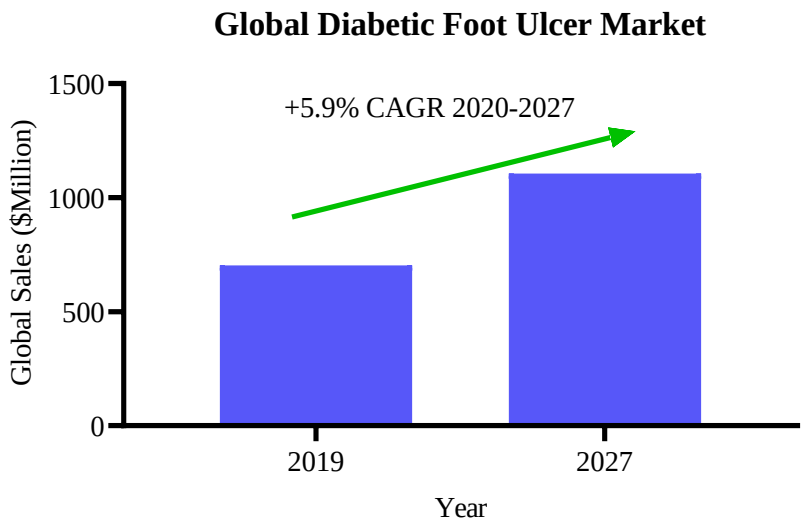
(1) Origins and Destinations of Primary Products (Services)

For new drug authorization, the Company targets mainly the US, Asia, and Europe and is proactively approaching pharmaceutical companies in the US and Europe over collaborative development and technical transfer authorization of new drugs to secure sources of royalties and continuation of clinical trials.

A. ENERGI-F703/Diabetic foot ulcer (DFU)

It is indicated in the world-famous market survey report released by Fortune Business Insight, when calculated by a mean global prevalence rate of 6.3%, there are around 14 million people affected by diabetic foot ulcer among diabetic patients each year. The report says that the market share of diabetic foot ulcer in 2019 was worth about US$7.03 billion and it is expected that the market size will reach US$11.05 billion by 2027; the CAGR from 2020 to 2027 is up to 5.9%.

Forecast of sales of drugs on primary diabetic wound markets around the world (2020-2027)



Source: Global Market Report on Diabetic Foot Ulcer of Fortune Business Insight

B. ENERGI-F701/Abnormal Hair Loss (Treatment for alopecia)

The market survey analysis report of Grand View Research reveals that the market size of prescription drugs for abnormal hair loss around the world was worth US$7.8 billion in 2021 and it will grow at a CAGR of 8.1% from 2021 to 2028. The overall market size of drugs treating abnormal hair loss around the world in 2028 will reach US$14.2 billion.

C. Biotechnology Service

Analysis of the market for sales of the Company's reagents and experiment service reveals that the domestic market accounts for a majority. Proactive efforts have been made to explore the overseas market for the past few years, too. The amount and ratio of domestic and international sales over the past two years are as follows:

Unit: NTD thousand

Year / Location	2021		2022	
	Sales	Ownership (%)	Sales	Ownership (%)
Domestic	5,823	77.75%	6,524	88.76%
International	1,666	22.25%	827	11.24%
Total	7,489	100.00%	7,351	100.00%

(2) Market Share

New drugs of the Company currently being developed remain at the R&D stage and are yet to be available on the market. Therefore, no new drug-related sales and market share analyses are available at present.

(3) Future market supply and demand and future growth

A. ENERGI-F703： Topical Gel Treating Diabetic Foot Ulcer

To date, on the global drug market, Regranex® is the only one that has been approved by the FDA for the treatment of diabetic foot ulcer, but its patent has expired. Its active ingredient is the recombinant human platelet-derived growth factor - BB, which can only be used in a wound smaller than "5 square centimeters" and free of vascular disease and infection. Regranex® is a protein-based drug that needs to be stored at a low temperature and is costly (about Us$800/tube; 10 to 12 tubes are needed per treatment cycle). The US Food and Drug Administration released the product warning in June 2008 that with the use of 3 tubes of Regranex® and above, the risk of death may be increased for cancer patients by up to 5 folds. In other words, generally

acceptable effective drugs treating chronic wounds remain lacking on the market.

The active ingredient of ENERGI-F703 is a small-molecule compound that is known for its high level of stability and cheap price. Phase 2 clinical trials are completed in the US/Taiwan. Results show that ENERGI-F703 successfully fulfilled the treatment goals in terms of diabetic foot ulcer. Based on the study design, the clinical efficacy was significant as wounds healed completely after 12 weeks of treatment and ENERGI-F703 is known for its even greater user population as compared to Regranex®; the price is lower and better treatment results can be expected.

There are many domestic and international research teams devoted to the development of diabetic wound-healing drugs. Based on the properties and mechanism of action, such drugs can generally be divided into three categories, namely, recombinant human hormone proteins, Chinese herbal medicine, and ATP-related drugs. Recombinant human hormone proteins mainly accomplish wound healing by stimulating cell growth. The types covered include the recombinant human platelet derived growth factor (rhDGF), recombinant human epidermal growth factor (rhEGF), and recombinant human fibroblast growth factor (rhFGF), etc. Related domestic biotech companies that are developing diabetic wound-healing drugs mostly target unique Chinese herbs, including ON101 of Oneness Biotech and CSTC1 of Charsire Biotechnology. Oneness Biotech already received the botanical new drug permit from the TFDA in 2021. Phase 3 clinical trials of our company are currently ongoing in the US.

The other ATP-related drugs under development are compounds with defined structures. They work to increase the cell energy substance ATP, boost epidermal cell migration, and expedite wound healing, including ATP-liposome, Granexin, and the Company's ENERGI-F703. Although Phase 3 clinical trials have begun for Granexin, they were terminated early in 2020.

To sum up, treatment of diabetic wounds through surgery is the treatment strategy generally adopted nowadays in the clinical setting. It is obviously promising to develop drugs that help expedite wound healing, if any.

Comparison of new drugs being developed for treatment of diabetic foot ulcer

Item	Cytokine	Chinese herbal medicine	Boost cell energy
Mechanism (MOA)	Promote the growth of cells and blood vessels	Anti-inflammatory Promote the growth of cells	Boost cell energy (ATP) and promote cell migration
Active ingredient (API)	Recombinant human hormone protein	Unknown	Small molecule or peptide
Current product	1. Regranex® (rhPDGF, Smith&Nephew, US and other 17 countries) 2. Easyef (rh EGF, Daewoong Pharmaceutical, South Korea) 3. Regen-D (rh EGF, Bharat Biotech, India)	1. ON-101/Fespixon (Oneness, permit received in Taiwan, Clinical Phase 3 in the US) 2. CSTC-1 (Charsire, clinical Phase 2)	1. ATP- liposome (University of Louisville, pre-clinical animal experiment) 2. Granexin® gel (Firststring, Phase 3 clinical trials terminated) 3. **ENERGI-F703 gel (Energenesis Biomedical, Clinical Phase 3)**
Strengths	Promote growth of cells and blood vessels	Safe and relatively free of concerns	1. Safe and relatively free of concerns 2. Fewer side effects
Weaknesses	1. Tumor-related death rate may increase by 5 folds. 2. High selling price 3. Low stability	Unknown API, more difficult to commercialize	Short half-life and quick metabolism

B. ENERGI-F701： Topical Solution to Prevent Against Hair Loss

Abnormal hair loss drugs that are available on the market only include Finasteride and Minoxidil. Their patents have all expired. Finasteride is a Type II 5-alpha reductase inhibitor that can effectively correct abnormal hair loss caused by androgen; it, however, is associated with sexual dysfunction and liver metabolism issues and may not be used in women. Minoxidil promotes hair growth because of its vasodilatory properties and the potassium channel opener. Nutrients underlying hair follicles are increased to render the hair growth-promoting effect. Because of its chemical structure, however, dissolution in 25% alcohol is required. Users hence may be affected by skin sensitivity and increased hair loss in the beginning and it does not work on abnormal hair loss triggered by androgen. Over the past nearly ten years, drugs that can effectively treat abnormal hair loss in men and women at the same time are yet to be available on the market around the world.

Phase 2 clinical trials of ENERGI-F701 in the US and Taiwan are completely unblinded. Clinical trial data analysis results reveal that ENERGI-F701 can significantly reduce the amount of hair loss at home and increase hair density. Early treatment results (4 weeks) reveal potential superiority to the active control group (Regaine/2% Minoxidil) and absence of safety concerns.

Analysis of the strengths and weaknesses of ENERGI-F701 and products that are already available on the market

Item \ Product	ENERGI-F701 Solution	Rogaine® (Rogaine)	Propecia® (Propecia)
Mechanism	Boost cell energy (ATP) to prevent against aging of hair follicle cells	Minoxidil Vasodilation	Finasteride Inhibit Type 2 5-alpha reductase
Application method	External use	External use	Oral administration
Scope of action	Forehead and vertex	Forehead and vertex	Forehead and vertex
Promotion of hair growth	Yes	Yes	No
Prevention against hair loss	Yes	No	Yes
Delayed aging of hair follicle cells	Yes	Not proven	Not proven
Applicable gender	Men and women	Men and women	Male

Side effects	Not observed	Hair loss in the beginning of use	Possible sexual dysfunction
Expected duration of efficacy	0.5-1 months	4-6 months	2-4 months

(4) Competition niche

With 2020 as the divider, analysis of the progress in the development of new drugs and the phased accomplishments of developers in Taiwan reveals a focus on the niche market that features relatively little competition and higher success rates. As such, the blue ocean strategy adopted by Energenesis Biomedical in the choice of drug is "stay away from cancer drugs and focus only on niche drugs." Detailed descriptions are provided below:

A. Focusing research and development on new uses of existing drugs helps increase the success rate of clinical experiments and allows sufficient safety information; it can also reduce the time and budget spent on R&D.

B. Indications yet to be fulfilled on the market are prioritized to maximize the commercial value of drugs and to make substantial contributions to the treatment of human disease.

C. The mechanism of action differs completely from that of other therapies. The novel mechanism of action is known with its wide range of effects on different cells. The up to 11 new drugs being researched and developed independently help address different indications and can effectively bring down the single risk of new drug development.

D. The Company has authorization over intellectual properties as a main source of its operating income. Through the strategic partner collaboration model and the collaborative development with the upstream, mid-stream, and downstream of the biomedicine industry, there is no need to afford the inventory and marketing risks associated with the production of drugs.

E. Energenesis Biomedical has extensively worked with major teaching and research institutes throughout the nation in the name of academic recruitment; to date, there have been more than 30 collaborative studies, which helps lower R&D expenditure and enhance the technical level.

(5) Favorable and Unfavorable Factors for Future Developments and Countermeasures

A. Favorable factors

(A) Expedite drug development by “repositioning of drugs”

Repositioning of drugs is the mainstream of R&D for the development of new drugs at Energenesis Biomedical because existing drugs have complete toxicology and pharmacokinetics data ad are free of safety concerns. For the two development projects, Both ENERGI-F703 and ENERGI-F701 begin directly with Phase 2 clinical trials, which not only significantly expedites new drug clinical trials but also saves the research budget needed in the development of new drugs.

(B) Protect patents and intellectual properties

Intellectual property rights over new drugs are the primary authorization products of a biotech new drug company. Energenesis Biomedical has patented respective indications for purpose of protection and begun global deployment. In the future, the usage and formulation will be patented; the duration of protection from the patents will be extended; and the overall value of a new drug will be increased.

B. Unfavorable factors

(A) Lengthy R&D duration and low success rate

New drug research and development is a long road and requires devotion of excessive research manpower, time, and money from pre-clinical studies to clinical trials of respective phases. Besides, only 10% of new drugs can be introduced to the market successfully; the risk of failure is high.

Countermeasure

a. Repositioning of Drugs as R&D Mainstream

Markets without drugs or with unmet topical drugs are prioritized in order to increase the success rate in the development of new drugs and to expedite the new drug development timeline. Once a Phase 2 clinical trial is approved, proactive efforts are made to seek technical authorization or collaborative development with international pharmaceutical companies and to expedite the deployment of new drugs around the world.

b. Increase new drugs to be developed

Increase the number of products through new drug patent deployment and modify the formulation technology to extend the duration of patents in order to minimize the risk posed by the failure of a single item on the overall operation.

2. Major product applications and manufacturing processes

(1) Major applications of core products:

A. New drug developments

New drugs of the Company that are under development remain at the R&D stage; no products are available on the market yet. Projects that have reached the clinical trial stage are shown as follows:

Project	Mechanism of action	Indication
ENERGI-F703	Activate AMPK, increase cell energy ATP	Diabetic foot ulcer (DFU)
ENERGI-F703VLU	Activate AMPK, increase cell energy ATP	Venous leg ulcer (VLU)
ENERGI-F701	Activate AMPK, increase cell energy ATP	Abnormal hair loss

B. Reagent and experiment service analysis

Main product	Important purpose
Reagent	In life sciences studies, experiments conducted require different equipment, reagents, and approaches to be completed successfully. The research test kit, on the other hand, standardizes reagents and operational methods to facilitate completion of specific experiments and increase the success rate of each experiment. Energenesis Biomedical, with multiple test kits available, enables completion of Western blot, proteomics, antibody production and protein purification, quantification, electrophoresis, and dyeing.
Experiment service analysis	Life sciences studies, as the instruments become more and more precise, need to be conducted by specialists. The enormous data obtained from novel experiments also need to be analyzed by specialized technicians. Energenesis Biomedical has professionals available to address inquiries from researchers, conduct experiments and operate instruments, and analyze results, among others, and assist researchers in completing the studies.

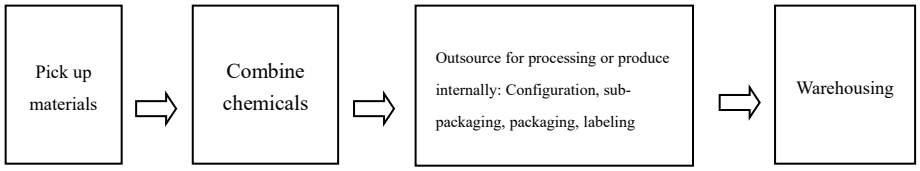
(2) Production/Preparation Processes of Primary Products:

A. Development of New Drugs

The active ingredients of ENERGI-F703 and ENERGI-F701 developed by the Company are outsourced to SCI Pharmtech for synthesis and then to Panion & BF

Biotech for configuration, filling, and sub-packaging reflective of the different dosage levels and dosage forms.

B. Sales of reagents



3. Supply of major raw materials

Since the Company is a new drug developer, no products are available on the market yet. The main source of revenue at present is the sales of reagents and income from providing experiment service. For the reagents and experiment analysis service, required consumables are purchased externally or the experiment equipment is used. For each consumable, there are at least two suppliers. The supplies are steady and there are no transactions with only one supplier.

4. The names of customers who have accounted for more than 10% of the total purchase in any of the last two years and the amount and proportion of their purchase, together with the reasons for the increase or decrease

A. The names of customers who have accounted for more than 10% of the total purchase over the past two years and the amount and ratio of their purchases and reasons for the increase or decrease

Unit: NTD thousand

	2021				2022				2023 up to the preceding quarter			
Item	Name	Amount	Net Purchase Percentage	Relationship with issuer	Name	Amount	Net Purchase Percentage	Relationship with issuer	Name	Amount	Percentage in the net purchases of the current year up to the end of the first three quarters (%)	Relationship with issuer
1	National Taiwan University	481	24.76	None	National Taiwan University	326	17.40	None	As f the date this Annual Report was printed, materials from the latest quarter that have been audited (reviewed and approved) by the CPAs were yet to be received.			
2	Hour Mission	211	10.86	None	-	-	-	-				
	Other	1,251	64.38	-	Other	1,548	82.60	-				
	Net Total Supplies	1,943	100.00	-	Net Total Supplies	1,943	100.00	-				

Reason(s) for Change: Suppliers of the Company mainly change with the actual demand of respective customers.

B. Names of customers with 10% or more sales and the values and ratios of the sales over the past two years as well as reasons for the increase or decrease.

Unit: NTD thousand

	2021				2022				2023 up to the preceding quarter			
Item	Name	Amount	Percentage of net sales %	Relationship with issuer	Name	Amount	Percentage of net sales %	Relationship with issuer	Name	Amount	Percentage in the net sales of the current year up to the end of the first three quarters (%)	Relationship with issuer
1	SCIENCE	1,932	25.80	None	Wing Fu	1,834	25.80	None	As f the date this Annual Report was printed, materials from the latest quarter that have been audited (reviewed and approved) by the CPAs were yet to be received.			
2	Everything Biotech Ltd.	950	12.69	None	-	-	-	-				
	Other	4,607	61.51	-	Other	5,517	75.05	-				
	Net sales	7,489	100.00	-	Net sales	7,351	100.00	-				

Reason(s) for Change: The primary customers each year change with the demand of respective customers for experiment service.

5. Production volume for the last two years: The Company does not deal with production and manufacturing and hence it is not applicable.

6. Sales volume for the last two years

Unit: Quantity: Unit; Value: Thousand NTD

Year / Sales Quantity and Amount / Core product	2021				2022			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Income from sales of reagents	2,208	2,462	601	1,666	1,151	2,103	344	826
Service revenues	726	3,361	-	-	480	4,422	-	-
Total	2,934	5,823	601	1,666	1,631	6,525	344	826

Reason(s) for Change: Both domestic and international sales have grown.

III. **Number of current employees, mean number of years in service, mean age, and distribution of education in the most recent two years and up to the date this annual report was printed:**

Unit: People; Age; Year; %

Year		2021	2022	March 31, 2023
Employee count	Manager and higher-ranking supervisor	17	17	17
	Ordinary staff	14	11	12
	Total	31	28	29
Average age		39.68	41.83	41.59
Average years of service		4.24	5.00	5.01
Education Ownership (%)	Ph.D	22.58	25.00	24.14
	MA	51.61	50.00	51.72
	University/College	25.81	25.00	24.14
	High school	0.00	0.00	0.00
	Below high school	0.00	0.00	0.00

IV. **Environmental protection expenditure information:**

(I) According to laws and regulations if it is required to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage, or to pay anti-pollution fees, or to organize

and set up an exclusively responsible unit/office for environmental issues, the description of the status of such applications, payment or establishment shall be made: None.

(II) Investments in major equipment to help prevent against environmental pollution and the purposes as well as possible benefits: None.

(III) How the Company improved environmental pollution over the past two years up to the date the Annual Report was printed: None.

(IV) The total value of losses (including compensation) and dispositions of the Company over the past two years up to the date the Annual Report was printed and description of future countermeasures (including improvement measures) and possible expenses (including estimated values of possible looses, dispositions, and compensation if no countermeasures were not adopted; if they cannot be reasonably estimated, descriptions of facts that they cannot be reasonably estimated should be provided): None.

(V) Explain the current status of pollution, its effects on the Company's earnings, competitive position and capital spending, and capital expenditure estimated major environmental protection measures in the following year: None.

V. Employer-employee relations:

(I) The Company's employee welfare measures, continuing education, training, retirement regulations and their actual implementation, along with employer-employee agreements, and measures for protecting employee rights:

1. Employee welfare

① Employee share options.

② Periodic birthday celebrations and birthday gift money.

③ Annual performance bonus.

④ Employee travel subsidies.

⑤ Professional employee training and continuing education subsidies.

⑥ Employee group insurance.

⑦ Employee health checkup subsidies.

⑧ Employee Sports subsidies.

2. Continuing Education and Training

Talent is essential to the competitive advantages of a Company. Educational training helps inspire potential in employees, boost employee knowledge, and efficiency at work to help the Company realize sustainable operation and accomplish

developmental goals. The Company has the Human Resources Department to arrange educational training programs from time to time reflective of the needs of respective departments and send people to attend trainings organized by external institutions o that its staff has complete access to trainings and continuing education; it helps boost the professionalism and core competencies of employees and reinforce thorough trainings and continuing education available for its employees.

3. Retirement system and implementation status

Employee retirement requirements of the Company are based on the Labor Standards Act. On a monthly basis, 6% is set aside from employees' salaries to be the retirement fund and is stored in the Individual Pension Account.

4. Labor-management Agreement and Various Measures to Protect Rights of Employees

The Company is devoted to reinforcing labor management harmony and inspires employee morale by providing incentives. The employer-employee relations have been amicable to date; there are no major labor-management disputes.

(II) Losses as a result of labor-management disputes and disclosure of current and possible future estimates and countermeasures over the most recent year up to the date the Annual Report was printed. If reasonable estimates are impossible, state the facts why they cannot be reasonably estimated: No such incidents have occurred..

VI. **Cybersecurity management:**

(I) State the cybersecurity risk management framework, cybersecurity policies, specific management plans, and the resources invested in cybersecurity management.

1. Information and Communication Security Management Strategy and Framework:

Although a cross-departmental information security committee is yet to be established in the Company, the head of the Information Management Section of the Main Management Office is currently responsible for addressing and performing information security-related tasks. The Company's Audit Committee is responsible for monitoring corporate information and communication security. The Company also periodically has an internal and external third party to perform risk management audits reflective of the information management cycle in order to ensure the security of internal information each year and periodically calls for meetings where information security and protection directives and policies are examined and decided to consolidate valid information and communication security management measures.

2. Cybersecurity Policies:

The Company's information and communication security policies and management measures are described as follows:

（1） Periodically perform an inventory check of information assets and personal data rosters; manage risks reflective of information security and personal data risk reviews; and consolidate respective control measures.

（2） Organize educational trainings and communication events on information security and personal data protection periodically; all new hires need to sign the Employee Confidentiality Agreement.

（3） Contractors need to sign the Confidentiality Agreement in order to ensure that related information-based assets of the Company are protected against authorized access, alteration, destruction, or improper disclosure, among others.

（4） Suitable backup, support or monitoring mechanism is already in place for important information systems or equipment and there are periodic rehearsals to maintain their availability.

（5） All personal computers are installed with the anti-virus software and it is periodically confirmed that the virus code is updated and use of unauthorized software is prohibited.

（6） Colleagues are asked to properly keep their account number, password, and access and fulfill their user responsibilities and change their password periodically.

（7） Continue to introduce innovative technologies in safeguarding information security and to integrate the information security control mechanism as part of daily operating procedures such as software and hardware maintenance and operation and supplier information security management. Information security is monitored systematically to protect the confidentiality, integrity, and usefulness of important assets of the Company.

（8） Keep information security regulations effective. The audit unit fulfills its supervisory role. When employees violate applicable regulations and procedures, the management will impose personnel penalties depending on the severity of such violations (including annual performance or necessary legal action) in order to protect important classified information of the Company against disclosure.

3. Specific Management Plans and Resources Devoted to Information and Communication Security Management

In order to ensure that risks facing the Company may be controlled, the Company has an internal or external third party to audit risk management periodically according to regulations governing information management cycles so that the security of internal information may be ensured on a yearly basis.

The Company was already evaluated by an internal audit unit in November 2022 in compliance with the regulations governing information management cycles. The various risks that may occur regarding information and communication security during the operational process and their impacts were examined.

(II) List any losses suffered by the company in the most recent year and as of the date the annual report was printed due to significant cybersecurity 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: N/A.

VII. **Important Contracts**

Nature of contract	Contracting parties	Period	Major Contents	Restrictive clauses
Manufacturing Contract	SCI Pharmtech, Inc.	January 14, 2019 ~ January 14, 2024	Production and manufacturing of medicinal products (APIs)	Confidentiality Clause
Trial Authorization Agreement	QUEST PHARMACEUTICAL SERVICES TAIWAN CO., LTD.	July 6, 2020 ~ End of Study	Phase 3 pre-clinical animal toxicity study of ENERGI-F703	None
Trial Authorization Agreement	A2 HEALTHCARE TAIWAN CORPORATION	December 29, 2020 ~ End of Phase 2 clinical trials of ENERGI-F703VLU	Clinical Trial Research Service Contract	Confidentiality Clause
Manufacturing Contract	Panion & BF Biotech Inc.	March 1, 2021 ~ February 28, 2024	Authorized manufacturing of clinical trial drugs	Confidentiality Clause
Trial Authorization Agreement	Level Biotechnology Inc.	April 15, 2022 to August 16, 2024	6-Month and 9-month toxicity studies in rats, rat pharmacokinetics, canine 13-week study, and canine pharmacokinetics study	Confidentiality Clause
Trial Authorization	Syneos Health,LLC	May 27, 2022 ~ End of Phase 3 clinical	Authorization over Phase 3 clinical trials of ENERGI-	Confidentiality Clause

Nature of contract	Contracting parties	Period	Major Contents	Restrictive clauses
Agreement	&Syneos Health UK Limited	trials of ENERGI-F703	F703	
Biotechnology Service Contract	Boji Medical Technology Co., Ltd.	July 07, 2022 to July 7, 2024	NMPA Clinical Approval (Data Review) Service for F701 Treating Abnormal Hair Loss	Confidentiality Clause
Manufacturing Contract	CBC BIOTECHNOLOGICAL & PHARMACEUTICAL CO., LTD.	October 28, 2022 to October 28, 2024	Contract development and trial manufacturing of ENERGI-F705 (including clinical trial drugs and placebo)	Confidentiality Clause

Chapter VI. Financial Overview

I. Condensed balance sheets and consolidated income statements for the last five years, presented with the name of the responsible accountant and accompanying audit opinion:

(I) Condensed profit and loss statements for the past five years:

Unit: Thousand NTD

Year (Note 1) / Item		Financial Information for the Last Five Years					Up to March 31, 2023
		2018	2019	2020	2021	2022	
Current assets		342,515	653,928	554,484	739,984	503,485	(Note 2)
Property, plant and equipment		66,181	65,241	64,815	76,986	72,849	
Right-of-use assets		-	12,377	15,010	12,036	9,664	
Intangible assets		89,759	76,910	64,138	51,483	38,963	
Other assets		1,016	5,151	6,998	5,321	5,901	
Total assets		499,471	813,607	705,445	885,810	630,862	
Current liabilities	Before distribution	12,266	18,151	22,789	27,244	24,361	
	After Distribution	12,266	18,151	22,789	27,244	24,361	
Non-current liabilities		34,735	8,962	9,736	6,191	3,945	
Total liabilities	Before distribution	47,001	27,113	32,525	33,435	28,306	
	After Distribution	47,001	27,113	32,525	33,435	28,306	
Equity attributed to the owners of the parent company		452,470	786,494	672,920	852,375	602,556	
Share capital		487,790	586,620	593,550	663,710	668,450	
Share capital collected in advance		3,060	1,550	1,924	1,285	-	
Capital reserve		209,736	398,093	206,925	307,616	199,770	
Retained earnin	Before distribution	(248,116)	(199,769)	(129,479)	(120,236)	(265,664)	

gs	After Distribution	(248,116)	(199,769)	(129,479)	(120,236)	(265,664)	
Other equity		-	-	-	-	-	
Treasury stock		-	-	-	-	-	
Non-controlling interests		-	-	-	-	-	
Total equity	Before distribution	452,470	786,494	672,920	852,375	602,556	
	After Distribution	452,470	786,494	672,920	852,375	602,556	

Note 1: The above financial information provided for each period are based on financial reports audited and verified by an accountant.

Note 2: As of the date of publication of this Annual Report, materials from the latest quarter that have been audited (reviewed and approved) by an accountant have not yet been received.

(II) Condensed consolidated income statements for the past five years:

Unit: Thousand NTD

Year (Note 1) / Item	Financial Information for the Last Five Years					Up to 2023 March 31
	2018	2019	2020	2021	2022	
Operating income	4,650	6,251	7,081	7,489	7,351	(Note 3)
Operating margin	2,813	3,869	4,825	5,359	5,165	
Operating profit or loss	(108,657)	(153,238)	(133,586)	(122,090)	(271,654)	
Non-operating revenues and expenses	3,950	3,465	4,107	1,854	5,990	
Net profit before tax	(104,707)	(149,773)	(129,479)	(120,236)	(265,664)	
Continuing business units Net income for the period	(104,707)	(149,773)	(129,479)	(120,236)	(265,664)	
Losses from discontinued operations	-	-	-	-	-	
Net income (loss) for this period	(104,707)	(149,773)	(129,479)	(120,236)	(265,664)	
Other comprehensive income (OCI) for this period (Net income after tax)	-	-	-	-	-	
Total comprehensive income for this period	(104,707)	(149,773)	(129,479)	(120,236)	(265,664)	
Net profits attributable to owners of the parent company	(104,707)	(149,773)	(129,479)	(120,236)	(265,664)	
Profit attributable to non-controlling interests	-	-	-	-	-	
Total comprehensive income attributable to owners of the parent company	(104,707)	(149,773)	(129,479)	(120,236)	(265,664)	
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-	
Earnings per share (Note 2)	(2.36)	(2.85)	(2.19)	(2.00)	(3.99)	

Note 1: The above financial information presented for each year has been audited and verified by an accountant

Note 2: Uses the weighted average number of ordinary shares outstanding for that year as the calculation basis.

Note 3: As of the of printing for this annual report, materials from the latest quarter that have been audited (reviewed and approved) by an accountant have not yet been received.

(III) Names of auditors and audit opinions for the past five years:

Year	CPAs:	Unit name	Audit opinions
2018	Allen Chiang, Benjamin Shih	Deloitte, Taiwan	Unqualified opinion
2019	Allen Chiang, Benjamin Shih	Deloitte, Taiwan	Unqualified opinion
2020	Vivian Yeh, Hui-Min Huang	Deloitte, Taiwan	Unqualified opinion
2021	Shu-Juan Yeh, Guo-Ning Huang	Deloitte, Taiwan	Unqualified opinion
2022	Shu-Juan Yeh, Guo-Ning Huang	Deloitte, Taiwan	Unqualified opinion

II. **Financial Analysis Reports for the Previous Five Years:**

Analysis Items (Note 5) \ Year (Note 1)		Financial analysis for the past five years					Up to March 31, 2023
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to assets ratio (%)	9.41	3.33	4.61	3.77	4.49	
	Long-term capital to property, plant and equipment ratio (%)	736.17	1,219.26	1,053.24	1,115.22	832.55	
Solvency (%)	Current ratio (%)	2,792.39	3,602.71	2,433.12	2,716.14	2,066.77	
	Quick ratio (%)	2,737.23	3,552.79	2,394.02	2,670.41	1,997.32	
	Interest coverage ratio	(Note 2)	(Note 2)	(Note 2)	(Note 2)	(Note 2)	
Operating ability	Receivables turnover (times)	3.63	7.19	7.52	6.16	5.17	
	Average collection days	101	51	49	60	71	
	Inventory turnover (times)	1.65	2.28	2.75	3.04	3.51	
	Payables turnover (times)	2.13	11.34	9.40	7.49	6.56	
	Average days of sales	221	160	133	120	104	
	Turnover of property, plant and equipment (times)	0.07	0.10	0.11	0.11	0.10	(Note 4)
	Total asset turnover (times)	0.01	0.01	0.01	0.01	0.01	
Profitability	Return on asset (%)	(25.91)	(22.72)	(17.00)	(15.08)	(35.00)	
	Return on equity (%)	(29.59)	(24.18)	(17.74)	(15.77)	(36.52)	
	Net income before tax to paid-in capital ratio (%)	(21.47)	(25.53)	(21.81)	(18.12)	(39.74)	
	Net profit margin (%)	(2,251.76)	(2,395.98)	(1,828.54)	(1,605.50)	(3,613.98)	
	Earnings per share (NTD)	(2.36)	(2.85)	(2.19)	(2.00)	(3.99)	
Cash Flow	Cash flow ratio (%)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	
	Cash flow adequacy ratio (%)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	
	Cash reinvestment ratio (%)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	(Note 3)	
Leverage	Operating leverage	0.85	0.88	0.85	0.81	0.91	
	Financial leverage	0.99	1.00	1.00	1.00	1.00	

Year (Note 1) / Analysis Items (Note 5)	Financial analysis for the past five years					Up to March 31, 2023
	2018	2019	2020	2021	2022	
Reasons for changes to each financial ratio in the last two years. (If the increase or decrease does not reach 20%, the analysis can be exempted) Long-term capital to property, plant and equipment ratio, current ratio, quick ratio, return on assets, return on equity, ratio of pre-tax income to share capital, net profit margin, and earnings per share: Changes are mainly due to significantly higher expenditures on the ENERGI-F703 (F703) Diabetic Foot Ulcer Topical Gel Phase 3 clinical trials that began this year in the United States, and the preparations for applying for ENERGI-F705 (F705) Parkinson's Disease Treatment Phase 1 clinical trials, leading to lower long-term capital, current assets, and liquid capital, and increases to operating losses and losses after tax.						

Note 1: Audited by accountants.

Note 2: Net income before tax is negative, so this figure has not been calculated.

Note 3: Net cash flow from operating activities this year is negative, so this figure has not been calculated.

Note 4: As of the publication date of this Annual Report, materials from the latest quarter that have been audited (reviewed and approved) by an accountant have not yet been received

Note 5: The formulas used to calculate these figures are as follows:

1. Financial structure
   (1) Debt to total assets ratio = total liabilities/total assets.
   (2) Ratio of long-term capital to real estate properties, plants and equipment = (total equity + non-current liabilities)/net property, plant, and equipment.
2. Solvency
   (1) Current ratio = current assets/current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities.
   (3) Interest Coverage Ratio = earnings before interest expense and income tax/interest expense.
3. Operating ability
   (1) Accounts receivable (including accounts receivable and notes receivable arising from operations) turnover ratio = net sales/average accounts receivable (including accounts receivable and notes receivable arising from operations) balance.
   (2) Average collection period = 365/receivables turnover.
   (3) Inventory turnover = cost of goods sold/average inventory.
   (4) Accounts payables (including accounts payable and notes payable arising from operation) turnover ratio = cost of goods sold/average accounts payable (including accounts payable and notes payable arising from operation) balances.
   (5) Average inventory turnover days = 365/inventory turnover.
   (6) Property, plant, and equipment turnover ratio = net sales/average net of property, plant, and equipment.
   (7) Total assets turnover ratio = net sales/average total assets.
4. Profitability
   (1) Return on assets = (net income + interest expenses × (1 - tax rate))/average total assets.
   (2) Return on equity = income after tax/average total equity.
   (3) Net profit margin = net income/net sales.
   (4) Earnings per share = (profit or loss attributable to owners of the parent company - preferred stock dividends)/weighted average number of shares issued.
5. Cash Flow
   (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
   (2) Net cash flow adequacy ratio = net cash flow from operating activities for the past five years/(capital expenditure + inventory + cash dividend) for past five years.
   (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend)/(net property, plant, and equipment + long-term investments + other non-current assets + working capital).
6. Leverage:
   (1) Operating leverage = (net operating income - variable operating cost and expenses)/operating income.
   (2) Financial leverage = operating income/(operating income - interest expenses).

III. **Audit Committee Review Report on the Latest Annual Financial Report:**

Energenesis Biomedical Co., Ltd.
Audit Committee's Review Report

The Company's Board of Directors prepared and submitted the 2022 Business Report, Financial Statements, and Proposal of Appropriation for Offsetting Deficits. The Financial Statements, in particular, have been audited by CPA Shu-Juan Yeh and CPA Guo-Ning Huang of Deloitte Taiwan. The Business Report, Financial Statements, and Proposal of Appropriation for Offsetting Deficits as mentioned above have been audited by the Audit Committee and nothing is believed to be non-conforming. They have also been approved unanimously among all members. As such, the Report is submitted as required by Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for your review.

To:
The Company's 2023 General Shareholders' Meeting

Energenesis Biomedical Co., Ltd.
Ke-Hua Ding, Convener of Audit Committee

March 6, 2023

IV. **Most recent financial report, including due diligence report issued by an accountant, two-year comparison of the balance sheet, consolidated income statement, statement of changes in equity, cash flow statement, and attached notes or charts:** Please refer to Attachment One.

V. **For the most recent CPA-certified standalone financial reports,** The Company has no consolidated entities, and is not required to prepare separate financial reports for each entity. This section has thus been omitted.

VI. **If the Company and its affiliated companies experienced instances of financial difficulties in the most recent year and up to the publication date of this annual report, state their impact on the financial position of the Company:** None.

Chapter VII. Discussion and analysis of financial standing and financial performance and risks

I. Financial overview:

Main reasons and factors for significant changes to assets, liabilities, and equity in the past two years. If there has been a significant impact on the Company, please specify any measures taken in response for the future:

Unit: NTD thousands

Year / Accounting items	2021	2022	Increase (decrease)	
	Amount	Amount	Amount	%
Current assets	739,984	503,485	(236,499)	(31.96)
Property, plant and equipment	76,986	72,849	(4,137)	(5.37)
Right-of-use assets	12,036	9,664	(2,372)	(19.71)
Intangible assets	51,483	38,963	(12,520)	(24.32)
Other assets	5,321	5,901	580	10.90
Total assets	885,810	630,862	(254,948)	(28.78)
Current liabilities	27,244	24,361	(2,883)	(10.58)
Non-current liabilities	6,191	3,945	(2,246)	(36.28)
Total liabilities	33,435	28,306	(5,129)	(15.34)
Share capital	663,710	668,450	4,740	0.71
Share capital collected in advance	1,285	-	(1,285)	(100.00)
Capital reserve	307,616	199,770	(107,846)	(35.06)
Retained earnings	(120,236)	(265,664)	(145,428)	(120.95)
Total equity	852,375	602,556	(249,819)	(29.31)

Please specify the main reason for and impact of any increase or decrease of twenty percent or more, if the amount of the change is NT$10 million or more. Also specify any measures taken in response for the future:

1. Current assets, total assets, retained earnings, total equity: The main reasons for changes to these figures in 2022 are the US Phase 3 clinical trials for F703 that began that year, and preparations for applying for clinical trials for F705. These operations required significant expenses, leading to a decrease in the Company's current assets, total assets, retained earnings, and total equity.
2. Capital surplus: Capital surplus mainly decreased in 2022 due to the Company using capital surplus to cover losses.
3. Intangible assets: The Company's intangible assets decreased in 2022 mainly due to amortization.

II. **Financial performance:**

(I) Comparative financial performance analysis table

Unit: Thousand New Taiwan Dollars (NT$)

Year / Item	2021	2022	Increase (decrease)	
	Amount	Amount	Amount	%
Operating income	7,489	7,351	(138)	(1.84)
Operating costs	2,130	2,186	56	2.63
Operating margin	5,359	5,165	(194)	(3.62)
Operating expenses	127,449	276,819	149,370	117.20
Operating losses	122,090	271,654	149,564	122.50
Non-operating revenues and expenses	1,854	5,990	4,136	223.09
Net loss before tax	120,236	265,664	145,428	120.95
Net losses for the period	120,236	265,664	145,428	120.95
Please specify the main reason for and impact of any increase or decrease of twenty percent or more, if the amount of the change is NT$10 million or more. Also specify any measures taken in response for the future: The main reasons for changes to these figures in 2022 are the US Phase 3 clinical trials for F703 that began that year, and preparations for applying for clinical trials for F705. These operations required significant expenses, leading to an increase in the Company's operating expenditures, operating losses, losses before tax, and net losses for this period. The Company has proactively approached international pharmaceutical companies to raise funds through licensing, and has also made proactive efforts to raise capital in order to bolster our working capital.				

(II) Estimated sales volume and basis for estimate made, possible impact on the Company's future financial operations and response plans:

Drug development is the Company's main business operation. Despite also receiving income from offering trial data analysis services, the Company will focus in the future on collecting royalties from licensing drugs. At the moment, the Company is financially sound. The Company possesses sufficient working capital for next year's drug development operations, and our financial operations and continuing drug development plans will not be impacted.

III. **Cash flows:**

(I) Analysis and explanation of changes to cash flow for the previous year:

Unit: Thousand New Taiwan Dollars (NT$)

Item \ Year	2021	2022	Percentage change
Operating activities	(97,286)	(232,840)	139.34
Investment activities	(115,762)	175,417	(251.53)
Financing activities	287,983	(1,752)	(100.61)

Cash flow analysis:

1. Operating activities: The main reasons for changes to these figures in 2022 are the US Phase 3 clinical trials for F703 that began that year, and preparations for applying for clinical trials for F705, as these operations required significant expenses.
2. Investment activities: Mainly due to capital raised in 2021 being converted into financial assets at amortized cost (fixed deposits), assets which were then partially used in 2022 to provide necessary operating funds.
3. Financing activities: Mainly due to the stock issue carried out in 2021 by the Company in order to raise capital.

(II) Improvement plan for lack of liquidity:

Based on the Company's cash assets at the end of 2022, the Company holds sufficient funds on hand to ensure liquidity.

(III) Analysis of cash flow changes in the coming year:

Unit: Thousand New Taiwan Dollars (NT$)

Cash balance at beginning of period (1)	Expected annual net cash flow from operating activities (2)	Annual net cash in(out)flow from investment and capital-raising activities (3)	Remainder cash balance (deficit) (1) + (2) + (3)	Remedial measures for cash deficit	
				Investment plans	Financing plans
484,669	(292,092)	428,696	621,273	-	-

1. Change in cash flow analysis for the coming year:
   Operating activities: Mainly due to cash outflows estimated by the Company based on the Company's current drug development progress, drug development projects for the year, and new drug licensing projects.
   Investment activities: Mainly due to the estimated cash outflows for purchase of operating and development equipment for the coming year.
   Financing activities: Mainly due to estimated cash inflows from stock issue to raise capital.
2. Measures for remedying cash deficits: N/A.

IV. **Effect of Major Capital Spending on Financial Position and Business Operation in the Most Recent Year:** None.

V. **Re-investment policy in the past year, respective profit/loss and main reasons, improvement plan, and investment plan for the coming year:** None.

VI. **Risk analysis of the following items for the most recent year, up to the date the annual report was printed:**

(I) Impacts of interest rates, exchange rate fluctuation and inflation situation on the company's profit and loss, and the future countermeasures:

1. Interest rate changes:

The Company does not currently have any outstanding bank loans, and we earned NT$3,926 thousands and NT$2,410 thousands in interest income in 2022 and 2011, which accounted for 53,41% and 32.18% of our net operating revenue respectively. This is mainly due to the Company being mainly focused on drug development activities, and as we are still in the development phase of our drug products, we current do not earn any drug licensing income. This, interest income is not the Company's main source of profits, and the Company has not taken out any bank loans. Overall, interest rate changes do not have a significant impact on the Company. However, the Company shall still continue to constantly monitor market interest rates for changes, and take appropriate measures in response in order to reduce the impact of interest rate changes on Company profits.

2. Changes to currency exchange rates:

At the moment, some of the transactions that the Company conducts with our customers and suppliers are denominated in foreign currency. In 2022 and 2011, our foreign exchange gains were NT$2,259 thousands and NT$6 thousands, respectively. These gains accounted for 30.74% and 0.08% respectively of our net operating revenue. The main impact that foreign exchange rate changes have on the Company comes from the risk of foreign exchange rate fluctuations that our foreign currency assets and liabilities are exposed to. Specifically, the clear increase in foreign exchange gains for the Company in 2022 was mainly due to a large increase in expenses for our ENERGI-F703 Phase 3 clinical trials for the United States. Considering that the United States Federal Reserve might greatly raise interest rates in order to combat inflation, leading to an appreciation of the US dollar, the Company purchased USD fixed deposits in order to reduce the exchange rate risk facing the Company. In the future, the Company shall continue to monitor exchange rate trends and changes, and take action to reduce exchange rate risk in response to fluctuations in exchange rates for the US dollar and

other important countries based on the dates that the Company expects to have to make payments on.

3. Inflation risk:

The Company is currently in the clinical trial and pre-clinical trial phases, and have not obtained approval to market our drugs. After completing development of a new drug, the Company shall license this drug to major international drug producers, who would then manufacture and sell the drug. The Company thus does not make large procurements of raw materials, nor does it directly sell drugs, but nevertheless the Company would still in the future dynamically manage the effect that inflation would have on our various expenses. The Company would also maintain good relations with our customers and suppliers, reducing the impact of inflation on our profits.

(II) Policies of engaging in high-risk, high-leverage investments, lending to others, providing endorsement and guarantee, derivatives transactions, profit/loss analysis, and future response measures:

The Company is mainly focused on drug development. For the most recent year, up to the date of publication of the annual report, the Company has not engaged in any high risk or highly-leveraged investments, extended loans to other parties, provided endorsement or guarantees, or conducted any transactions involving derivative financial products.

Additionally, the Company has also established Procedures for the Acquisition or Disposal of Assets, Procedures for Endorsements and Guarantees, and Procedures for Extending Loans to Others, all of which have been approved by the Board of Directors. The Company shall comply with these procedures should we be required to conduct any of these actions in the future.

(III) Future R&D projects and estimated R&D expenditure:

1. Future improvement plans

At the moment, two of our drug development clinical trial projects, the ENERGI-F703 Topical Gel for Treating Diabetic Foot Ulcer and the ENERGI-F703 Topical Solution for Treating Alopecia, have already completed Phase 2 clinical trials for the United States and Taiwan.

Apart from these two drug development projects, the Company has also begun pre-submission clinical trial IND evaluations and data preparation for our ENERGI-F703EB Topical Cream for Treating Wounds in Hereditary Epidermolysis Bullosa and ENERGI-F705 Oral Drugs for Parkinson’s Disease projects. Additionally, the Company is

carrying out pre-clinical animal testing studies for our ENERGI-F702 Oral Drugs for Blood Sugar Control, ENERGI-F704 Oral Drugs for Inflammatory Bowel Disease, and ENERGI-F706 Cachexia Treatment drugs.

2. Estimated future research and development expenditures for the Company

The Company shall plan for future research and development expenses based on the progress of globally licensing our ENERGI-F703 and ENERGI-F701 drugs and our other drug development projects, as well as on our established manpower requirements and capital expenditure plans. Thus, should the Company begin earning licensing royalties and no longer have to continue paying expenses for phase 3 clinical trials for a region, or if the Company has managed our own capital safety stock, these events may lead to an increase or decrease to research and development expenditures.

(IV) Major changes in government policies and laws at home and broad and the impact on finance and business of the Company and response measures:

Drug development is a strategic industry that the Taiwanese government provides proactive support for. Various government agencies offer tax incentives and research and development grants for drug projects, creating a business ecosystem conducive to industry development and innovation. Additionally, the Company complies with all domestic and international laws and regulations. The Company's management is constantly monitoring for any changes to important domestic and international laws and policies that may affect the Company's financial operations, adjusting our business strategies in response.

During this year and the past year, up until the date of publication of this Annual Report, the Company's financial operations have not been impacted by any changes to major domestic or international policies and laws.

(V) Impact of recent technological (including information security risks) and market changes on finance and business of the Company, and response measures:

Drug development is an industry with high barriers to entry, long research and development times, and high technological requirements, meaning that large changes to the industry are relatively unlikely to take place quickly. The Company's research and development team also have a grasp of the trends and timing of drug development, and have taken the initiative to evaluate potential impacts to the industry and establish strategies for responding to these potential events. This allows the Company to closely monitor technological and industry changes, and implement appropriate measures in response.

In order to promote information security policies, the Company has implemented procedures for reporting and handling information security incidents, conducted regular information security risk assessments, implemented training courses on information security, and established information security maintenance plans and audit systems. The Company has strictly implemented measures for managing information security.

For the past year and up to the publication date of this Annual Report, technological changes (including information security risks) and changes to the industry have not significantly impacted the Company's financial operations.

(VI) Impact of change in corporate image on risk management and response measures:

Since our founding, the Company has continued to focus on business integrity and stability. We will continue improving our internal management measures and proactively communicating with the public in order to avoid business crises.

As the Company complies with laws and regulations for all of our business operations, no incidents that have affected the Company's corporate image or led to a business crisis have occurred in the past year up to the date of publication of this annual report.

(VII) Expected benefits and potential risks of mergers and acquisitions, and response measures:

The Company has no plans to enter into a merger or acquisition in the past year up to the publication date of this Annual Report.

(VIII) Expected benefits and potential risks of capacity expansion, and response measures:

The Company has no plans to expand its warehouse capacity in the past year up to the publication date of this Annual Report, so this section has been omitted.

(IX) Risks associated with over-concentration in purchases or sales, and response measures:

1. Procurement risks:

The Company is currently in the drug development phase, and our main source of income is derived from reagent sales and providing trial data analysis services. As production of biotechnology products require relatively high technical barriers to entry and have strict quality requirements, the Company has chosen to transact with high-quality suppliers, taking into consideration our need for stable product quality. However, taking into consideration procurement costs, quality, and risk diversification needs, we will continue looking for new quality suppliers in order to reduce vendor concentration risk.

2. Sales risks:

The Company is currently in the drug development phase, and our main source of income is derived from reagent sales and providing trial data analysis services. Our sales customers are academic institutions conducting life sciences research, public and private universities, teaching hospitals, and biotechnology companies. In the future, we will continue our market expansion efforts and find new customers, as well as maintain good relations with our existing customers, reducing customer concentration risk.

(X) The effects and risks of large-scale share transfers or conversions by directors, supervisors, or major shareholders holding more than 10% of the Company's shares, and response measures:

The Company’s directors, supervisors, or principal shareholders with a over 10% stake in the Company have not conducted any large transfers of Company equity in the past year up to the date of publication of this Annual Report.

(XI) The impact and risk of a change in ownership on the Company, and response measures:

The Company’s management is committed to sustainable management development, and no changes of Company ownership have occurred in the past year up to the date of publication of this Annual Report.

(XII) Litigious or Non-litigious Matters:

1. For the past year and up to the publication date of the 2023 Annual Report, the facts of any legal dispute, the amount of the subject matter, the date of commencement of the litigation, the principal parties involved in the litigation and the current status of the litigation case of any litigious or non-litigious cases involving the Company where the outcome of the litigation, non-litigation, or administrative dispute has been determined or is still pending: N/A.
2. Litigation, non-litigation, or administrative dispute cases with outcomes that have been determined or are currently pending within the past year and up to the date of publication of the 2023 Annual Report involving the directors, supervisors, general managers, responsible employees, substantial shareholders, or affiliates of the Company with an over 10% stake in the Company, where the outcome of the litigation, non-litigation, or administrative dispute case may have a material impact on the Company's shareholders' equity or share price: N/A.

(XIII) Other significant risks and countermeasures:

(1) Risks and countermeasures should product development fail, product sales not meet expectations, or products be unable to be licensed to other parties

Drug development requires a long period of time, and large expenses need to be invested into the development and clinical trial process. Should development fail, or the drug be unable to be licensed to other parties, the Company's usable working capital would be affected, and the Company would face higher financial risks as a result. Considering the potential financial risks posed by drug research and development, the Company has not only proactively applied for drug research grants, but also conducted multiple rounds of capital-raising in previous years, increasing our level of working capital and ensuring the Company's continued business operations.

(2) Risks and countermeasures for reliance on third parties (such as CROs and CMOs) to carry out clinical trials and drug production once market approval is obtained

The Company's new drugs in development are based on the ENERGI drug development platform, from which we are developing various different new types of drugs and medical indications. We have applied for our own patents for these drugs, which means that the drug results and trial data from the clinical trials carried out on our behalf by hired CROs, and from the manufacture of our drugs by CMOs, are all sent to and organized by the Company. Thus, the Company has formed an experienced research team responsible for managing drug development, analyzing clinical trial data, designing clinical trials, and managing trial progress, ensuring that the Company remains highly competitive.

VII. **Other Critical Matters:** None.

Chapter VIII. Special Notes

I. **Profiles of Affiliates:** The Company does not have affiliates and hence it is not applicable.

II. **Status of private placement of securities in the most recent year up to the publication date of this Annual Report; the date of approval and basis and rationale for the quantity and price determined in the shareholders' meeting or Board of Directors meeting, specific person selection method, reasons for the necessity of private placement, targets of private placement, eligibility, quantity available for subscription, relationship with the Company, involvement in corporate operations, actual subscription (or conversion) price, difference between the actual subscription (or conversion) price and the reference price, impacts of private placement on shareholder equity, and the utilization status, plan implementation status, and manifestation of plan efficacy of private placement securities funds from when the capital stock or prices are received to completion of the funds utilization plan:**

The Company approved through its 2022 general shareholders' meeting that the Board of Directors would be authorized to organize private placement of common stock shares when the quantity is within 10,000,000 shares in three separate efforts within a year from the date the decision was made during the shareholders' meeting. Its discontinuation was approved by the Company's Board of Directors on March 6, 2023.

III. **Shares of the Company held or disposed of by subsidiaries in the most recent year up to the publication date of this annual report:**

The Company has no subsidiaries and hence it is not applicable.

IV. **Other necessary supplemental information:** None.

V. **Matters with important impacts on shareholders' equity or prices of securities as indicated in Article 36 Paragraph 3 Subparagraph 2 of the Act over the past year up to the date the Annual Report was printed:** None.

Attachment 1.
Financial Reports and Independent Auditor's Report for 2022

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Energenesis Biomedical Co., Ltd.

Opinion

We have audited the accompanying financial statements of Energenesis Biomedical Co., Ltd. (the "Company"), which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and 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 that came into effect 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of 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 financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters of the financial statements for the year ended December 31, 2022 are as follows:

<u>The Impairment Evaluation of Intangible Assets - Patent Right</u>

The balance of Energenesis Biomedical Co., Ltd.'s intangible assets - patent rights on December 31, 2022 is $38,850 thousand. The management carry out the impairment test of patent right in accordance with IAS 36 "Impairment of Assets". Since the determination of the recoverable amounts involves the subjective judgment and estimation of the management, which are highly uncertain. Therefore, we considered the impairment evaluation of intangible assets - patent right a key audit matter for the year.

We performed the following audit procedures to address the above key audit matter:

1. Evaluate the professional qualifications, competency and independence of the external independent evaluators engaged by the management and confirm that there are no matters that affect their objectivity or limit their scope of work, and that the methods used by the evaluators comply with relevant regulations.

2. Understand whether the evaluation methods and assumptions used by the management to estimate the evaluation of patent rights are reasonable.

3. Evaluate whether the royalty rate and discount rate used to calculate the value under the relief-from-royalty method are consistent with the company's current situation and its industry, and re-execute to check the calculation.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Standards on Auditing of 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 financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2022 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.

The engagement partners on the audits resulting in this independent auditors' report are Shu-Chuan Yeh and Kuo-Ning Huang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 18, 2023

Notice to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent 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. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

ENERGENESIS BIOMEDICAL CO., LTD.

BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 90,195	14	$ 149,370	17
Financial assets at amortized cost - current (Notes 4 and 7)	394,474	63	576,474	65
Notes receivable (Notes 4 and 8)	-	-	562	-
Accounts receivable (Notes 4 and 8)	1,534	-	745	-
Other receivables	161	-	97	-
Current tax assets (Notes 4 and 21)	163	-	253	-
Inventories (Notes 4 and 9)	556	-	689	-
Prepayments (Note 10)	16,362	3	11,769	2
Other current assets	40	-	25	-
Total current assets	503,485	80	739,984	84
NON-CURRENT ASSETS				
Property, plant and equipment (Notes 4 and 11)	72,849	12	76,986	9
Right-of-use assets (Notes 4 and 12)	9,664	1	12,036	1
Intangible assets (Notes 4 and 13)	38,963	6	51,483	6
Other non-current assets (Note 14)	5,901	1	5,321	-
Total non-current assets	127,377	20	145,826	16
TOTAL	$ 630,862	100	$ 885,810	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Accounts payable (Note 15)	$ 370	-	$ 296	-
Other payables (Notes 16 and 26)	18,089	3	20,821	2
Lease liabilities - current (Notes 4 and 12)	5,590	1	5,746	1
Other current liabilities	312	-	381	-
Total current liabilities	24,361	4	27,244	3
NONCURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4 and 12)	3,945	-	6,191	1
Total liabilities	28,306	4	33,435	4
EQUITY (Note 18)				
Capital common stock	668,450	106	663,710	75
Capital collected in advance	-	-	1,285	-
Capital surplus	199,770	32	307,616	35
Accumulated deficit	(265,664)	(42)	(120,236)	(14)
Total equity	602,556	96	852,375	96
TOTAL	$ 630,862	100	$ 885,810	100

The accompanying notes are an integral part of the financial statements.

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except Loss Per Share)

	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4 and 19)	$ 7,351	100	$ 7,489	100
OPERATING COSTS (Notes 9 and 20)	2,186	30	2,130	29
GROSS PROFIT	5,165	70	5,359	71
OPERATING EXPENSES (Notes 20, 23 and 26)				
Selling and marketing	3,903	53	3,733	50
General and administrative	59,236	806	61,957	827
Research and development	213,680	2,906	61,759	825
Total operating expenses	276,819	3,765	127,449	1,702
OPERATING LOSS	(271,654)	(3,695)	(122,090)	(1,631)
NON-OPERATING INCOME AND EXPENSES (Notes 4, 12 and 20)				
Interest income	3,926	53	2,410	32
Other revenue	14	-	36	1
Other gains and losses	2,259	31	(308)	(4)
Finance costs	(209)	(3)	(284)	(4)
Total non-operating income and expenses	5,990	81	1,854	25
LOSS BEFORE INCOME TAX	(265,664)	(3,614)	(120,236)	(1,606)
INCOME TAX EXPENSE (Notes 4 and 21)	-	-	-	-
NET LOSS	(265,664)	(3,614)	(120,236)	(1,606)
OTHER COMPREHENSIVE INCOME	-	-	-	-
TOTAL COMPREHENSIVE LOSS	$ (265,664)	(3,614)	$ (120,236)	(1,606)
LOSS PER SHARE (IN DOLLARS; Note 22)				
Basic	$ (3.99)		$ (2.00)	

The accompanying notes are an integral part of the financial statements.

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	Capital Common Stock (Note 18)	Capital Collected in Advance (Note 18)	Capital Surplus (Notes 18 and 23)	Accumulated Deficit (Note 18)	Total Equity
BALANCE AT JANUARY 1, 2021	$ 593,550	$ 1,924	$ 206,925	$ (129,479)	$ 672,920
Capital surplus used to offset against accumulated deficit	-	-	(129,479)	129,479	-
Disgorgement exercised	-	-	127	-	127
Net loss for the year ended December 31, 2021	-	-	-	(120,236)	(120,236)
Total comprehensive loss for the year ended December 31, 2021	-	-	-	(120,236)	(120,236)
Issuance of ordinary shares for cash	66,000	-	224,400	-	290,400
Recognition of compensation cost of employee stock options	-	-	4,917	-	4,917
Issuance of ordinary shares under employee stock options	4,160	(639)	726	-	4,247
BALANCE AT DECEMBER 31, 2021	663,710	1,285	307,616	(120,236)	852,375
Capital surplus used to offset against accumulated deficit	-	-	(120,236)	120,236	-
Net loss for the year ended December 31, 2022	-	-	-	(265,664)	(265,664)
Total comprehensive loss for the year ended December 31, 2022	-	-	-	(265,664)	(265,664)
Recognition of compensation cost of employee stock options	-	-	11,091	-	11,091
Issuance of ordinary shares under employee stock options	4,740	(1,285)	1,299	-	4,754
BALANCE AT DECEMBER 31, 2022	$ 668,450	$ -	$ 199,770	$ (265,664)	$ 602,556

The accompanying notes are an integral part of the financial statements.

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	$ (265,664)	$ (120,236)
Adjustments for:		
Depreciation	11,753	10,247
Amortization	12,660	12,655
Financial cost	209	284
Interest income	(3,895)	(2,378)
Compensation cost of employee stock options	11,091	4,917
Termination loss from lease	-	308
Sublease loss of right-of-use assets	-	6
(Reversal of)/write-down of inventories	(30)	40
Net changes in operating assets and liabilities:		
Notes receivable	562	(488)
Accounts receivable	(789)	306
Other receivables	9	45
Inventories	163	(17)
Prepayments	(5,469)	(3,480)
Other current assets	(15)	18
Contract liabilities - current	-	(42)
Accounts payable	74	23
Other payables	2,867	(1,676)
Other current liabilities	(69)	(14)
Cash used in operations	(236,543)	(99,482)
Interest received	3,822	2,422
Interest paid	(209)	(284)
Income tax refund	90	58
Net cash used in operating activities	(232,840)	(97,286)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(226,000)	(464,000)
Disposal of financial assets at amortized cost	408,000	357,000
Acquisition of property, plant and equipment	(6,447)	(8,604)
Decrease in refundable deposits	4	49
Acquisition of intangible assets	(140)	-
Decrease in rent receivables	-	85
Increase in prepayments for equipment	-	(292)
Net cash provided by (used in) investing activities	175,417	(115,762)

(Continued)

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	$ (6,506)	$ (6,791)
Issuance of ordinary shares for cash	-	290,400
Issuance of ordinary shares under employee stock options	4,754	4,247
Proceeds from disgorgement	-	127
Net cash (used in) provided by financing activities	(1,752)	287,983
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(59,175)	74,935
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	149,370	74,435
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 90,195	$ 149,370

The accompanying notes are an integral part of the financial statements. (Concluded)

(In Thousands of New Taiwan Dollars)

1. GENERAL INFORMATION

Energenesis Biomedical Co., Ltd. Corporation, which was incorporated in the Republic of China (ROC) in August 28, 2012, approved by Ministry of Economic Affairs. The company mainly engaged in the research and development of new drugs.

In August 18, 2017, The Company's shares have been approved of Public Offering by the Taipei Exchange, which have been listed on the Taipei Exchange (TPEx) Emerging Stock Board (ESB) since August 8, 2018.

The financial statements are presented in the Company's functional currency, the New Taiwan dollar (NTD).

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on February 18, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRS Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the IFRSs) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Company's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 2)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occurred on or after January 1, 2022.

As of the date the financial statements were authorized for issue, the Company assessed that the application of the aforementioned amendments and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers would not have significant impacts on the Company's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
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 IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of the initial application of IFRS 16.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of the other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed by the FSC.

b. Basis of preparation

The financial statements have been prepared on a historical cost basis.

c. Classification of current and non-current assets and liabilities

Current assets include:

- Assets held primarily for the purpose of trading;
- Assets expected to be realized within 12 months after the reporting period; and
- Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

- Liabilities held primarily for the purpose of trading;
- Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; and
- Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period. 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.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the Company's financial statements, transactions in currencies other than the Company's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

e. Inventories

Inventories are stated at the lower of cost or net realizable value. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

g. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Internally-generated intangible assets - research and development expenditures

Expenditures on research activities are recognized as expenses in the period when they are incurred.

An internally-generated intangible asset arising from the development phase of an internal project is recognized if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset;
- The ability to measure reliably the expenditures attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible asset is the sum of the expenditures incurred from the date when such an intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, such intangible asset is measured on the same basis as an intangible asset that is acquired separately.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Impairment of property, plant and equipment, right-of-use asset and intangible asset

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment properties and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest Company of cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss

i. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into financial assets at amortized cost.

Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i. The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii. The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, time deposits with original maturities of more than 3 months, accounts receivable and refundable deposits at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss. Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

b) Impairment of financial assets and contract assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) on each reporting date.

The Company always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

2) Equity instruments

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

j. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of good

Revenue from the sale of goods comes from sales of goods. Sales of goods are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from providing technical services. Payments from service contracts, which means the obligations of the Company to render services subsequently, are recognized as contract liabilities. The contract liabilities will transfer into revenue according to the completion of satisfying performance obligations. As the Company provides technical services over the contract period, related revenue is recognized.

k. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease and recognizing in profit or loss any gain or loss on the partial or full termination of the lease. Lease liabilities are presented on a separate line in the balance sheets.

l. Borrowing costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

m. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered services entitling them to the contributions.

n. Employee stock options

The fair value at the grant date of the employee stock options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee stock options. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash which are reserved for employees is the date on which the number of shares that the employees purchase is confirmed.

At the end of each reporting period, the Company revises its estimate of the number of employee stock options that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee stock options.

o. Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

1.

2. In the application of the Company's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

3.

4. The Company considers the possible impact of the recent development of COVID-19 and its economic environment implications when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

5.

Impairment of Intangible Assets

6.

7. Evaluating whether intangible assets are impaired requires the Company's subjective judgment to determine the lifetime of the solely cash flow assets in specific groups and probable profits and losses in the future. Any change of estimation results from economic circumstances or company strategies may cause material impairment loss in the future.

8.

9.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Petty cash	$ 84	$ 27
Bank deposits	73,520	145,343
Cash equivalents		
Time deposits with original maturities of 3 months or less	16,591	4,000
	$ 90,195	$ 149,370

The market rate intervals of cash in the bank at the end of the year were as follows:

	December 31	
	2022	2021
Bank balance	0.05%-0.95%	0.01%-0.05%
Time deposits with original maturities of 3 months or less	0.91%-3.05%	0.39%

7. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Current		
Time deposits with original maturities of more than 3 months	$ 394,474	$ 576,474
At amortized cost		
Gross carrying amount	$ 394,474	$ 576,474
Less: Allowance for impairment loss	-	-
Amortized cost	$ 394,474	$ 576,474

As of December 31, 2022 and 2021, the interest rates for time deposits with an original maturity of more than 3 months were 1%-1.55% and 0.4%-0.815%, respectively.

The credit risks of the financial instruments, including time deposits, are evaluated and monitored by the Company's finance department. The Company always chooses banks with high credit ratings to deal with.

8. NOTES AND ACCOUNTS RECEIVABLE

	December 31	
	2022	2021
Notes receivable		
Notes receivable - operating	$ -	$ 562
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 1,535	$ 746
Less: Allowance for impairment loss	(1)	(1)
	$ 1,534	$ 745

a. Accounts receivables

The average credit period of the customers from public sectors, tertiary institutions and hospitals is 180 days, and the average credit periods of other customers are 30-60 days approximately. No interest is charged on accounts receivables.

To maintain the quality of accounts receivable, the Company had set up processes for managing operating credit risks. The risk assessments of individual customers include factors of customers' financial position, accounts aging analysis and historical transaction records, which may affect customers' ability to pay. The Company also will apply some credit-enhancing instruments at the right time, for instance, asking customers to prepay, so as to reduce the credit risks of specific customers.

In addition, the Company reviews the recoverable amount of each individual accounts receivable at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivables. The expected credit losses on accounts receivables are estimated by reference to past default experience of the debtor and an analysis of the debtor's current financial position, and economic conditions of the industry. The company comprehensively considered the age of accounts receivable, the rating of customers, and the protective measures of accounts receivable to estimate the expected credit loss rate.

The following table details the loss allowance of accounts receivable.

December 31, 2022

	Not Past Due	1 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Gross carrying amount	$ 1,535	$ -	$ -	$ -	$ 1,535
Loss allowance (Lifetime ECLs)	(1)	-	-	-	(1)
Amortized cost	$ 1,534	$ -	$ -	$ -	$ 1,534

December 31, 2021

	Not Past Due	1 to 90 Days Past Due	91 to 120 Days Past Due	Over 120 Days Past Due	Total
Gross carrying amount	$ 746	$ -	$ -	$ -	$ 746
Loss allowance (Lifetime ECLs)	(1)	-	-	-	(1)
Amortized cost	$ 745	$ -	$ -	$ -	$ 745

During 2022 and 2021, the Company didn't recognize loss allowance. The loss allowance of accounts receivable is both $1 thousand on December 31, 2022 and 2021.

b. Notes receivables

The Company evaluated that the expected recoverable amount of notes receivable is equal to the carrying amount and therefore didn't recognize the loss allowance.

9. INVENTORIES

	December 31	
	2022	2021
Raw materials	$ 386	$ 470
Finished goods	170	219
	$ 556	$ 689

For the years ended December 31, 2022 and 2021, the costs of inventories sold were $388 thousand and $721 thousand, including write-down (reversal) of inventories of $30 thousand and $(40) thousand, respectively.

10. PREPAYMENTS

	December 31	
	2022	2021
Overpaid sales tax	$ 11,153	$ 8,352
Prepaid expense	5,180	3,417
Advance sales receipts	29	-
	$ 16,362	$ 11,769

11. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Equipment	Leasehold Improvements	Other Equipment	Total
Cost						
Balance at January 1, 2021	$ 54,030	$ 7,055	$ 6,401	$ 3,917	$ 3,241	$ 74,644
Additions	-	-	11,967	1,043	1,193	14,203
Reclassified	-	-	829	376	624	1,829
Disposals	-	-	-	(341)	-	(341)
Balance at December 31, 2021	$ 54,030	$ 7,055	$ 19,197	$ 4,995	$ 5,058	$ 90,335
Accumulated depreciation						
Balance at January 1, 2021	$ -	$ (1,481)	$ (3,894)	$ (2,840)	$ (1,614)	$ (9,829)
Depreciation expenses	-	(338)	(1,909)	(960)	(654)	(3,861)
Disposals	-	-		341	-	341
Balance at December 31, 2021	$ -	$ (1,819)	$ (5,803)	$ (3,459)	$ (2,268)	$(13,349)
Carrying amount at December 31, 2021	$ 54,030	$ 5,236	$ 13,394	$ 1,536	$ 2,790	$ 76,986
Cost						
Balance at January 1, 2022	$ 54,030	$ 7,055	$ 19,197	$ 4,995	$ 5,058	$ 90,335
Additions	-	-	848	-	-	848
Reclassified	-	-	292	-	-	292
Disposals	-	-	(305)	-	(180)	(485)
Balance at December 31, 2022	$ 54,030	$ 7,055	$ 20,032	$ 4,995	$ 4,878	$ 90,990
Accumulated depreciation						
Balance at January 1, 2022	$ -	$ (1,819)	$ (5,803)	$ (3,459)	$ (2,268)	$(13,349)
Depreciation expenses	-	(337)	(3,338)	(906)	(696)	(5,277)
Disposals	-	-	305	-	180	485
Balance at December 31, 2022	$ -	$ (2,156)	$ (8,836)	$ (4,365)	$ (2,784)	$(18,141)
Carrying amount at December 31, 2022	$ 54,030	$ 4,899	$ 11,196	$ 630	$ 2,094	$ 72,849

The above items of property, plant and equipment used by the Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	50 years
Subsidiary equipment	10 years
Equipment	2-10 years
Leasehold improvements	2-3 years
Other equipment	2-5 years

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amount		
Buildings	$ 5,685	$ 6,073
Transportation equipment	3,979	5,963
	$ 9,664	$ 12,036

	For the Year Ended December 31	
	2022	2021
Additions to right-of-use assets	$ 4,104	$ 4,706
Depreciation charge for right-of-use assets		
Buildings	$ 4,492	$ 4,354
Transportation equipment	1,984	2,032
	$ 6,476	$ 6,386
Loss from the subleasing of right-of-use assets (presented in other gains and losses)	$ -	$ 6

b. Lease liabilities

	December 31	
	2022	2021
Carrying amounts		
Current	$ 5,590	$ 5,746
Non-current	$ 3,945	$ 6,191

Range of discount rate for lease liabilities was as follows:

	December 31	
	2022	2021
Buildings	0.6956%-1.433%	0.6956%-1.62%
Transportation equipment	1.00%-4.0025%	1.00%-4.0025%

c. Material leasing activities and terms

The Company leases certain office and transportation equipment for operating with lease terms of 2 to 5 years. These arrangements do not contain renewal or purchase options at the end of the lease terms.

d. Subleases

The Company subleased its part of leased office to others from January 1, 2021. However, it terminated in advance on May 31, 2021.

e. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 266	$ 271
Expenses relating to low-value asset leases	$ 48	$ 62
Total cash outflow for leases	$ (7,029)	$ (7,408)

The Company's leases of parking spaces qualify as short-term leases and leases of certain equipment qualify as low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. INTANGIBLE ASSETS

	Patent Right	Computer Software	Total
Cost			
Balance at January 1, 2021	$ 126,000	$ 1,350	$ 127,350
Disposals	-	(307)	(307)
Balance at December 31, 2021	$ 126,000	$ 1,043	$ 127,043
Accumulated amortization			
Balance at January 1, 2021	$ 61,950	$ 1,262	$ 63,212
Amortization expenses	12,600	55	12,655
Disposals	-	(307)	(307)
Balance at December 31, 2021	$ 74,550	$ 1,010	$ 75,560
Carrying amount at December 31, 2021	$ 51,450	$ 33	$ 51,483
Cost			
Balance at January 1, 2022	$ 126,000	$ 1,043	$ 127,043
Additions	-	140	140
Balance at December 31, 2022	$ 126,000	$ 1,183	$ 127,183
Accumulated amortization			
Balance at January 1, 2022	$ 74,550	$ 1,010	$ 75,560
Amortization expenses	12,600	60	12,660
Balance at December 31, 2022	$ 87,150	$ 1,070	$ 88,220
Carrying amount at December 31, 2022	$ 38,850	$ 113	$ 38,963

The Company issued technology shares in exchange for Professor Han-Min Chen's patent right through resolution by the board of directors on January 18, 2016.

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Patent right	10 years
Computer software	3 years

14. OTHER ASSETS

	December 31	
	2022	2021
Non-current		
Refundable deposits	$ 5,025	$ 5,029
Long-term prepaid expense	876	-
Prepayments for purchases of equipment	-	292
	$ 5,901	$ 5,321

15. ACCOUNTS PAYABLE

	December 31	
	2022	2021
Accounts payable		
Operating	$ 370	$ 296

16. OTHER PAYABLES

	December 31	
	2022	2021
Current		
Payables for salaries and bonuses	$ 8,422	$ 8,585
Payables for contract research and development expenses	2,808	440
Payables for service	2,653	3,380
Payables for purchases of equipment	-	5,599
Others	4,206	2,817
	$ 18,089	$ 20,821

17. RETIREMENT BENEFIT PLANS

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

18. EQUITY

a. Share capital

Common stock

	December 31	
	2022	2021
Shares authorized (in thousands of shares)	100,000	100,000
Shares authorized (in thousands of dollars)	$ 1,000,000	$ 1,000,000
Shares issued and fully paid (in thousands of shares)	66,845	66,371
Shares issued and fully paid (in thousands of dollars)	$ 668,450	$ 663,710

The issued shares have a par value of $10 and have the rights of voting and receiving dividends.

The amount of shares reserved from shares authorized for granting employee stock options is 7,000 thousand.

The board of directors passed a resolution to carry out a cash capital increase by issuing new 10,000 thousand shares on April 9, 2021, with a premium issuance of $44 per share, which was approved per September 7, 2021 Order No. Financial-Supervisory-Securities-Corporate-1100357076. While the amount of issuing shares was adjusted to 6,600 thousand which was resolved by the board of directors on October 14, 2021, and the subscription base date was December 10, 2021.

For enhance the overall effectiveness of the business strategy, improve the financial structure, and increase the equity ratio, the Company planned to issue common shares through private placement for capital increase, which was resolved by the shareholders' meetings on May 27, 2022 and August 20, 2021, respectively. The Company planned to conduct three rounds within a year with limits of less than 10,000 thousand shares from the date of the shareholders' meeting resolutions, and could postpone or cancel the issuance. The issuance of common shares through private placement for capital increase, which was resolved by the shareholders' meetings on August 20, 2021, was canceled and discontinued within the remaining period because of the upcoming deadline and no eligible candidates selected yet.

The Company supplemented public issuance of 5,779 thousand privately placed common shares which was approved per July 7, 2022 Order No. Financial-Supervisory-Securities-Corporate-1110348308. There were still 4,130 thousand and 9,909 thousand privately placed common shares in the Company's shares issued not supplemental public issued yet on December 31, 2022 and 2021, respectively. The rights and obligations of the shares issued by the private placement will be the same as the issued and outstanding common shares of the Company. However, according to Article 43-8 of the Securities and Exchange Act, unless meeting certain circumstances, the privately placed shares shall not be transferred freely until three years after the delivery of privately placed shares.

The partial shares from exercising employee stock options during the year ended December 31, 2020 were converted to common shares due to the subscription base date on January 8, 2021. Those employee stock options were 141 thousand shares granted on December 1, 2016, 20 thousand shares granted on May 1, 2017 and 20 thousand shares granted on July 26, 2018 with exercise prices of $10, $12 and $13.7 per share, respectively.

The Company's employee exercised 63 thousand shares granted on December 1, 2016, 144 thousand shares granted on May 1, 2017 and 138 thousand shares granted on July 26, 2018 with exercise prices of $10, $12 and $13.7, which were adjusted to $13.6 after the subscription base date of cash capital increase, per share, respectively. Among them, there were 35 thousand, 75 thousand and 125 thousand shares converted to common shares and registered completely before December 31, 2021, respectively. The remaining of 28 thousand shares, 69 thousand shares and 13 thousand shares were still under capital collected in advance and unregistered before December 31, 2021, respectively.

The Company's employee exercised 2 thousand shares granted on December 1, 2016, 118 thousand shares granted on May 1, 2017 and 244 thousand shares granted on July 26, 2018 with exercise prices of $10, $12 and $13.6 per share, respectively. Those shares were converted to common shares and registered completely before December 31, 2022.

b. Capital surplus

	December 31	
	2022	**2021**
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 175,257	$ 289,662
Others (2)	122	530
May not be used for any purpose		
Employee stock options	24,391	17,424
	$ 199,770	$ 307,616

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) The amount on December 31, 2022 was expired employee stock options of $122 thousand; the amounts on December 31, 2021 include $127 thousand that the Company disgorged short-term trading benefits from a certain manager in accordance with the Securities and Exchange Act and expired employee stock options $403 thousand.

The Company offset deficit with capital surplus of $120,236 thousand and $129,479 thousand were approved in the shareholders' meetings on May 27, 2022 and August 20, 2021, respectively.

For the years ended December 31, 2022 and 2021, the adjustments of various capital surplus are as follows:

	Issuance of Ordinary Shares	**Employee Stock Options**	**Others**	**Total**
Balance at January 1, 2021	$ 190,525	$ 16,400	$ -	$ 206,925
Offset deficit with capital surplus	(129,479)	-	-	(129,479)
Issuance of ordinary shares for cash	224,400	-	-	224,400
Disgorgement exercised	-	-	127	127
Compensation cost of employee stock options	-	4,514	403	4,917
Issuance of ordinary shares under employee stock options	4,216	(3,490)	-	726
Balance at January 1, 2022	289,662	17,424	530	307,616
Offset deficit with capital surplus	(119,706)	-	(530)	(120,236)
Compensation cost of employee stock options	-	10,969	122	11,091
Issuance of ordinary shares under employee stock options	5,301	(4,002)	-	1,299
Balance at December 31, 2022	$ 175,257	$ 24,391	$ 122	$ 199,770

The Company proposed at the board of directors meeting on February 18, 2023 to offset the accumulated deficit with capital surplus - issuance of ordinary shares $175,257 thousand and capital surplus - others of $122 thousand. The proposal is still pending approval at the shareholders' meeting.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors and supervisors, refer to compensation of employees and remuneration of directors and supervisors in Note 20-f.

19. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from the sale of goods	$ 2,929	$ 4,128
Revenue from the rendering of services	4,422	3,361
	$ 7,351	$ 7,489

Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Trade receivables (Note 8)	$ 1,534	$ 1,307	$ 1,125
Contract liabilities			
Sale of goods	$ -	$ -	$ 42

Revenue in the current year that was recognized from the contract liability balance at the beginning of the year as follows:

	For the Year Ended December 31	
	2022	2021
From contract liabilities at the start of the year		
Sale of goods	$ -	$ 42

20. NET LOSS FROM CONTINUING OPERATIONS

Net loss attributable to:

a. Operating costs

	For the Year Ended December 31	
	2022	2021
Costs of service rendered	$ 1,798	$ 1,409
Costs of goods sold	388	721
	$ 2,186	$ 2,130

b. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 3,895	$ 2,377
Others	31	33
	$ 3,926	$ 2,410

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Net foreign exchange gains	$ 2,259	$ 6
Termination loss from lease	-	(308)
Sublease loss of right-of-use assets	-	(6)
	$ 2,259	$ (308)

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on lease liabilities	$ (209)	$ (284)

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
An analysis of depreciation by function		
Operating expenses	$ 11,753	$ 10,247
An analysis of amortization by function		
Operating expenses	$ 12,660	$ 12,655

f. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Post-employment benefits		
Defined benefit plans (Note 17)	$ 1,589	$ 1,666
Share-based payments		
Equity-settled	11,091	4,917
Other employee benefits	47,108	47,740
Total employee benefits expense	$ 59,788	$ 54,323
An analysis of employee benefits expense by function		
Operating expenses	$ 59,572	$ 54,114
Operating costs	216	209
	$ 59,788	$ 54,323

The Company accrues compensation of employees and remuneration of directors and supervisors at rates of no less than 1% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors and supervisors.

Because of net loss for the years ended December 31, 2022 and 2021, the Company didn't estimate the amounts of compensation of employees and remuneration of directors and supervisors.

If there is a change in the amounts before the annual financial statements are authorized for issue, the differences are adjusted to profit and loss, on the contrary, recorded as a change in the accounting estimate.

Information on the compensation of employees and remuneration of directors and supervisors resolved by the Company's board of directors for 2022 and 2021 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

21. INCOME TAXES

a. Major components of income tax expense are as follows

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ -	$ -
Deferred tax		
In respect of the current year	-	-
Income tax expense recognized in profit or loss	$ -	$ -

A reconciliation of accounting profit and income tax expense is as follows:

	For the Year Ended December 31	
	2022	**2021**
Loss before income tax	$ (265,664)	$ (120,236)
Income tax expense calculated at the statutory rate	$ (53,133)	$ (24,047)
Nondeductible expenses in determining taxable income	542	776
Unrecognized deductible temporary differences	(10)	208
Unrecognized loss carryforwards	52,601	23,038
Others	-	25
Income tax expense recognized in profit or loss	$ -	$ -

b. Current tax assets and liabilities

	December 31	
	2022	**2021**
Current tax assets		
Tax refund receivable	$ 163	$ 253

c. Deductible temporary differences, unused loss carryforwards and unused investment credits for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2022	**2021**
Loss carryforwards		
Expiry in 2032	$ 263,003	$ -
Expiry in 2031	115,326	115,190
Expiry in 2030	126,448	126,448
Expiry in 2029	146,549	146,549
Expiry in 2028	103,043	103,043
Expiry in 2027	69,434	69,434
Expiry in 2026	32,502	32,502
Expiry in 2025	14,659	14,659
Expiry in 2024	8,850	8,850
	$ 879,814	$ 616,675
Investment credits		
Research and development	$ 9,014	$ -
Deductible temporary differences	$ 3,089	$ 3,137

d. Information on unused investment credits, unused loss carryforwards and tax-exemptions

Loss carryforwards as of December 31, 2022 comprised:

Unused Amount	Expiry Year
$ 263,003	2032
115,326	2031
126,448	2030
146,549	2029
103,043	2028
69,434	2027
32,502	2026
14,659	2025
8,850	2024
$ 879,814	

e. Income tax assessments

Before the annual financial statements are authorized for issue, the latest year of income tax return that tax authorities had examined and cleared was 2020.

22. LOSS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	**2021**
Basic loss per share	$ (3.99)	$ (2.00)

The loss and weighted average number of common stocks outstanding used in the computation of loss per share were as follows:

Net Loss for the Year

	For the Year Ended December 31	
	2022	**2021**
Loss used in the computation of basic earnings per share	$ (265,664)	$ (120,236)

The weighted average number of common stocks outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of common stocks used in the computation of basic loss per share	66,632	60,053

The employee stock options are potentially dilutive common stocks. Since the Company bears net loss during the years ended December 31, 2022 and 2021, they are anti-dilutive and excluded from the computation of diluted loss per share.

23. SHARE-BASED PAYMENT ARRANGEMENTS - EMPLOYEE STOCK OPTION PLANS

The issuances of employee stock options in 1,200 options and 1,000 options, both not less than current market value, were approved by the board of directors on April 26, 2017 and November 21, 2016, respectively. Each option entitles the holder with the right to subscribe for one thousand common shares of the Company. From the date of the resolution passed by the board of directors, within one year, the Company may issue them once or multiple times. The grant dates were set May 1, 2017 and December 1, 2016, respectively. If there are any changes, the authorized chairman of the board will handle them with full authority. The options were granted at an exercise price equal to $10 and $12 of the Company's common shares at the grant date. According to the Company's regulations on issuance and execution of employee stock options, the options granted are valid for 7 years and exercisable at less than 50% after the second anniversary from the grant date; less than 75% after the third anniversary; 100% after the fourth anniversary. For any subsequent changes in the Company's common shares, the exercise price is adjusted accordingly.

The issuance of employee stock options in 1,800 options, not less than the current market value, was approved by the board of directors on March 30, 2018. Each option entitles the holder with the right to subscribe for one thousand common shares of the Company. From the date of the resolution passed by the board of directors, within one year, the Company may issue them once or multiple times. The issuances of employee stock options in 1,620 options, 100 options and 80 options were approved by the board of directors on July 26, 2018, November 21, 2018 and June 17, 2019, which were also their grant dates, respectively. The options were granted at an exercise price equal to $14 (adjusted to $13.6), $48.2 (adjusted to $46.7) and $42.1 (adjusted to $40.8) of the Company's common shares at the grant date. According to the Company's regulations on issuance and execution of employee stock options, the options granted are valid for 7 years and exercisable at less than 50% after the second anniversary from the grant date; less than 75% after the third anniversary; 100% after the fourth anniversary. For any subsequent changes in the Company's common shares, the exercise price is adjusted accordingly.

The issuance of employee stock options in 2,000 options, not less than the current market value, was approved by the board of directors on June 18, 2021. Each option entitles the holder with the right to subscribe for one thousand common shares of the Company. From the date of the notification of effective registration from the Competent Authority, within one year, the Company may issue them once or multiple times. The registration was approved by Financial Supervisory Commission on July 6, 2021. The issuances of employee stock options in 1,862 options and 50 options were approved by the board of directors on August 12, 2021 and December 17, 2021, which were also their grant dates, respectively. The options were granted at an exercise price equal to $54.33 (adjusted to $53.9) and $46.01 of the Company's common shares at the grant date. According to the Company's regulations on issuance and execution of employee stock options, the options granted are valid for 7 years and exercisable at less than 50% after the second anniversary from the grant date; less than 75% after the third anniversary; 100% after the fourth anniversary. For any subsequent changes in the Company's common shares, the exercise price is adjusted accordingly.

Information on employee share options was as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)	Number of Options (In Thousands of Units)	Weighted-average Exercise Price ($)
Employee stock options				
Balance at January 1	2,972	$ 37.01	1,828	$ 16.11
Options granted	50	46.01	1,862	54.33
Options exercised	(364)	13.06	(345)	12.31
Options expired	(244)	46.47	(373)	41.27
Balance at December 31	2,414	40.07	2,972	37.01
Options exercisable, end of the year	813	13.07	882	12.89

Information on outstanding options for the reporting date was as follows:

50 Options Granted at January 2, 2022

Range of Exercise Price ($)	Weighted-average Remaining Contractual Life (In years)
$46.01	6.01

1,862 Options Granted at September 1, 2021

Range of Exercise Price ($)	Weighted-average Remaining Contractual Life (In years)
$53.90	5.67

80 Options Granted at June 17, 2019

Range of Exercise Price ($)	Weighted-average Remaining Contractual Life (In years)
$40.80	3.46

100 Options Granted at November 21, 2018

Range of Exercise Price ($)	Weighted-average Remaining Contractual Life (In years)
$46.70	2.89

1,620 Options Granted at July 26, 2018

Range of Exercise Price ($)	Weighted-average Remaining Contractual Life (In years)
$13.60	2.56

1,200 Options Granted at May 1, 2017

Range of Exercise Price ($)	Weighted-average Remaining Contractual Life (In years)
$12.00	1.33

1,000 Options Granted at December 1, 2016

Range of Exercise Price ($)	Weighted-average Remaining Contractual Life (In years)
$10.00	0.92

Options granted to the Company are priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	50 Options Granted at January 2, 2022	1,862 Options Granted at September 1, 2021	80 Options Granted at June 17, 2019	100 Options Granted at November 21, 2018
Grant-date share price	$44.81	$50.41	$44.41	$23.38
Original exercise price	$46.01	$54.33	$42.10	$48.20
Adjusted exercise price	-	$53.90	$40.80	$46.70
Expected volatility	46.30%	45.61%	42.13%	37.86%
Expected life (in years)	4.875	4.875	4.875	4.875
Expected dividend yield	0%	0%	0%	0%
Risk-free interest rate	0.58%	0.31%	0.63%	0.71%

	1,620 Options Granted at July 26, 2018	1,200 Options Granted at May 1, 2017	1,000 Options Granted at December 1, 2016
Grant-date share price	$23.38	$17.50	$16.56
Original exercise price	$14.00	$12.00	$10.00
Adjusted exercise price	$13.60	$12.00	$10.00
Expected volatility	37.86%	40.68%	40.46%
Expected life (in years)	4.875	4.875	4.875
Expected dividend yield	0%	0%	0%
Risk-free interest rate	0.71%	0.89%	0.90%

Compensation costs recognized were $11,091 thousand and $4,917 thousand for the years ended December 31, 2022 and 2021, respectively.

24. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance, so as to maximize shareholder returns and support future operational funds, capital expenditures, research and development expenses, and other needs.

25. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The management considers that the book value of financial assets and financial liabilities which are not measured at fair value approximates their fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

The Company doesn’t have financial instruments measured at fair value.

c. Categories of financial instruments

	December 31	
	2022	**2021**
Financial assets		
Financial assets at amortized cost (1)	$ 491,389	$ 732,277
Financial liabilities		
Financial liabilities at amortized cost (2)	18,459	21,117

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, accounts receivable, other receivables and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise accounts payable and other payables.

d. Financial risk management objectives and policies

The purpose of the Company's financial risk management is to manage financial risks associated with operational activities, such as market risk, credit risk, and liquidity risk.

To minimize these risks, the Company recognizes, estimates and seeks related strategies to hedge the market uncertainty, so as to minimize the negative effects on the Company's financial position and performance.

The Company's significant financial activities are implemented after the approval of the board of directors. During the time of implementing financial plans, following the regulations of the Company's policies is needed.

1) Market risk

a) Foreign currency risk

The carrying amounts of the Company's foreign currency-denominated monetary assets and monetary liabilities at the end of the year are set out in Note 29.

Sensitivity analysis

The Group is mainly exposed to U.S. dollars.

The sensitivity analysis below was determined based on the Company's exposure to exchange risks. For foreign currency monetary instruments in circulation, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the year. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%.

If U.S. dollars currency had been 1% higher/lower and all other variables were held constant, the Company's pre-tax loss for the year ended December 31, 2022 would have decreased/increased by $107 thousand.

b) Interest rate risk

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 171,091	$ 340,500
Financial liabilities	9,535	11,937
Cash flow interest rate risk		
Financial assets	313,391	385,215

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates. For floating rate assets and liabilities, the analysis was prepared assuming the amount of each asset and liability outstanding at the end of the year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, the Company's pre-tax loss for the years ended December 31, 2022 and 2021 would have decreased/increased by $3,134 thousand and $3,852 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the year, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Company will review the recoverable amount of accounts receivable one by one at the end of the year to ensure that appropriate impairment losses have been recognized for accounts receivable which are deemed irrecoverable. Accordingly, the management believed that the credit risk has significantly reduced.

In addition, the Company always chooses those financial Institutions and enterprises with good credit ratings, so there is no expectation of emerging significant credit risk.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents as well as holding positions in highly liquid financial assets deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

The Company's management of liquidity risk is aimed at maintaining the necessary cash and cash equivalents, as well as holding positions in highly liquid financial assets, to support day-to-day working capital requirements. For managing funding gaps, effective arrangements for sourcing and using funds are made to achieve optimal capital allocation. This is done to maintain financial flexibility and effectively control liquidity risk for the Company.

The Company's non-interest-bearing financial liabilities classified as current liabilities have a maturity of less than one year. Also there are no non-demand financial liabilities. The following table details the Company's remaining contractual maturities for its interest-bearing financial liabilities with agreed-upon repayment periods. The table only includes principal cash flows, no interest.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Lease liabilities	$ 535	$ 1,071	$ 3,984	$ 3,945	$ -

December 31, 2021

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Lease liabilities	$ 541	$ 1,084	$ 4,121	$ 6,191	$ -

26. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Mr. Paul J. Cassingham	Related party in substance (the secondary relatives by marriage of key executives)

b. Operating expenses

	For the Year Ended December 31	
Related Party Category/Name	2022	2021
Related party in substance		
Mr. Paul J. Cassingham	$ 600	$ 600

The related party in substance renders legal and authorized consulting services. The content of the service contract was decided by mutual agreement between both parties.

c. Other payables - service fee

Related Party Category/Name	December 31 2022	2021
Related party in substance		
Mr. Paul J. Cassingham	$ 39	$ 39

d. Remuneration of key management personnel

	For the Year Ended December 31 2022	2021
Short-term employee benefits	$ 25,116	$ 24,050
Share-based payments	6,005	2,848
Post-employment benefits	705	692
	$ 31,826	$ 27,590

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

27. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, unrecognized commitments of the Company at the end of the year were as follows:

The Company signed a contract of pharmaceutical process development with SCI Pharmtech, Inc. The amount of the contract is $1,000 thousand U.S. dollars and will be paid upon completion of each stage. On December 31, 2021, the unrecognized contract amount was $300 thousand U.S. dollars. During the year ended December 31, 2022, the contract conditions were completed and recognized related expenses fully.

The Company signed service contracts with A2 Healthcare Taiwan Corporation. On December 31, 2022 and 2021, the amount of these contracts is $17,647 thousand and $16,377 thousand, respectively, and will be paid upon completion of each stage. On December 31, 2022 and 2021, unrecognized contract amounts were $12,461 thousand and $14,877 thousand, respectively.

The Company signed a service contract with Quest Pharmaceutical Services Taiwan Co., Ltd. On December 31, 2022 and 2021, the amount of the contract is $33,898 thousand and $32,550 thousand, respectively, and will be paid upon completion of each stage. On December 31, 2022 and 2021, unrecognized contract amounts were $8,283 thousand and $29,448 thousand, respectively.

The Company signed service contracts with a certain U.S. contract research organization. The amount of the contract is $14,080 thousand U.S. dollars, as well as $432,391 thousand, and will be paid upon the schedule of each stage. On December 31, 2022, the unrecognized contract amount was $10,549 thousand U.S. dollars, as well as $323,957 thousand.

The Company signed service contracts with a certain Taiwan contract research organization. The amount of the contract is $36,958 thousand, and will be paid upon the schedule of each stage. On December 31, 2022, the unrecognized contract amount was $19,517 thousand.

28. OTHER ITEMS

Due to the impact of the COVID-19 pandemic which has evolved globally and currently in Taiwan, the Company estimated that the whole operation and finance were not impacted significantly for the years ended December 31, 2022 and 2021. Also there were no doubts about the ability to continue as a going concern, assets impairment and fundraising risks.

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies for the year ended December 31, 2022 were as follows:

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 429	30.71 (USD:NTD)	$ 13,185
Financial liabilities			
Monetary items			
USD	80	30.71 (USD:NTD)	$ 2,444

For the year ended December 31, 2022, realized and unrealized net foreign exchange gains were $2,259 thousand. There are no significant financial assets and liabilities denominated in foreign currencies for the year ended December 31, 2021.

30. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others: None.

2) Endorsements/guarantees provided: None.

3) Marketable securities held: None.

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9) Trading in derivative instruments: None.

10) Intercompany relationships and significant intercompany transactions: None.

b. Information on investees: None.

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area: None.

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: None.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year: None.

c) The amount of property transactions and the amount of the resultant gains or losses: None.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: None.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds: None.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

31. SEGMENT INFORMATION

10.

11. The Company which engages in businesses related to biologic experimentation and analysis, as well as new drug development is belongs to a single operating segment. And the segment information which provides operational decision-makers to review has the same basis of measurement as the financial reports. So the financial information of the operating segment can refer to the financial reports for the years ended December 31, 2022 and 2021. The overall information about the Company is as follows:

12.

a. Revenue from major products and services

The following is an analysis of the Company's revenue from its major products and services.

	For the Year Ended December 31	
	2022	**2021**
Revenue from the sale of goods	$ 2,929	$ 4,128
Revenue from the rendering of services	4,422	3,361
	$ 7,351	$ 7,489

b. Geographical information

The Company did not establish any foreign operating segment on December 31, 2022 and 2021.

c. Information on major customers

Single customers contributing 10% or more to the Company's operating revenue were as follows:

	For the Year Ended December 31	
	2022	**2021**
Customer C	$ 1,834	$ 544
Customer A	453	1,932
Customer B	559	950
	$ 2,846	$ 3,426

ENERGENESIS BIOMEDICAL CO., LTD.

TABLE OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Items	Maturity	Interest Rate	Amount
Cash			
Petty cash (1)			$ 84
Bank deposits			
Checking accounts and demand deposits			72,971
Foreign currency deposits (2)			549
			73,520
Cash equivalents			
Time deposits with original maturities of 3 months or less (3)	2023.1.6-2023.1.16	0.91%-3.05%	16,591
			$ 90,195

1. Including $1 thousand U.S. dollars, $1 thousand RMB and $1 thousand euros with exchange rates of 30.71 (USD:NTD), 4.408 (RMB:NTD) and 32.72 (EUR:NTD), respectively.

2. Including $17 thousand U.S. dollars, $4 thousand RMB and $1 thousand euros with exchange rates of 30.71 (USD:NTD), 4.408 (RMB:NTD) and 32.72 (EUR:NTD), respectively.

3. Including $410 thousand U.S. dollars with exchange rate of 30.71 (USD:NTD).

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENT OF FINANCIAL ASSETS AT AMORTIZED COST - CURRENT
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Items	Summary	Interest Rate	Amount
Time deposits with original maturities of more than 3 months	Shanghai Commercial Bank Ltd.	1.025%-1.275%	$ 173,974
	Taiwan Shin Kong Commercial Bank	1.55%	120,000
	Union Bank of Taiwan	1.425%	36,000
	E.sun Commercial Bank	1.07%	30,000
	CTBC Bank	1.000%-1.185%	24,500
	Cathay United Bank	1.44%	10,000
			$ 394,474

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Customer's Name	Amount
Customer A	$ 552
Customer B	509
Customer C	93
Customer D	87
Others (Note)	294
	1,535
Less: Allowance for impairment loss	(1)
	$ 1,534

Note: The amount of a single customer did not exceed 5% of the account.

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENT OF INVENTORIES
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Cost	Market Value (Note)
Raw materials	$ 386	$ 411
Finished goods	170	1,226
	$ 556	$ 1,637

Note: Market value is net realizable value.

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

	Buildings	Transportation Equipment	Total	Note
Cost				
Balance at January 1, 2022	$ 13,701	$ 9,919	$ 23,620	
Additions	4,104	-	4,104	
Disposals	(4,685)	-	(4,685)	
Balance at December 31, 2022	$ 13,120	$ 9,919	$ 23,039	
Accumulated depreciation				
Balance at January 1, 2022	$ (7,628)	$ (3,956)	$ (11,584)	
Depreciation	(4,492)	(1,984)	(6,476)	
Disposals	4,685	-	4,685	
Balance at December 31, 2022	$ (7,435)	$ (5,940)	$ (13,375)	
Carrying amounts at December 31, 2022	$ 5,685	$ 3,979	$ 9,664	

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENT OF LEASE LIABILITIES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Summary	Contract Period	Discount Rate (%)	Balance at December 31	Note
Buildings	Office	2020.07.01-2025.07.15	0.6956-1.433	$ 5,571	
Transportation equipment	Vehicle renting	2019.12.31-2025.01.19	1.00-4.0025	3,964	
				$ 9,535	

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Item	Number (Pieces)	Amount
Revenue from the sale of goods	1,495	$ 2,929
Revenue from the rendering services	480	4,422
		$ 7,351

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials, beginning of year	$ 1,015
Add: Raw materials purchased	248
Less: Raw materials, end of year	(931)
Less: Internal use	(25)
Raw materials consumed in year	307
Processing costs	45
	352
Add: Finished goods, beginning of year	428
Less: Finished goods, end of year	(349)
Less: Internal use	(13)
	418
Less: Reversal of inventories	(30)
Costs of goods sold	388
Costs of service rendered	1,798
Carrying amounts of operating costs	$ 2,186

ENERGENESIS BIOMEDICAL CO., LTD.

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing	General and Administrative	Research and Development	Total
Experiment expense	$ -	$ -	$ 161,145	$ 161,145
Salaries	2,203	17,851	13,695	33,749
Amortization	-	60	12,600	12,660
Depreciation	-	8,391	3,362	11,753
Compensation cost of employee stock options	975	5,390	4,726	11,091
Service fee	-	6,004	3,350	9,354
Remuneration of directors	-	6,641	-	6,641
Insurance expense	231	2,203	1,383	3,817
Employee benefits expense	197	1,078	921	2,196
Other expenses (Note)	297	11,618	12,498	24,413
	$ 3,903	$ 59,236	$ 213,680	$ 276,819

Note: The ending balance of each item did not exceed 5% of the account.

ENERGENESIS BIOMEDICAL CO., LTD.

TABLE OF EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION, AND AMORTIZATION EXPENSES BY FUNCTION FOR THE YEARS ENDED DECEMBER 31, 2022 and 2021
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2022			2021		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Employee benefits expense						
Salary	$ 179	$ 44,840	$ 45,019	$ 172	$ 41,024	$ 41,196
Labor and health insurance fees	19	3,058	3,077	19	2,957	2,976
Pension expenses	10	1,579	1,589	11	1,655	1,666
Remuneration of directors	-	6,641	6,641	-	6,172	6,172
Other employee benefits	8	3,454	3,462	7	2,306	2,313
	$ 216	$ 59,572	$ 59,788	$ 209	$ 54,114	$ 54,323
Depreciation expense	$ -	$ 11,753	$ 11,753	$ -	$ 10,247	$ 10,247
Amortization expense	$ -	$ 12,660	$ 12,660	$ -	$ 12,655	$ 12,655

Notes: 1. The number of employees for the year and the preceding year was 35 and 36, respectively. The number of directors who are not concurrently employees was both 6.

2. a. For the years ended December 31, 2022 and 2021, the average employees' benefits expenses were $1,833 thousand and $1,605 thousand, respectively.

   b. For the years ended December 31, 2022 and 2021, the average salary expenses were $1,552 thousand and $1,373 thousand, respectively.

   c. The average employee salary expense this year increased by 13% compared to last year.

3. The Company has established an audit committee and the compensation for independent directors has been disclosed as part of the remuneration of directors.

4. Remuneration policy of the Company:

   a. The remuneration of directors includes compensation for executing business, transportation fees, and compensation of directors distributed in accordance with the articles of association. Regardless of the company's profitability, directors shall receive fixed remuneration when executing their duties. The remuneration shall be determined by the board of directors in accordance with the "Director Remuneration Payment Guidelines" of the Company, taking into account the level of participation in the Company's operations and contribution to the Company's value, and reference to the industry standards. When the company has profits, according to the Company's articles of association, the distribution of compensation of directors shall be proposed by the general manager and the remuneration committee, based on the level of participation in the Company's operations and the value of the contributions made by each director. The proposal shall then be submitted to the board of directors for approval.

   b. The salary structure for managers and employees mainly includes basic salary, bonuses, and employee compensation. Bonuses are given based on the Company's operational goals, individual performance, and contribution to the Company. Employee compensation includes the distribution of shares according to the share-based payment agreement and the Company's profit distribution according to the articles of association. The compensation for managers must be reviewed by the remuneration committee and the board of directors.

   c. The Company should allocate compensation of employees and remuneration of directors at no less than 1% and no more than 2% of the pre-tax income of the current year, before deducting the distribution amount.