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BIONIME

Bionime Corporation

2021 Annual Shareholders' Meeting Meeting Agenda

Time : June 24, 2021 (Tuesday)

Place : No.100, Sec. 2, Daqing St., South Dist., Taichung, Taiwan

Table of Contents

	<u>Pages</u>
1. Meeting Agenda.....	1
2. Report Items	2
3. Matters for Ratification	3
4. Discussion Items	3
5. Questions and Motions.....	4
6. Attachment	5
(1) Business Report.....	5
(2) Supervisors' Review Report.....	9
(3) Independent Auditors' Report and 2020 Consolidated Financial Statements	10
(4) Independent Auditors' Report and 2020 Parent Company Only Financial Statements	19
(5) Appropriation of 2020 earnings.....	28
(6) Comparison Table for Article of Incorporation.....	29
(7) Comparison Table for the Amendment of the Rules of Procedure for Shareholders Meetings.....	32
7. Appendix.....	34
(1) Article of Incorporation (Before Amendment)	34
(2) Rules of Procedure for Shareholders Meetings (Before Amendment)	41
(3) Shareholdings of All Directors and Supervisors	48

Bionime Corporation

Agenda of 2021 Annual Shareholders' Meeting

1. Time: 9:00 a.m., June 24, 2021 (Tuesday)
2. Place: No.100, Sec. 2, Daqing St., South Dist., Taichung, Taiwan
3. Call meeting to Order (Report attendance of shareholders' shares)
4. Chairperson Remarks
5. Report Items
 - (1)Business Report of 2020
 - (2) Supervisors' Review Report
 - (3) Compensation Distribution for Employees and Directors of 2020
 - (4) Appropriation of 2020 earnings
 - (5) Distribution of Legal Reserves and Capital Reserves by paying cash
6. Proposals for Acceptance and Approval
 - (1) Business Report and Financial Statements of 2020
 - (2) Appropriation of 2020 earnings
7. Discussion Items
 - (1) Amendment to the Article of Incorporation
 - (2)Amendment to the Rules of Procedure for Shareholders Meetings
8. Questions and Motions
9. Adjournment

Report Items

1. Business Report of 2020

Explanation: Please refer to page 5-8(Attachment 1).

2. Supervisors' Review Report

Explanation: Please refer to page 9(Attachment 2).

3. Compensation Distribution for Employees and Directors Report of 2020

Explanation: On March 19, 2021, the Board of Directors has resolved that the compensation for employees and directors of 2020 pay in cash, the compensation for employees and directors is NT\$ 2,200,000 and NT\$ 500,000, respectively.

4. Appropriation of 2020 earnings

Explanation: 1. In accordance with Article 28 of the Company Act to authorize Board of Directors to decide the distribution of dividends and bonus, in whole or in part, by paying cash to the then Shareholders in proportion to the number of Shares being held by each of them.

2. NT\$ 51,578,104, cash dividends shall be distributed to shareholder at NT\$0.83 per share. Cash dividends are distributed and are round down to NT\$ 1. The fractional number of dividends less than NT\$ 1 is summed and recognized as other income of the Company.

3. The Chairman of the Board of Director is authorized by to fix record date and conduct dividend distribution and other affairs. If the number of issued and outstanding shares of the Company subsequently changes, the amount of cash dividend shall be adjusted by chairman.

5. Distribution of Legal Reserves and Capital Reserves by paying cash

Explanation : 1. In accordance with Article 28-1 of the Company Act to authorize Board of Directors to decide the distribution of Legal Reserves and Capital Reserves in whole or in part, by paying cash to the then Shareholders in proportion to the number of Shares being held by each of them and report the General Meeting, which is subject to Article 241-1 of the Company Act.

2. NT\$72,706,484, distributed capital reserve which arises out of the share premium NT\$ 72,706,484, cash dividends shall be distributed to shareholder at NT\$1.17 per share.

Cash dividends are distributed and are round down to NT\$ 1. The fractional number of dividends less than NT\$ 1 is summed and recognized as other income of the Company.

3. The Chairman of the Board of Director is authorized by to fix record date and conduct dividend distribution and other affairs. If the number of issued and outstanding shares of the Company subsequently changes, the amount of cash dividend shall be adjusted by chairman.

Matters for Ratification

1. Adoption of the 2020 Business Report and Financial Statements (Proposed by the Board of Directors)

Explanation: 1. The parent company only financial statements and consolidated financial statements of 2020 (please refer to attachment 3-4) were audited by independent auditors, KPMG International Cooperative Tzu-Hsin Chang and Jun-Yuan Wu , along with business report which approved by the Board of Directors and reviewed by supervisors on March 19, 2021, comply Company Act and relevant laws and regulations.

2. The Business Report of 2020, Independent Auditor's Report, and the above-mentioned Financial Statements, attached in Attachment 1 of the Meeting Agenda, page 5-8 and Attachment 3 and 4 page 10-27.

Resolution:

2. Appropriation of 2020 earnings(Proposed by the Board of Directors)

Explanation: 1. The appropriation of 2020 earnings has approved by the Board of Directors on March 19, 2021.

2. The 2020 Earnings Distribution Table, please refer to page 28(Attachment 5).

Resolution:

Discussion Items

- (1) Proposal: Amendment to the Article of Incorporation (Proposed by the Board of Directors)

Explanation: Cooperate with the revision of the law and the actual operational requirements, propose to amend the Article of Incorporation. The amendment and comparison table, please refer to page 29-31(Attachment 6) °

Resolution:

(2)Proposal: Amendment to the Rules of Procedure for Shareholders Meetings (Proposed by the Board of Directors)

Explanation: Cooperate with the revision of the law and the actual operational requirements, propose to amend the Rules of Procedure for Shareholders Meetings. The amendment and comparison table, please refer to page 32-33 (Attachment 7).

Resolution:

Questions and Motions

Adjournment

Attachment

1. Business Report

i. 2020 Annual operating report

2020 Business result: (Unit: NT\$ thousand)

Annual	2020	2019	Increase/Decrease	Percentage
Net Operating Revenue	1,668,586	2,172,923	(504,337)	-23.21%
Gross Profit	749,125	948,418	(199,293)	-21.01%
Operating Expenses	728,004	792,147	(64,143)	-8.10%
Operating Income	21,121	156,271	(135,150)	-86.48%
Income after Tax	63,520	106,711	(43,191)	-40.47%

ii. The analysis of 2020 and 2019 financial structure and profitability:

Annual		2020	2019
Items			
Financial Structure	Debts ratio(%)	53.82	53.52
	Long Term Funds to Fixed Assets(%)	123.58	113.08
Profitability	Return on Assets(%)	1.81	2.93
	Return On Equity(%)	3.08	5.28
	Profit Margin(%)	3.80	4.91
	Earnings Per Share	1.06	1.85

iii. Budget implementation: . The execution of budget is not disclosed, as the 2020 financial forecast was not publicly released.

iv. Status of research and development:

1).The ratio of research and development fee in net amount of revenue and the result of research and development in last 3 years

Annual Items	2020	2019	2018
R&D Expenses	247,875	255,121	201,186
Net income ratio	15.29%	11.74%	10.02%

R&D Achievements	NM700 Series New test strip blood glucose monitoring instrument App NM702/NM712/NM722 Applying for permits of Bluetooth blood glucose monitoring instrument	GM111 / 551 Bluetooth blood glucose	GM762 POCT is on the market GM770 / 772 Bluetooth blood glucose is on the market
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2).Machine types expected be developed in 2021:

- A. Continuous blood glucose monitor
- B. Continuous Insulin Pump
- C. Blood Glucose and Ketone Monitoring System
- D. New type of Strips for Monitors

2.2021 Business Plan

(1) Operating Strategies

As a result of the outbreak of COVID-19 epidemic worldwide, the sharp depreciation and fluctuations of foreign currency the U.S. dollar exchange rate, and customers' shortage of international shipping containers, the Company's entire revenue target were deeply affected in 2020. Since the global epidemic is not yet controlled, the Company spares no efforts to break through the siege and expects to bring new prospects soon.

Looking forward to 2021, the R&D results of continuous blood glucose monitoring (CGM) system are successful to reach technical feasibility steps after years of efforts, and the Company has now applied and obtained several international patents in this regard. It built up the CGM automated production equipment and submitted applications for clinical tests to authorities concerned in Taiwan at the same time. To this end, the Company's devotion to the development and refinement of its diabetes care products will be continued, and the Industry 4.0-intelligent manufacturing will also be promoted actively, an effort to enhance production efficiency, product quality, and a better competitive edge in the market.

(2) Sales volume and estimations

The Company's sales volume is estimated according to conditions as follows: sales results of 2020, references to the industrial environment, market demands, and considerations of the Company's production capacity and future requirements of customers. Thus, the Company estimates the output of its blood glucose test strips to stand at about 550 million units in 2021.

(3) Production and sales policy

- (1) To continue production equipment upgrades, cost-down of production, improvements of both production efficiency and product quality.
- (2) To establish a second test strip platform, and explore more customers and business opportunities.
- (3) To integrate marketing resources of the group, and concentrate on the development of key regional markets.

(4) The Expected Development Strategy

- (1) To carry on the development of "continuous blood glucose monitors".
- (2) To invest in both hardware and software equipment of intelligent manufacturing in order to improve the Company's production and management efficiencies.
- (3) To develop care blood glucose meters without regional restrictions
- (4) To further expand business and cooperation ties with potential international customers.

3.External competition environment, Legislation and the influence of Overall Management

(1) External competition environment

Facing huge impacts of the Covid-19 epidemic, the economic environment and industrial trend of the world have changed and led most industries to enhance the competitiveness and transform into digitalization efforts. The global medical equipment market reached a scale worth US\$ 420 billion in 2020, and expects to enjoy a compound annual rate of 5-6% and stand at US\$475.3 billion by 2022. And with the increase of aging population, the world's medical care expenditures continues to rise and incurs tremendous financial burdens. The world's medical materials manufacturers are now seeking innovative technologies with goals to slow down medical care expenditures, simplify medical procedures, and promote a precise development with AI/health big data. By doing so, manufacturers in the line enable to use higher cost performances to grasp more market opportunities in the future.

(2) Legislation

The MDR will be introduced into EU's medical device regulations in May 2021, and followed by IVDR in 2022. The quality requirements and technical document costs are expected to increase sharply, thus extending the time to obtain relevant certifications. It is estimated that product expansion or maintenance of CE permits will become more difficult than ever. Taiwan withdrew medical devices from its Pharmaceutical Affairs Law and introduced the Medical Device Management Law instead, an effort to strengthen medical device tracking, notification, and post-market safety supervision and management. Medical device manufacturers are suggested that they adjust quality system in accordance with relevant laws and meet the requirements of new regulations.

(3)The influence of Overall Management

The global economy will suffer huge impacts in the wake of Covid-19 epidemic, the prediction made by most governments, experts, and scholars in the world. As an export-oriented industry, the Company's business will inevitably be affected to somewhat extent. On the basis of technological and product competitiveness advantages, Bionime expects to face any possible fluctuations that may happen in the entire economic market.

We would like to thank our colleagues, for your persistent efforts in upholding the strategic goal of the company, and the shareholders, for your supports and encouragements. Looking ahead, through augmented hard-work and competitiveness, we relish the sustainable prospect of our business playing the international leading role in the industry of medical measurement devices. We shall not fail your expectation and concern.

Best Regards.

Chairman and General Manager: Huang, Chun-Mu



Accounting Supervisor: Chen, Ya-Wen



2. Supervisors' Review Report

Bionime Corporation Supervisors' Review Report

Appropriate

The Board of Directors made the Company's 2020 business report, consolidated financial statements, parent company only financial statements and appropriation of earnings, among which the consolidated financial statements and the parent company only financial statements were certified by the accountants who are KPMG International Cooperative Tzu-Hsin Chang and Jun-Yuan Wu and issued a verification report. The above-mentioned business report, financial statements and appropriation of earnings are approved by the Audit Committee, and it is considered that there is no disagreement, and in accordance with Article 219 of the Company Act made a report, please review it.

Supervisor: Tai, Tsung-Kai



Supervisor: Lin, Chien-Hsing



Supervisor: Su, Chin-Pin



Mar 19, 2021

3. Independent Audit Report and 2020 Consolidated Financial Statements

Independent Auditors' Report

To the Board of Directors of Bionime Corporation ("the Company"):

Opinion

We have audited the consolidated financial statements of Bionime Corporation ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

The accounting principle of revenue recognition, refer to consolidated financial statements Note 4 (m); The explanation about revenue recognition, refer to consolidated financial statements Note 6 (u).

Description of key audit matters:

The Group's revenue are from sales of blood glucose meter and test strips to domestic and foreign clients such as hospitals, dealers and pharmacies. Most of them are foreign clients. As industry peculiarities, clients in higher latitude countries tend to purchase more and increase their inventory at the end of the year in order to prevent the risk of paralysis of shipment due to frozen water in the winter. As a result, the revenue at the end of the year is higher causing the transactions before and after the balance sheet date to have material impact on financial reporting.

Therefore, testing whether revenue was recognized in the correct period is one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Group's efficacy on the design and operation of internal controls surrounding revenue, which includes confirming the terms in the sales contract to ensure the revenue is being recorded accurately; selecting the sales transaction before and after the balance sheet date on a sample basis, inspecting the related accounting documents, as well as evaluating whether the revenue is recorded in the appropriated period.

2. Assessment of Inventory

The accounting principle of inventory, refer to consolidated financial statements Note 4 (h) "inventory", the assessment of accounting estimate and assumption uncertainty, refer to consolidated financial statements Note 5 (a); the explanation of inventory assessment refers to consolidated financial statements Note 6 (e).

Description of key audit matters:

The Group's inventories are measured at the lower of cost and net realizable value. However, the cost of inventory might exceed its net realizable value due to the rapid advancement in technology and the changes in market demand. Therefore, inventory evaluation is one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included: assessing the Group's allowance amount of inventory according to its characteristics; including conducting sampling to examine accuracy of inventory aging; assessing the Group's inventory decline or rationality of debt ratio; examine accuracy of allowance amount of inventory past for past years, and comparing with this period, in order to assess whether estimation method for this period is presented fairly.

3. Trade of Accounting Receivable

The accounting principle of Trade Receivables refers to consolidated financial statements Note 4 (g) "Financial instruments"; Trade receivable of Accounting Assumptions, Judgments and Estimation Uncertainty, refers to consolidated financial statements Note 5 (b); The explanation of trade receivables refer to consolidated financial statements Note 6 (c) "Notes and Trade Receivables, Trade Receivable-related parties".

Description of key audit matters:

The Group's trade receivables are concentrated among certain customers. Allowance evaluation on trade receivables contains management's subjective judgment. Therefore, the assessment on trade receivables is one of the key audit matter.

How the matter was addressed in our audit:

Our principal audit procedure included: analyzing trade receivables aging schedule, collection reports and customers' credit concentration risk, etc., in order to assess whether estimation method and the amount of trade receivables for this period is presented fairly.

4. Development Cost

For accounting principle of intangible asset development cost and explanation of intangible asset, please refer to Notes 4(k) "Intangible Assets" and Notes 6(i) "Intangible Assets", respectively.

Description of key audit matters:

The Group focuses on developing new type of blood glucose meter, wherein it incurred a massive amount of research and development expenses before and during clinical trial stage. This research has reached to a developed stage and now classified as asset. Whether to capitalize development cost relies on the subjective judgement of the Group's management. Therefore, the cost on research and development is one of our key audit matters.

We focus on whether there is bias in the management's judgement on determining the capitalization or expensing of related costs, especially for the feasibility of the technology of the new blood glucose meter, whether it has met the criteria to be capitalized and obtained the approval from authority.

How the matter was addressed in our audit:

Our principle audit procedures included:

1. Understanding whether the management has adequately evaluated the feasibility of the technology of the new blood glucose meter to determine it has met the criteria to be capitalized.
2. Assessing whether the Group's accounting policy for development costs is in accordance with accounting regulations.
3. Obtaining the management's analysis on the schedule of the new type blood glucose meter and verifying whether the developing process has remained in its original schedule.
4. Conducting sampling of research and development cost in the current period by inspecting those supporting documents such as clinic trial contracts, invoice by vender, and payment records, to verify whether its nature, amount and classification of the expenses were appropriate.
5. Assessing whether it is appropriate for the Group's management to capitalize the development costs as asset.

Other Matter

The Company has prepared its parent-company-only-financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC, endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the supervisors) are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tzu-Hsin Chang and Chun-Yuan Wu.

KPMG

Taipei, Taiwan (Republic of China)
March 19, 2021

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
BIONIME CORPORATION
 (BIOGENE COMPANY) AND SUBSIDIARIES
 Consolidated Balance Sheets
 December 31, 2020 and 2019

(expressed in Thousands of New Taiwan Dollars)

	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
Assets				
Current assets:				
Cash and cash equivalents (note 6 (a))	\$ 343,247	8	359,558	8
Notes receivable, net (note 6 (c))	11,554	-	3,383	-
Trade receivable, net (note 6 (c))	397,514	9	649,588	15
Trade receivable-related parties, net (note 6 (c) and 7)	40,321	1	94,130	2
Other receivables (note 6 (d))	5,318	-	4,972	-
Current income tax assets	14,611	-	18,543	-
Inventories (note 6 (e))	520,084	12	395,444	9
Prepayments (note 9(b))	53,528	1	32,700	1
Other current assets (note 6 (j))	15,082	-	14,685	-
Other current financial assets (note 6 (j) and 8)	56,050	1	22,429	1
	1,457,309	32	1,595,432	36
Non-current assets:				
Non-current financial assets at fair value through other comprehensive income (note 6 (b))	36,100	1	36,100	1
Property, plant and equipment (note 6 (g) and 8)	2,620,183	58	2,669,672	61
Right-of-use assets (note 6 (h))	10,357	-	6,612	-
Intangible assets (note 6 (i))	205,774	5	49,503	1
Deferred tax assets (note 6 (q))	28,339	1	2,899	-
Prepayments for business facilities	67,110	2	39,066	1
Guarantee deposits paid	5,270	-	4,518	-
Defined benefit assets, net (note 6 (p))	452	-	-	-
Other non-current assets (note 6 (j) and 9(b))	54,158	1	438	-
	3,027,743	68	2,808,808	64
Total assets	\$ 4,485,052	100	4,404,240	100
Liabilities and Equity				
Current liabilities:				
Short-term borrowings (note 6 (l) and 8)	\$ 483,349	11	465,799	11
Short-term notes and bills payable (note 6 (k))	39,950	1	199,775	5
Notes payable	849	-	-	-
Trade payable	146,316	3	149,036	3
Other payable	210,634	6	277,404	6
Other payables to related parties(note 7)	12,739	-	29,694	1
Payable on machinery and equipment	12,894	-	16,793	-
Current income tax liabilities	4,758	-	28,009	-
Current lease liabilities (note 6(o))	5,272	-	2,470	-
Other current liabilities (note 6 (m) and 7)	19,451	-	11,319	-
Long-term borrowings, current portion (note 6 (n) and 8)	304,833	7	200,667	5
	1,241,045	28	1,380,966	31
Non-Current liabilities:				
Long-term borrowings (note 6 (n) and 8)	1,167,292	26	972,125	22
Deferred tax liabilities (note 6 (q))	218	-	96	-
Non-current lease liabilities (note 6 (o))	5,321	-	4,193	-
Defined benefit liabilities, net	-	-	15	-
Guarantee deposit received	393	-	-	-
	1,173,224	26	976,429	22
Total liabilities	2,414,269	54	2,357,395	53
Equity attributable to owners of parent:(note 6 (r))				
Ordinary share	617,558	14	596,698	14
Advance receipts for share capital	9,702	-	41,308	1
Capital surplus	1,402,306	31	1,337,126	30
Retained earnings	189,752	4	216,593	5
Other equity	(15,550)	-	(11,007)	-
Treasury shares	(138,141)	(3)	(138,141)	(3)
Total equity attributable to owners of parent:	2,065,627	46	2,042,577	47
Non-controlling interests	5,156	-	4,268	-
Total equity	2,070,783	46	2,046,845	47
Total liabilities and equity	\$ 4,485,052	100	4,404,240	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
BIONIME CORPORATION ("THE COMPANY") AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars , except for earnings per share)

	2020		2019	
	Amount	%	Amount	%
Net operating revenues (note 6 (u) and 7)	\$ 1,668,586	100	2,172,923	100
Operating costs (note 6 (e), (p) and (v))	919,461	55	1,224,505	56
Gross profit from operations	749,125	45	948,418	44
Operating expenses (note 6 (c), (p),(s), (v) and 7))				
Selling expenses	235,804	14	276,539	13
Administrative expenses	221,041	13	250,311	12
Research and development expenses	247,875	15	255,121	12
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9	23,284	2	10,176	-
	728,004	44	792,147	37
Net operating income	21,121	1	156,271	7
Non-operating income and expenses (note 6 (w)) :				
Interest income	1,315	-	1,738	-
Other income	25,847	2	13,272	-
Other gains and losses	4,380	-	(4,923)	-
Finance costs	(21,552)	(1)	(31,791)	(1)
	9,990	1	(21,704)	(1)
Profit before income tax	31,111	2	134,567	6
Less: Income tax expenses (note 6 (q))	(32,409)	(2)	27,856	1
Profit	63,520	4	106,711	5
Other comprehensive income:				
Items that may not be reclassified subsequently to profit or loss				
Losses on remeasurements of defined benefit plans	316	-	(282)	-
	316	-	(282)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	(4,741)	-	(5,546)	-
Less : Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(note 6 (q))	-	-	-	-
	(4,741)	-	(5,546)	-
Other comprehensive income (after tax)	(4,425)	-	(5,828)	-
Comprehensive income	\$ 59,095	4	100,883	5
Profit (loss), attributable to:				
Owners of parent	\$ 62,434	4	106,258	5
Non-controlling interests	1,086	-	453	-
Profit	\$ 63,520	4	106,711	5
Comprehensive income (loss) attributable to:				
Owners of parent	\$ 58,207	4	100,469	5
Non-controlling interests	888	-	414	-
Comprehensive income	\$ 59,095	4	100,883	5
Earnings per share (NT dollars) (note 6 (t))				
Basic earnings per share	\$ 1.06		1.85	
Diluted earnings per share	\$ 1.03		1.81	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
BIONIME CORPORATION (BIONIME COMPANY) AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the years ended December 31, 2020 and 2019
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
	Share capital		Retained earnings					Total equity attributable to owner of parent				
	Ordinary shares	Advance receipts for share capital	Total share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Treasury shares	Non-controlling interests	
Balance on January 1, 2019												
	-	-	594,468	1,314,899	96,390	1,383	127,738	225,511	(5,500)	(138,141)	1,991,237	1,871
Profit for the year ended December 31, 2019	-	-	-	-	-	-	106,258	106,258	-	-	106,258	453
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	-	-	(282)	(282)	(5,507)	-	(5,789)	(39)
100,883												
Comprehensive income for the year ended December 31, 2019												
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	-	12,773	-	(12,773)	-	-	-	-	-
Cash dividends on ordinary share	-	-	-	-	12,773	-	(114,894)	(102,121)	-	-	(102,121)	-
Employee stock options compensation costs	-	-	-	13,697	-	-	-	-	-	-	13,697	-
Employee stock options exercised	2,230	-	2,230	8,515	-	-	-	-	-	-	10,745	-
From share of changes in equity of subsidiaries	-	-	-	15	-	-	-	-	-	-	15	-
Advance receipts for share capital	-	41,308	41,308	-	-	-	-	-	-	-	41,308	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,983
2,059,618												
Balance on January 1, 2020												
	596,698	41,308	638,006	1,337,126	109,163	1,383	106,047	229,366	(11,007)	(138,141)	2,042,577	4,268
Profit for the year ended December 31, 2020	-	-	-	-	-	-	62,434	62,434	-	-	62,434	1,086
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	-	-	316	316	(4,543)	-	(4,227)	(198)
59,095												
Comprehensive income for the year ended December 31, 2020												
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	-	-	10,626	-	(10,626)	-	-	-	-	-
Special reserve	-	-	-	-	-	5,579	(5,579)	-	-	-	-	-
Cash dividends on ordinary shares	-	-	-	-	-	-	(89,591)	(89,591)	-	-	(89,591)	-
Employee stock options compensation costs	-	-	-	15,535	-	-	-	-	-	-	15,535	-
Employee stock options exercised	20,860	(41,308)	(20,448)	78,718	-	-	-	-	-	-	58,270	-
Advance receipts for share capital	-	9,702	9,702	-	-	-	-	-	-	-	9,702	-
Cash dividends of capital surplus	-	-	-	(29,073)	-	-	-	-	-	-	(29,073)	-
2,064,185												

Balance on January 1, 2019

Profit for the year ended December 31, 2019
Other comprehensive income for the year ended December 31, 2019

Comprehensive income for the year ended December 31, 2019
Appropriation and distribution of retained earnings:

Legal reserve
Cash dividends on ordinary share
Employee stock options compensation costs
Employee stock options exercised
From share of changes in equity of subsidiaries
Advance receipts for share capital
Changes in non-controlling interests

Balance on December 31, 2019

Balance on January 1, 2020

Profit for the year ended December 31, 2020
Other comprehensive income for the year ended December 31, 2020

Comprehensive income for the year ended December 31, 2020
Appropriation and distribution of retained earnings:

Legal reserve
Special reserve
Cash dividends on ordinary shares
Employee stock options compensation costs
Employee stock options exercised
Advance receipts for share capital
Cash dividends of capital surplus

Balance on December 31, 2020

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
BIONIME CORPORATION (THE COMPANY) AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 31,111	134,567
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	152,551	154,664
Amortization expense	10,931	9,821
Expected credit loss (gain)	23,284	10,176
Interest expense	21,552	31,791
Interest revenue	(1,315)	(1,738)
Share-based payments transactions	15,535	13,697
Loss from disposal of property, plant and equipment	24	-
Property, plant and equipment transferred to expenses	-	3,419
Gain on disposal of investments	-	(8)
Gain on lease modification	(12)	-
Others	(189)	-
Total adjustments to reconcile profit	222,361	221,822
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable, net	(8,171)	4,558
Trade receivable, net	228,825	(26,566)
Trade receivable due from related parties	53,809	89,738
Other receivables	(143)	8,549
Inventories	(125,183)	16,064
Other operating assets	(75,081)	(19,377)
	74,056	72,966
Changes in operating liabilities:		
Notes payable	849	(14)
Trade payable	(2,720)	(13,792)
Other payable	(66,617)	11,464
Other payable due from related parties	(16,955)	10,400
Other operating liabilities	8,117	4,181
	(77,326)	12,239
Total changes in operating assets and liabilities	(3,270)	85,205
Total adjustments	219,091	307,027
Cash inflow generated from operations	250,202	441,594
Interest received	1,112	1,847
Interest paid	(21,530)	(33,016)
Income taxes paid	(12,228)	(4,869)
Net cash flows from (used in) operating activities	217,556	405,556
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(6,000)
Acquisition of property, plant and equipment	(76,780)	(45,554)
Increase in refundable deposits	(752)	(1,177)
Acquisition of intangible assets	(167,120)	(49,577)
Increase in prepayments for business facilities	(52,495)	(42,941)
(Decrease) Increase in other financial assets	(33,621)	16,159
Net cash flows from (used in) investing activities	(330,768)	(129,090)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	2,118,616	1,865,431
Decrease in short-term borrowings	(2,106,415)	(2,051,635)
Decrease in short-term notes and bills payable	(160,000)	(59,973)
Proceeds from long-term borrowings	700,000	50,000
Repayments of long-term borrowings	(400,667)	(76,764)
Cash dividends paid	(118,664)	(114,894)
Decrease in guarantee deposits received	393	-
Payment of lease liabilities	(4,901)	(4,238)
Proceeds from exercise of employee share options	67,972	52,053
Contribution by non-controlling interests	-	1,998
Net cash flows from (used in) financing activities	96,334	(338,022)
Effect of exchange rate changes on cash and cash equivalents	567	(12,517)
Net decrease in cash and cash equivalents	(16,311)	(74,073)
Cash and cash equivalents at beginning of period	359,558	433,631
Cash and cash equivalents at end of period	\$ 343,247	359,558

See accompanying notes to consolidated financial statements.

4. Independent Auditors' Report and 2020 Parent Company Only Financial Statements

Independent Auditors' Report

To the Board of Directors of Bionime Corporation:

Opinion

We have audited the financial statements of Bionime Corporation ("the Company"), which comprise the balance sheets as of December 31, 2020 and 2019, the statement 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 at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of 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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matters to be communicated in our report.

1. Revenue recognition

The accounting principle of revenue recognition, refer to financial statements Note 4 (m); The explanation about revenue recognition, refer to financial statements Note 6 (v).

Description of key audit matters:

The Company's revenue are from sales of blood glucose meter and test strips to domestic and foreign clients such as hospitals, dealers and pharmacies. Most of them are foreign clients. As industry peculiarities, clients in higher latitude countries tend to purchase more and increase their inventory at the end of the year in order to prevent the risk of paralysis of shipment due to frozen water in the winter. As a result, the revenue at the end of the year is higher causing the transactions before and after the balance sheet date to have material impact on financial reporting.

Therefore, testing whether revenue was recognized in the correct period is one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included: testing the Company's efficacy on the design and operation of internal controls surrounding revenue, which includes confirming the terms in the sales contract to ensure the revenue is being recorded accurately; selecting the sales transaction before and after the balance sheet date on a sample basis, inspecting the related accounting documents, as well as evaluating whether the revenue is recorded in the appropriated period.

2. Assessment of Inventory

The accounting principle of inventory, refer to financial statements Note 4 (g) "inventory", the assessment of accounting estimate and assumption uncertainty, refer to financial statements Note 5 (a); the explanation of inventory assessment refers to financial statements Note 6 (e).

Description of key audit matters:

The Company's inventories are measured at the lower of cost and net realizable value. However, the cost of inventory might exceed its net realizable value due to the rapid advancement in technology and the changes in market demand. Therefore, inventory evaluation is one of our key audit matters.

How the matter was addressed in our audit

Our principal audit procedures included: assessing the Company's allowance on inventory according to its characteristics, including conducting sampling test to examine accuracy of inventory aging; assessing the Company's inventory decline or rationality of debt ratio; examining accuracy of allowance on inventory for past years, and comparing with this period, in order to assess whether estimation method for this period is presented fairly.

3. Assessment of Accounting Receivable

The accounting principle of Accounts Receivable refers to financial statements Note 4 (f) "Financial instruments"; Accounting receivable of Accounting Assumptions, Judgments and Estimation Uncertainty, refers to financial statements Note 5 (b); The explanation of accounting receivable refer to financial statements Note 6 (c) "Notes and Trade Receivable, Trade Receivable-related parties".

Description of key audit matters:

The Company's accounts receivable are concentrated among certain customers. Allowance evaluation on accounts receivable contains management's subjective judgment. Therefore, the assessment on accounts receivable is one of the key audit matter.

How the matter was addressed in our audit:

Our principal audit procedure included: analyzing trade receivables aging schedule, collection reports and customers' credit concentration risk, etc., in order to assess whether estimation method and the amount of trade receivables for this period is presented fairly.

4. Development Cost

For accounting principle of intangible asset development cost and explanation of intangible asset, please refer to Notes 4(k) “Intangible Assets” and Notes 6(j) “Intangible Assets” , respectively.

Description of key audit matters:

The Company focuses on developing new type of blood glucose meter, wherein it incurred a massive amount of research and development expenses before and during clinical trial stage. This research has reached to a developed stage and now classified as asset. Whether to capitalize development cost relies on the subjective judgement of the Company’ s management. Therefore, the cost on research and development is one of our key audit matters.

We focus on whether there is bias in the management’ s judgement on determining the capitalization or expensing of related costs, especially for the feasibility of the technology of the new blood glucose meter, whether it has met the criteria to be capitalized and obtained the approval from authority.

How the matter was addressed in our audit:

Our principle audit procedures included:

1. Understanding whether the management has adequately evaluated the feasibility of the technology of the new blood glucose meter to determine it has met the criteria to be capitalized.
2. Assessing whether the Company’ s accounting policy for development costs is in accordance with accounting regulations.
3. Obtaining the management’ s analysis on the schedule of the new type blood glucose meter and verifying whether the developing process has remained in its original schedule.
4. Conducting sampling of research and development cost in the current period by inspecting those supporting documents such as clinic trial contracts, invoice by vender, and payment records, to verify whether its nature, amount and classification of the expenses were appropriate.
5. Assessing whether it is appropriate for the Company’ s management to capitalize the development costs as asset.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of 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 supervisors) are responsible for overseeing the Company’ s financial reporting process.

Auditor’ s 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 auditor’ s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 auditor’ s 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.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Tzu-Hsin Chang and Chun-Yuan Wu.

KPMG

Taipei, Taiwan (Republic of China)

March 19, 2021

Notes to Readers

The accompanying financial statements are intended only to present the statement of financial position, financial performance and cash flows in accordance with the 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 accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIONIN (163) CORPORATION

Balance Sheets

December 31, 2020 and 2019

(expressed in thousands of New Taiwan dollars)

Assets	December 31, 2020		December 31, 2019	
	Amount	%	Amount	%
Current assets:				
Cash and cash equivalents (note 6 (a))	\$ 266,706	6	263,052	6
Notes receivable, net (note 6 (c))	11,554	-	3,383	-
Trade receivable, net (note 6 (c))	374,936	9	623,582	14
Trade receivable-related parties, net (note 6 (c) and 7)	82,518	2	110,071	3
Other receivables (note 6 (d))	4,769	-	4,508	-
Other receivable-related parties(note (d) and 7)	82	-	381	-
Current income tax assets	14,611	-	18,543	-
Inventories (note 6 (e))	458,020	10	375,229	9
Prepayments (note 9 (b))	51,934	1	31,425	1
Other current assets (note 6 (k))	9,262	-	9,149	-
Other current financial assets (note 6 (k) and 8)	200	-	-	-
	1,274,592	28	1,439,323	33
Non-current assets:				
Non-current financial assets at fair value through other comprehensive income (note 6 (b))	36,100	1	36,100	1
Investments accounted for using equity method (note 6 (f))	186,683	4	168,758	4
Property, plant and equipment (note 6 (h), 7 and 8)	2,610,332	58	2,659,787	60
Right-of-use assets (note 6 (i))	2,618	-	3,632	-
Intangible assets (note 6 (j))	205,569	5	49,273	1
Deferred tax assets (note 6 (r))	28,339	1	2,899	-
Prepayments for business facilities	67,110	2	39,066	1
Guarantee deposits paid	2,150	-	2,554	-
Defined benefit assets, net (note 6 (r))	452	-	-	-
Other non-current assets (note 6 (k))	53,758	1	-	-
	3,193,111	72	2,962,069	67
Total assets	\$ 4,467,703	100	4,401,392	100
Liabilities and Equity				
Current liabilities:				
Short-term borrowings (note 6 (m) and 8)	\$ 483,349	11	465,799	11
Short-term notes and bills payable (note 6 (l))	39,950	1	199,775	5
Notes payable	849	-	-	-
Trade payable	144,033	3	147,993	3
Trade payable-related parties (note 7)	375	-	1,575	-
Other payables	195,333	4	267,156	6
Other payables-related parties (note 7)	31,313	1	45,688	1
Payable on machinery and equipment	12,894	-	16,793	-
Current income tax liabilities	4,909	-	28,009	-
Current lease liabilities (note 6 (p))	1,343	-	1,225	-
Other current liabilities (note 6 (n) and 7)	14,156	-	9,486	-
Long-term borrowings, current portion (note 6 (o) and 8)	304,833	7	200,667	5
	1,233,337	27	1,384,166	31
Non-Current liabilities:				
Long-term borrowings (note 6 (o) and 8)	1,167,292	26	972,125	22
Deferred tax liabilities (note 6 (r))	163	-	96	-
Non-current lease liability (note 6 (p))	1,280	-	2,413	-
Defined benefit liability (note 6 (q))	-	-	15	-
Guarantee deposits received	4	-	-	-
	1,168,739	26	974,649	22
Total liabilities	2,402,076	53	2,358,815	53
Equity (note 6 (s))				
Ordinary share	617,558	14	596,698	14
Advance receipts for share capital	9,702	-	41,308	1
Capital surplus	1,402,306	31	1,337,126	30
Retained earnings	189,752	5	216,593	5
Other equity interest	(15,550)	-	(11,007)	-
Treasury shares	(138,141)	(3)	(138,141)	(3)
Total equity	2,065,627	47	2,042,577	47
Total liabilities and equity	\$ 4,467,703	100	4,401,392	100

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIONIM CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

(expressed in thousands of New Taiwan dollars , except for earnings per share)

	2020		2019	
	Amount	%	Amount	%
Net operating revenues (note 6 (w) and 7)	\$ 1,601,953	100	2,053,362	100
Operating costs (note 6 (e), (j) and (x))	937,407	59	1,189,097	58
Gross profit from operations	664,546	41	864,265	42
Less: Net unrealized gains between affiliates	16,498	1	(5,765)	-
Net Gross profit from operations	648,048	40	870,030	42
Operating expenses (note 6 (c), (j), (r), (x) and 7))				
Selling expenses	202,244	13	253,170	12
Administrative expenses	184,730	12	227,284	12
Research and development expenses	246,360	15	253,691	12
Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	23,224	1	10,176	-
	656,558	41	744,321	36
Net operating income	(8,510)	-	125,709	6
Non-operating income and expenses :				
Non-operating income:				
Interest income (note 6 (x))	166	-	387	-
Other income (note 6 (y) and 7)	18,357	1	12,823	1
Other gains and losses (note 6 (y), and 7)	1,523	-	(366)	-
Finance costs	(21,163)	(1)	(30,818)	2
Share of profit of associates accounted for using equity method	38,786	2	22,204	1
	37,669	2	4,230	4
Profit before income tax	29,159	2	129,939	10
Less: income tax expense (note 6 (r))	(33,275)	(2)	23,681	1
Profit (loss)	62,434	4	106,258	9
Other comprehensive income:				
Items that may not be reclassified subsequently to profit or loss				
Gains (losses) on remeasurements of defined benefit plans (note (q))	316	-	(282)	-
	316	-	(282)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translation of foreign financial statements	(4,543)	-	(5,507)	-
Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6 (r))	-	-	-	-
	(4,543)	-	(5,507)	-
Other comprehensive income (after tax)	(4,227)	-	(5,789)	-
Comprehensive income	\$ 58,207	4	100,469	9
Earnings per share (NT dollars) (note 6 (u))				
Basic earnings per share	\$ 1.06		1.85	
Diluted earnings per share	\$ 1.03		1.81	

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BION CORP.

Statement of Changes in Equity

For the years ended December 31, 2020 and 2019

(Expressed in thousands of New Taiwan dollars)

Retained earnings									
Advance		Total share capital			Legal reserve		Special reserve		Exchange differences on translation of foreign financial statements
Ordinary shares	receipts for share capital	capital	surplus	Unappropriated retained earnings	Total	Treasury shares	Total equity		
\$ 594,468	-	594,468	1,314,899	127,738	225,511	(138,141)	1,991,237	(5,500)	1,991,237
-	-	-	-	106,258	106,258	-	106,258	-	106,258
-	-	-	-	(282)	(282)	-	(5,789)	(5,507)	(5,789)
-	-	-	-	105,976	105,976	-	100,469	(5,507)	100,469
-	-	-	-	(12,773)	-	-	-	-	-
-	-	-	-	(114,894)	(114,894)	-	(114,894)	-	(114,894)
-	-	-	13,697	-	-	-	13,697	-	13,697
2,230	-	2,230	8,515	-	-	-	10,745	-	10,745
-	-	-	15	-	-	-	15	-	15
-	41,308	41,308	-	-	-	-	41,308	-	41,308
\$ 596,698	41,308	638,006	1,337,126	106,047	216,593	(138,141)	2,042,577	(11,007)	2,042,577
596,698	41,308	638,006	1,337,126	106,047	216,593	(138,141)	2,042,577	(11,007)	2,042,577
-	-	-	-	62,434	62,434	-	62,434	-	62,434
-	-	-	-	316	316	-	(4,227)	(4,543)	(4,227)
-	-	-	-	62,750	62,750	-	58,207	(4,543)	58,207
-	-	-	-	(10,626)	-	-	-	-	-
-	-	-	-	(5,579)	-	-	-	-	-
-	-	-	-	(89,591)	(89,591)	-	(89,591)	-	(89,591)
-	-	-	15,535	-	-	-	15,535	-	15,535
20,860	(41,308)	(20,448)	78,718	-	-	-	58,270	-	58,270
-	9,702	9,702	-	-	-	-	9,702	-	9,702
-	-	-	(29,073)	-	-	-	(29,073)	-	(29,073)
\$ 617,558	9,702	627,260	1,402,306	63,001	189,752	(138,141)	2,065,627	(15,550)	2,065,627

Balance on January 1, 2019

Profit for the year ended December 31, 2019

Other comprehensive income for the year ended December 31, 2019

Comprehensive income for the year ended December 31, 2019

Appropriation and distribution of retained earnings:

Legal reserve

Cash dividends on ordinary shares

Employee stock options compensation costs

Employee stock options exercised

From share of changes in equity of subsidiaries

Advance receipts for share capital

Balance on December 31, 2019

Balance on January 1, 2020

Profit for the year ended December 31, 2020

Other comprehensive income for the year ended December 31, 2020

Comprehensive income for the year ended December 31, 2020

Appropriation and distribution of retained earnings:

Legal reserve

Special reserve

Cash dividends on ordinary shares

Employee stock options compensation costs

Employee stock options exercised

Advance receipts for share capital

Cash dividends of capital surplus

Balance on December 31, 2020

(English Translation of Financial Statements and Report Originally Issued in Chinese)

BIONIME CORPORATION

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(expressed in thousands of New Taiwan dollars)

	2020	2019
Cash flows from (used in) operating activities:		
Profit before tax	\$ 29,159	129,939
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	147,594	150,056
Amortization expense	10,781	9,718
Expected credit (gain)/Provision for bad debt expense	23,224	10,176
Interest expense	21,163	30,818
Interest revenue	(166)	(389)
Share-based payments transactions	15,535	13,697
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using equity method	(38,786)	(22,204)
Gain on disposal of property, plan and equipment	(169)	(179)
Property, plan and equipment transferred to expenses	-	3,419
Gain on disposal of investments	-	(8)
Gain on lease modification	(12)	-
Net unrealized gains between affiliates	16,498	(5,765)
Total adjustments to reconcile profit	195,662	189,339
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes receivable	(8,171)	4,558
Trade receivable	225,422	(12,740)
Trade Receivable due from related parties	27,553	113,110
Other receivables	(261)	8,322
Other receivables due from related parties	299	5,308
Inventories	(83,334)	3,883
Other operating assets	(74,516)	(22,529)
	86,992	99,912
Changes in operating liabilities:		
Notes payable	849	(14)
Trade payable	(3,960)	(14,667)
Trade payable due from related parties	(1,200)	1,467
Other payables	(71,670)	14,085
Other payables due from related parties	(14,375)	6,852
Other operating liabilities	4,655	4,384
	(85,701)	12,107
Total changes in operating assets and liabilities	1,291	112,019
Total adjustments	196,953	301,358
Cash inflow generated from operations	226,112	431,297
Interest received	166	389
Interest paid	(21,141)	(32,043)
Income taxes paid	(11,266)	(694)
Net cash flows from (used in) operating activities	193,871	398,949
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(6,000)
Acquisition of investment using equity method	-	(2,520)
Acquisition of property, plant and equipment	(75,801)	(45,209)
Decrease (Increase) in refundable deposits	404	(1,553)
Acquisition of intangible assets	(166,995)	(49,577)
Increase in other financial assets	(200)	-
Increase in prepayments for business facilities	(52,495)	(42,942)
Other investing activities	-	15
Net cash flows from (used in) investing activities	(295,087)	(147,786)
Cash flows from (used in) financing activities:		
Increase in short-term borrowings	2,118,616	1,865,431
Decrease in short-term borrowings	(2,106,415)	(2,031,430)
Decrease in short-term notes and bills payable	(160,000)	(59,973)
Proceeds from long-term borrowings	700,000	50,000
Repayments of long-term borrowings	(400,667)	(76,764)
Cash dividends paid	(118,664)	(114,894)
Increase in guarantee deposits	4	-
Payment of lease liabilities	(1,324)	(551)
Proceeds from exercise of employee stock options	67,972	52,053
Net cash flows from (used in) financing activities	99,522	(316,128)
Effect of exchange rate changes on cash and cash equivalents	5,348	(6,529)
Net increase (decrease) in cash and cash equivalents	3,654	(71,494)
Cash and cash equivalents at beginning of period	263,052	334,546
Cash and cash equivalents at end of period	\$ 266,706	263,052

See accompanying notes to financial statements.

5. Profit Distribution Table for 2020

Bionia Corporation
Profit Distribution Table



(Unit: NTD \$)

Items	Total
Beginning retained earnings	252,494
Add: Remeasurements of the net defined benefit plan	316,238
Add: Net profit after tax	62,434,139
Less: Special reserves	(4,795,335)
Less: Statutory reserves	(6,275,038)
Distributable net profit	51,932,498
Distributable items:	
Dividend to shareholders -Cash (NTD \$ 0.83 per share)	(51,578,104)
Unappropriated retained earnings	354,394
Notes:	

6. Comparison Table for the Amendment of the Article of Incorporation

Bionime Corporation

Comparison Table for the Amendment of the Article of Incorporation

After the Revision	Before the Revision	Explanation
Article 2: The business of the company is as follows: 1. F108031 Medical Equipment Wholesale Industry (limited to the Republic of China Industry Standard Classification 4565 Watches and Glasses Wholesale Industry, 4571 Pharmaceutical and Medical Supplies Wholesale Industry and 4649 other Machinery and Equipment Wholesale Industry) . 2. IG01010 Biotechnology Service Industry (limited to the Republic of China Industry Standard Classification 7210 Natural and Engineering Science Research Service Industry). 3. F113030 Precision Instrument Wholesale Industry (limited to the Republic of China Industry Standard Classification 4564 Household Photographic Equipment and Optical Products Wholesale Industry and 4649 other Machinery and Equipment Wholesale Industry). 4. CF01011 Medical Equipment Manufacturing Industry (limited to the Republic of China Industry Standard Classification 2760 Radiation and Electronic Medical Equipment Manufacturing, 3321 Glasses Manufacturing and 3329 other Medical Equipment and Supplies Manufacturing).	Article 2: The business of the company is as follows: 1. F108031 Medical Equipment Wholesale Industry (limited to the Republic of China Industry Standard Classification 4565 Watches and Glasses Wholesale Industry, 4571 Pharmaceutical and Medical Supplies Wholesale Industry and 4649 other Machinery and Equipment Wholesale Industry) . 2. IG01010 Biotechnology Service Industry (limited to the Republic of China Industry Standard Classification 7210 Natural and Engineering Science Research Service Industry). 3. F113030 Precision Instrument Wholesale Industry (limited to the Republic of China Industry Standard Classification 4564 Household Photographic Equipment and Optical Products Wholesale Industry and 4649 other Machinery and Equipment Wholesale Industry). 4. CF01011 Medical Equipment Manufacturing Industry (limited to the Republic of China Industry Standard Classification 2760 Radiation and Electronic Medical Equipment Manufacturing, 3321 Glasses Manufacturing and 3329 other Medical Equipment and Supplies Manufacturing).	For the business development and the requirements of the company.

After the Revision	Before the Revision	Explanation
5.CC01100 Telecom Control RF Equipment Manufacturing (limited to the Republic of China Industry Standard Classification 2721 Telephone and Mobile Phone Manufacturing, 2729 Other Communication Equipment Manufacturing, 2751 Measurement, Navigation and Control Equipment Manufacturing and 2760 Radiation and Electronic Medical Equipment Manufacturing). 6. F401021 Telecom Control RF Equipment Input Industry (limited to the Republic of China Industry Standard Classification 4642 Electronic Equipment and its Components Wholesale Industry). 7. <u>F399040 Retail business without a store (limited to the Republic of China's Industry Standard Classifications 4871 e-shopping and mail order industries, and other unclassified retailing without a store 4879; except for pharmacies, drug stores, chemist stores, or live animal retails).</u>	5. CC01101 Telecom Control RF Equipment Manufacturing (limited to the Republic of China Industry Standard Classification 2721 Telephone and Mobile Phone Manufacturing, 2729 Other Communication Equipment Manufacturing, 2751 Measurement, Navigation and Control Equipment Manufacturing and 2760 Radiation and Electronic Medical Equipment Manufacturing). 6. F401021 Telecom Control RF Equipment Input Industry (limited to the Republic of China Industry Standard Classification 4642 Electronic Equipment and its Components Wholesale Industry).	
Article 31: This Articles of Incorporation was drawn up on March 26, 2003. First amendment was effected on May 20, 2003. Second amendment was effected on November 5, 2003. Third amendment was effected on June 30, 2004. Fourth amendment was effected on February 21, 2005.	Article 31: This Articles of Incorporation was drawn up on March 26, 2003. First amendment was effected on May 20, 2003. Second amendment was effected on November 5, 2003. Third amendment was effected on June 30, 2004. Fourth amendment was effected on February 21, 2005.	Change and correction

After the Revision	Before the Revision	Explanation
Fifth amendment was effected on March 10, 2005.	Fifth amendment was effected on March 10, 2005.	
Sixth amendment was effected on March 16, 2006.	Sixth amendment was effected on March 16, 2006.	
Seventh amendment was effected on June 29, 2007.	Seventh amendment was effected on June 29, 2007.	
Eighth amendment was effected on October 17, 2007.	Eighth amendment was effected on October 17, 2007.	
Ninth amendment was effected on June 30, 2009.	Ninth amendment was effected on June 30, 2009.	
Tenth amendment was effected on March 25, 2010.	Tenth amendment was effected on March 25, 2010.	
Eleventh amendment was effected on June 9, 2011	Eleventh amendment was effected on June 9, 2011	
Twelfth amendment was effected on June 28, 2013	Twelfth amendment was effected on June 28, 2013	
Thirteenth amendment was effected on February 7, 2014.	Thirteenth amendment was effected on February 7, 2014.	
Fourteenth amendment was effected on February 5, 2016.	Fourteenth amendment was effected on February 5, 2016.	
Fifteenth amendment was effected on June 20, 2019.	Fifteenth amendment was effected on June 20, 2019.	
Sixteenth amendment was effected on June 30, 2020.	Sixteenth amendment was effected on June 30, 2020.	
<u>Seventeenth amendment was effected on June 24, 2021.</u>		

7. Comparison Table for the Amendment of the Rules of Procedure for Shareholders Meetings

Bionime Corporation

Comparison Table for the Amendment of the Rules of Procedure for Shareholders Meetings

After the Revision	Before the Revision	Explanation
Article 5: The convening of the shareholders' general meeting of the company shall be notified to the shareholders 30 days before; the convening of the shareholders' temporary meeting shall be 15 days before. The notice and announcement shall state the cause of the convening; the notice may be acquired electronically by the counterparty. Appointment or dismissal of directors, supervisors, change the constitution, capital reduction, application to stop public offering, approval of Director to engage in competitive activities, New Shares from Earnings dissolution, New Shares from Reserve Capital, merge, division or section 185 of the Companies Act. matters should be convened in the subject Listed, may not be proposed by a temporary motion. Omit below	Article 5: The convening of the shareholders' general meeting of the company shall be notified to the shareholders 30 days before; the convening of the shareholders' temporary meeting shall be 15 days before. The notice and announcement shall state the cause of the convening; the notice may be acquired electronically by the counterparty. Appointment or dismissal of directors, supervisors, change the constitution, capital reduction, application to stop public offering, approval of Director to engage in competitive activities, New Shares from Earnings dissolution, New Shares from Reserve Capital, merge, division or section 185 of the Companies Act. matters should be convened in the subject Listed, may not be proposed by a temporary motion; The major part of the content could put on the website directed by security authorities or company and the website should be written on the notification. Omit below	Cooperate with the revision of the law.
Article 10: The attendance of the shareholders' meeting shall be based on the shares. The number of shares	Article 10: The attendance of the shareholders' meeting shall be based on the shares. The number of shares	Cooperate with the revision of

attending is based on the signature book or the signed card, and the number of shares in the voting right is calculated in writing or electronically. At the time of the meeting, the chairman shall announce the meeting. <u>It is a must to make announcement of relevant information of the number of non-voting rights, and the number of attended shares at the same time.</u> However, if the shareholders who have not represented more than half of the total number of shares in issue are present, the chairman may announce the postponement of the meeting. The number of delays shall be limited to 2 times, and the total time of the delay shall not more than one hour. The second time after the delay was still insufficient to represent more than 1/3 of the total number of issued shares, the chairman announced the meeting is fail to be convened. Omit below	attending is based on the signature book or the signed card, and the number of shares in the voting right is calculated in writing or electronically. At the time of the meeting, the chairman shall announce the meeting. However, if the shareholders who have not represented more than half of the total number of shares in issue are present, the chairman may announce the postponement of the meeting. The number of delays shall be limited to 2 times, and the total time of the delay shall not more than one hour. The second time after the delay was still insufficient to represent more than 1/3 of the total number of issued shares, the chairman announced the meeting is fail to be convened. Omit below	the law.
Article 17: When a shareholder elects a director or supervisor, it shall handle it according to the relevant selection rules set by the company, and shall announce the results of the election. <u>It includes a list of both elected directors and supervisors and the number of their election rights, as well as a list of unelected directors and supervisors and the number of voting rights they obtained</u> Omit below	Article 17: When a shareholder elects a director or supervisor, it shall handle it according to the relevant selection rules set by the company, and shall announce the results of the election. Omit below	Cooperate with the revision of the law.

Article of Incorporation

General

Article 1: The company is organized in accordance with the provisions of the Company Law Co., Ltd. and is named Bionime Corporation, Ltd.

Article 2: The business of the company is as follows:

1. F108031 Medical Equipment Wholesale Industry (limited to the Republic of China Industry Standard Classification 4565 Watches and Glasses Wholesale Industry, 4571 Pharmaceutical and Medical Supplies Wholesale Industry and 4649 other Machinery and Equipment Wholesale Industry) .
2. IG01010 Biotechnology Service Industry (limited to the Republic of China Industry Standard Classification 7210 Natural and Engineering Science Research Service Industry).
3. F113030 Precision Instrument Wholesale Industry (limited to the Republic of China Industry Standard Classification 4564 Household Photographic Equipment and Optical Products Wholesale Industry and 4649 other Machinery and Equipment Wholesale Industry).
4. CF01011 Medical Equipment Manufacturing Industry (limited to the Republic of China Industry Standard Classification 2760 Radiation and Electronic Medical Equipment Manufacturing, 3321 Glasses Manufacturing and 3329 other Medical Equipment and Supplies Manufacturing).
5. CC01101 Telecom Control RF Equipment Manufacturing (limited to the Republic of China Industry Standard Classification 2721 Telephone and Mobile Phone Manufacturing, 2729 Other Communication Equipment Manufacturing, 2751 Measurement, Navigation and Control Equipment Manufacturing and 2760 Radiation and Electronic Medical Equipment Manufacturing).
6. F401021 Telecom Control RF Equipment Input Industry (limited to the Republic of China Industry Standard Classification 4642 Electronic Equipment and its Components Wholesale Industry).

Article 3: The Company may guarantee and transfer the investment externally depending on the needs of the business, and may be a limited liability shareholder of the company as determined by the Board of Directors. The total amount of the transferred investment shall be exempt from the paid-in capital of the company, unless provided limited 40 % by the law.

Article 4: The Company has a headquarter in Taichung. It may have a resolution of the Board of Directors to set up branches at home and abroad according to law if necessary.

Article 5: The announcement method of the Company shall be handled in accordance with Article 28 of the Company Law.

Share

Article 6: Article 6: The Company's capital total amount is NT\$1 billion, which is further divided into 100 million Shares, with the value per share NT\$ 10, and the Board is authorized to issue shares in installments.

The first capital amount shall be retained in NT\$ 90 million for the issuance of employee stock option vouchers, special stocks with warrants or company warrants with a total of NT\$ 9 million, NT\$ 10 per share, released separately. When the company's shares are legally purchased by the company, the Board of Directors is authorized to make regulations according to law.

The treasury stock purchased by the company may include controlled or dependent company employees who meet certain requirements. The company's employee warrants may include controlled or dependent company's employees who meet certain requirements. The rights of new shares may include controlled or dependent company's employees who meet certain requirements. When the company issues new shares, the employees of the acquired shares may include controlled or dependent company's employees who meet certain requirements.

The requirements mentioned in the preceding section are authorized by the Board of Directors.

Article 7: The company's stock is registered in the name of the director. The representatives of directors signed or stamped and issued by the agency or its approved issuing and registration authority after the visa. It is exempted from printing stocks after the company publicly issues shares, but it should be registered with the centralized securities depository enterprise.

Article 8: After the public offering of shares by the Company, the share operations shall be handled in accordance with the "Guidelines for the Administration of Shares of Publicly Issued Stock Companies".

Article 9: Within 30 days before the regular meeting of shareholders, within 15 days before the temporary meeting, or within 5 days before the date on which the company decides to distribute dividends or other benefits, the transfer of shares shall be suspended. After the company publicly issues shares, the company shall stop the stock transfer within 30 days before the meeting of the shareholders' temporary meeting within 60 days before the meeting of the shareholders' meeting.

Chapter 3 Shareholders' Meeting

Article 10: Shareholders will be divided into ordinary and extraordinary session two kinds, regular session once, within six months after the end of the year, according to the law by the Board of Directors convened every accounting, convened in extraordinary session if necessary according to the law every year. The convening of the shareholders' meeting shall be notified in accordance with the Company Law, the Securities Exchange Law and the relevant laws and regulations promulgated by the securities authorities. The convening notice of the shareholders' meeting is approved by the shareholders and can be acquired electronically.

Article 11: Shareholders unable to attend the shareholders' meeting, may, in accordance with Article 177 of the Company Act, issued power of attorney, appoint proxies to attend. After the company's public offering of shares, it is handled in accordance with the "Public Issuance Company's Participation in the Shareholders' Meeting Using the Power of Attorney Rules".

Article 12: When the shareholders' meeting meets, the chairman of the Board of Directors shall be the chairman. When the chairman absence, the chairman shall appoint one of the directors. If not appointed, the directors shall act as one agent for each other. When the shareholders of the company are only one person of the legal person, the powers of the shareholders' meeting of the Company shall be exercised by the Board of Directors and the shareholders' meeting of this Articles shall not apply.

Article 13: Each shareholder of the company has one vote per share.

Article 14: The resolutions of the shareholders' meeting, except as otherwise provided for in the company law and related laws and regulations, shall be attended by the shareholders who represent more than half of the total number of issued shares in person or by proxy, with the consent of more than half of the voting rights of the shareholders.

Article 15: The resolutions of the shareholders' meeting shall be made into a deliberation, signed or sealed by the chairman, and the minutes shall be distributed to the shareholders within 20 days after the meeting. The minutes of the meeting shall record the year, month, day, place of the meeting, the name of the chairman, the method of resolution, the essentials of the proceedings and the results of the meeting, and shall be kept forever during the company's existence. The attendance letter of the shareholders and the power of attorney to attend the shareholders shall be kept for at least one year. However, the case filed by the shareholders in accordance with Article 189 of the Company Law shall be kept until the end of the lawsuit. The production and distribution of the previous proceedings can be announced.

Chapter 4 Director and Supervisor

Article 16: The company has 7-9 directors and 3 supervisors, all of whom are elected by the shareholders' meeting. They are appointed for a term of 3 years and are eligible for re-election. After the election, the Board of Directors may decide to purchase liability insurance for the directors and supervisors of the company. After the company publicly issues shares, the total shareholding ratio of all directors and supervisors shall be in accordance with the Company Law and the securities regulatory authority.

Article 16-1 : The nomination system is used to the election of director (including independent director) and supervisor, and the General meeting will elect from the candidate list.

About the number of independent directors in the above-mentioned directors shall not be less than two and shall not be less than 1/5 of the number of directors. The independent director shall adopt the nomination system for candidates and shall be independent by the shareholders' meeting. Elected from the list of candidates for directors. Nominated way elected means and other matters shall be handled relevant professional qualifications of independent directors, shareholders, part-time restrictions, recognized the independence of the pertinent regulations of the Securities Act and the provisions of the competent authority.

Article 16-2: After the company publicly issues shares, there shall be more than half of the seats between the directors. At least one or more of the supervisors or supervisors and the directors shall not have one of the following relationships:

1. The spouse
2. Relatives within the second parent

Article 17: When the director's vacancy reaches 1/3, the Board of Directors shall convene a by-election of the shareholders' temporary meeting within the time limit prescribed by the law. The term of office is limited to the term of the original term.

Article 18: When the term of office of the supervisor of the directors expires and is not re-elected, he or she shall be extended to perform his duties until the election of the supervisor of the directors.

Article 19: Directors organize the Board of Directors, and the Board of Directors shall be represented by more than 2/3 of the directors and more than half of the directors, and one chairman shall be

elected to perform all matters of the company in accordance with the resolutions of the laws, regulations, shareholders' meeting and the Board of Directors.

Article 20: The operating principle and other important matters, by resolution of the Board of Directors, in addition to each first Board of Directors convened in accordance with the Article 203 of the Company Law, the remaining convened by the chairman of the board and served as chairman. When the duties cannot be performed, the directors shall appoint one of the directors to act as agents. If they are not appointed, the directors shall appoint each other to act on their behalf. The company convened the Board of Directors to notify the directors and supervisors in writing, electronically (e-mail) and by fax.

Article 21: In addition to the Company Law, a board meeting shall be attended by more than half of the directors, with the consent of more than half of the directors. If the director is unable to attend for any reason, he/she shall be issued with a power of attorney stating the scope of the convening of the convening and entrusting other directors to attend the Board of Directors, but only one person shall be entrusted by one person. When the Board of Directors meets, it is possible for the video conference to be held. The directors who attend the meeting by video are deemed to be present in person.

Article 22: The proceedings of the Board of Directors shall be made into a deliberation record, signed or sealed by the chairman, and within 20 days after the meeting, the proceedings shall be distributed to the directors, and the proceedings shall record the essentials of the proceedings and their results. The record and the letter of attorney of the attending director and the power of attorney of the attendance are kept in the company. The production and distribution of the previous proceedings can be made electronically.

Article 23: The supervisor shall exercise the power of supervision separately and in accordance with the law, and may attend the board meeting, but may not participate in the voting.

Article 23-1: The company's directors and supervisors and the directors' salary and other allowances for the implementation of the company's business, regardless of operating profit and loss, can be authorized by the Board of Directors to set standard payment.

Chapter 5 Managers and Staff

Article 24: The Company has a general manager and a number of managers. The appointment and dismissal of the company is carried out by the Board of Directors with a majority of the directors.

Article 25: The company may appoint a consultant and an important staff member through the Board of Directors in accordance with the resolutions stipulated in Article 24 of the statute.

Article 26: Other employees of the Company shall be appointed and removed by the general manager in accordance with internal operations.

Chapter 6 Final Account

Article 27: At the end of the accounting year, the following tables shall be prepared by the Board of Directors. Before the meeting of the shareholders' meeting, 30 days before the meeting, the supervisor shall submit it to the regular meeting of shareholders for approval:

1. Business report
2. Financial statements
3. The proposal of surplus distribution or loss compensation

Article 28: The Company shall distribute the remuneration of the employees at a rate not less than 1.5% of the profitability of the current year and shall be paid by the directors at a rate not higher than 3% of the profitability of the current year, but the company still has accumulated losses. Should be remedied. The profitability of the current year referred to in the preceding paragraph refers to the pre-tax profit of the year minus the benefits before the employee's remuneration and the compensation of the directors.

The distribution of employee compensation and compensation of the directors shall be reported by the Board of Directors with a resolution of more than 2/3 of the directors and a majority of the directors' attendance and report to the shareholders' meeting. Employee compensation is available in stock or cash, and is distributed to employees of subordinate companies who meet certain requirements or the control of requirements. This requirement authorizes the Board of Directors to fix it.

Article 28-1: If the company's total annual final accounts have a surplus, it should first pay taxes, make up for accumulated losses, and increase 10% into legal reserve. However, when the legal reserve has reached the total capital of the company, not limited to this. And in accordance with the law or the competent authority to provide or revolve special reserve, if there is still surplus, the balance of the accumulated undistributed surplus, the Board of Directors intends to have a distribution proposal, in the case of the issuance of new shares, which will be dispatched after the resolution of the shareholders' meeting.

In accordance with the Article 240, Section 5 of the Company Law, the Company authorizes the Board of Directors to attend more than 2/3 of the directors and the resolution of more than half of the directors, and shall distribute dividends and bonus or the Article 241, Section 1 of the Company Law,

all or part of the legal reserve and capital reserve shall be paid in cash and reported to the shareholders' meeting.

The company's dividend policy will allocate the retained earnings to shareholders in the form of stock and cash dividends based on the company's future capital expenditure budget and capital demand. The cash dividend ratio shall not be less than 5% of the total dividends of the shareholders.

Article 28-2: After the company publicly issues shares, if there is a plan to revoke the public offering, it shall report to the shareholders meeting in 2/3 to pass the resolution, and will not change during the period of the cabinet and during the listing period.

Chapter 7 Supplementary Articles

Article 29: The company's organization procedures and rules of procedure shall be determined by the Board of Directors.

Article 30: Items not covered by the Articles of Association shall be handled in accordance with the Company Law and other laws and regulations.

Article 31: This Articles of Incorporation was drawn up on March 26, 2003.

First amendment was effected on May 20, 2003.

Second amendment was effected on November 5, 2003.

Third amendment was effected on June 30, 2004.

Fourth amendment was effected on February 21, 2005.

Fifth amendment was effected on March 10, 2005.

Sixth amendment was effected on March 16, 2006.

Seventh amendment was effected on June 29, 2007.

Fifteenth amendment was effected on June 20, 2019.

Sixteenth amendment was effected on June 30, 2020.

Bionime Corporation

Rules of Procedure for Shareholders Meetings

Article 1: In order to establish a good shareholder governance system, improve supervision functions and strengthen management functions of the Company, these rules are formulated to be followed.

Article 2: The rules of procedure of the shareholders' meeting of the Company shall be in accordance with these rules, unless provided by laws or regulations.

Article 3: The shareholders' meeting is divided into two types: regular meetings and temporary meetings. The regular meeting shall be convened at least once a year and shall be convened within 6 months after the end of each fiscal year. The Board of Directors shall convene in accordance with Article 172 of the Company Law.

Article 4: The Company shall stop the transfer of shares within 30 days before the meeting of the shareholders' general meeting within 60 days before the meeting of the shareholders' meeting.

Article 5: The convening of the shareholders' general meeting of the company shall be notified to the shareholders 30 days before; the convening of the shareholders' temporary meeting shall be 15 days before. The notice and announcement shall state the cause of the convening; the notice may be acquired electronically by the counterparty.

Appointment or dismissal of directors, supervisors, change the constitution, capital reduction, application to stop public offering, approval of Director to engage in competitive activities, New Shares from Earnings dissolution, New Shares from Reserve Capital, merge, division or section 185 of the Companies Act. matters should be convened in the subject Listed, may not be proposed by a temporary motion; The major part of the content could put on the website directed by security authorities or company and the website should be written on the notification.

The matter of General Meeting of all director are re-elected should be convened in the subject Listed, may not be proposed by a temporary motion or other method of changing the date.

Shareholders holding more than one percent of the total number of issued shares were able to file a standing meeting of shareholders with the company in writing. However, if the one of the proposals exceeds one, it is not included in the proposal. If the proposal would boost company public welfare or social responsibilities, the director still could be including in the proposal. If the shareholder's proposal including in 172 of the Companies Act then it is not included in the proposal.

Prior to the restricted period for share transfer registration before the convention of a regular shareholders' meeting, the Company shall make a public announcement of the place and the period for shareholders to submit proposals at the upcoming shareholders' meeting by letter or email.

The proposal proposed by the shareholders is limited to 300 words. Those who exceed 300 words will not be included in the proposal; the shareholders of the proposal should attend the shareholders' meeting in person or authorized others and participate in the discussion of the proposal. The Company shall notify the proposal shareholders of the results of the processing before the date of the notice of the meeting of the shareholders' meeting, and shall include the resolutions stipulated in this Article in the notice of the meeting. For shareholders' proposals that are not included in the proposal, the Board of Directors shall explain the reasons for not being included in the shareholders' meeting.

Article 6: The place where the shareholders' meeting is convened shall be at the place where the company is located or where the convenience shareholders are present and suitable for the meeting of the shareholders' meeting. The meeting shall start no earlier than 9 am or later than 3 pm. When setting up an independent director, the company should fully consider the opinions of independent directors at the place and time of the meeting.

Article 7: Shareholders may issue a power of attorney issued by the company at each shareholder meeting, stating the scope of authorization, entrusting an agent, and attending the shareholders' meeting. A shareholder who issues a power of attorney and is limited to one person shall be served on the company 5 days before the meeting of the shareholders' meeting. When the power of attorney is repeated, the first person to serve shall prevail. However, the declarant is not included in the statement.

After the power of attorney is delivered to the company, the shareholders who wish to attend the shareholders' meeting in person or wish to exercise their voting rights in writing or electronically shall notify the company in writing of the cancellation of the entrustment 2 days before the meeting of the shareholders' meeting; The voting right of the person attending the exercise shall prevail.

Article 8: The company shall set up a signature book for the attending agent (below refer to shareholder) entrusted by the shareholder or the shareholder to sign in, or the attending shareholder shall pay the sign-in card to sign on behalf of the shareholder. The company shall deliver the meeting agenda, annual reports, attendance certificates, speeches, votes and other meeting materials to the shareholders attending the shareholders' meeting, those who elect the directors or supervisors shall be accompanied by an election ticket.

Shareholders shall attend the shareholders' meeting with attendance card, attendance card or other attendance certificate; the requester who is a request for power of attorney shall be accompanied by proof of identity for verification. When a government or legal person is a shareholder, the representative attending the shareholders' meeting is not limited to one person. When a legal person is entrusted to attend a shareholder meeting, only one representative must be appointed to attend.

Article 9: If the shareholders' meeting is convened by the Board of Directors, the chairman shall be the chairman of the Board of Directors. If the chairman of the Board of Directors asks for leave or fails to exercise his functions and powers, shall be represented by the vice chairman, and no vice chairman or vice chairman shall take leave or cause. Therefore, when the supervisory authority cannot be exercised, the chairman of the Board of Directors shall appoint one of the standing directors; if there is no permanent director, the designated director shall be the agent of one of them. If the chairman does not appoint an agent, the managing director or the director shall push one agent for each other. The shareholders' meeting convened by the Board of Directors shall have more than half of the directors of the Board of Directors to attend. If the shareholders' meeting is convened by other convener holders other than the Board of Directors, the chairman shall be the convener, and if there are more than two convener holders, one person shall be appointed to each other. The company may assign lawyers, accountants or related personnel appointed to attend the shareholders' meeting.

Article 10: The attendance of the shareholders' meeting shall be based on the shares. The number of shares attending is based on the signature book or the signed card, and the number of shares in the voting right is calculated in writing or electronically. At the time of the meeting, the chairman shall announce the meeting. However, if the shareholders who have not represented more than half of the total number of shares in issue are present, the chairman may announce the postponement of the meeting. The number of delays shall be limited to 2 times, and the total time of the delay shall not more than one hour. The second time after the delay was still insufficient to represent more than 1/3 of the total number of issued shares, the chairman announced the meeting is fail to be convened.

If the second item of the preceding paragraph is still insufficient and the shareholders representing more than 1/3 of the total number of issued shares are present, they may make a false resolution in accordance with Section 1 of Article 175 of the Company Law, and notify the shareholders of the resolution in one month. The shareholders meeting will be convened again. Before the end of the meeting, if the number of shares represented by the shareholders reaches more than half of the total number of issued shares, the chairman will make a false resolution and resubmit it to the shareholders' meeting for voting according to Article 174 of the Company Law.

Article 11: The Company shall record or record the entire meeting of the shareholders' meeting and keep it for at least one year. However, the case filed by the shareholders in accordance with Article 189 of the Company Law shall be kept until the end of the lawsuit.

Article 12: If the shareholders' meeting is convened by Board of Directors, its agenda determined by the Board of Directors. The related motion (including temporary motion and/or the amendment(s) to the original proposal(s)) should be vote case by case. The meeting shall be conducted according to the scheduled agenda and may not be changed without the resolution of the shareholders' meeting.

Before the agenda of the first two items is scheduled to be closed (including the temporary motion), the chairman may not announce the meeting without a resolution; the chairman violates the rules of procedure and announces that the members of the Board of Directors and other members of the Board of Directors shall promptly assist the attending shareholders in accordance with the law. A majority of the shareholders who voted at the voting rights voted to elect one person to serve as the chairman and continue the meeting. The Chairman shall give full explanation and discussion to the proposal and the amendments to temporary motions proposed by the shareholders. If it is considered to have reached the level of voting, if it may be declared to stop the discussion and put a sufficient time to the resolution.

Article 13: Before attending a speech by a shareholder, it is necessary to fill in a speech to indicate the main idea of the speech, the shareholder number (or attendance certificate number) and the name of the household. The chairman shall determine the order of his speech. Those who attend the shareholders' speech only and do not speak are deemed to have not spoken. If the content of the speech is inconsistent with the record of the speech, the content of the speech shall prevail.

Each shareholder of the same proposal shall not speak more than twice without the consent of the chairman, and may not more than 5 minutes at a time. However, if the shareholder speaks in violation of the regulations or exceeds the scope of the issue or affects the order of the meeting, the chairman may stop his speech or announce the suspension of the discussion. And carry out other agendas or procedures. When attending a shareholder's speech, other shareholders shall not interfere with the speech except with the consent of the chairman and the speaking shareholder. The violators shall stop it. When a legal person shareholder appoints two or more representatives to attend the shareholders meeting, the same motion may only be pushed by one person. After attending the shareholders' speech, the chairman may personally or designate the relevant personnel to reply.

Article 14: Shareholders of the Company have one vote per share. In the case of one of the following circumstances, the shares have no voting rights:

1. The company holds its own shares in accordance with the law.
2. A subsidiary company that holds more than half of the total number of shares with voting rights or more than half of the total amount of shares held by the company.

3. The controlling company and its subordinate companies directly or indirectly hold the shares of the controlling company and its subordinate companies owned by the company and the total number of shares in which the company has issued voting rights or more than half of the total capital.

When the company convened a shareholders' meeting, it may adopt its written or electronic voting rights. When it exercises its voting rights in writing or electronically, its method of exercise shall be stated in the notice convened by the shareholders' meeting. Exercise of shareholder voting rights of the table in writing or by electronic means shall be deemed to attend the shareholders' meeting. However, the temporary motion of the shareholders' meeting and the amendment of the original proposal are deemed to be abstentions. Therefore, the company should avoid making amendments to the temporary motion and the original motion.

Where the preceding paragraph is exercised in writing or electronically, the meaning of the voting shall be sent to the company 2 days before the meeting of the shareholders' meeting, meaning that there is a repetition, whichever is first served. However, the person who stated before the statement was revoked is not limited to this. After the shareholders exercise their voting rights in writing or electronically, if they wish to attend the shareholders' meeting in person, they shall revoke the meaning of the exercise of voting rights in the preceding section in the same manner as the exercise of voting rights two days before the meeting of the shareholders' meeting; the overdue revocation shall be exercised in writing or electronically. The voting rights shall prevail.

If the voting rights are exercised in writing or electronically and the agent is entrusted to attend the shareholders' meeting by proxy, the voting rights of the entrusted agent to attend the exercise shall prevail. The voting of the resolution is approved by a majority of the voting rights of the attending shareholders with the exception of the Company Law and the Articles of Incorporation. At the time of voting, the chairman or his designee shall announce the total number of voting rights of the shareholders on a case-by-case basis. The shareholders shall vote on a case-by-case basis on the day after the shareholders' meeting, the results of the shareholders' consent, opposition or waiver shall be entered into the public information observatory.

When there is an amendment or an alternative to the same motion, the chairman shall decide the order of voting with the original case. If one of the cases has been passed, the other motions are deemed to be vetoed and no further votes are required. The scrutineer and the counting person of the voting of the proposal shall be appointed by the chairman, but the scrutineer shall have the status of a shareholder. The votes shall be made public at the shareholders' meeting, and the results of the voting shall be reported and recorded.

Article 15: The voting of the shareholders' meeting shall be based on the shares. The resolution of the shareholders' meeting is not included in the total number of issued shares, the number of shares of the

non-voting shareholders. Shareholders shall not vote in the event of a meeting that has its own interests and is harmful to the interests of the company, and may not act on behalf of his shareholders to exercise their voting rights. The number of shares in which the voting rights are not exercised in the preceding paragraph shall not be counted in the voting rights of the shareholders present. Except for the trust business or the stock agency approved by the securities regulatory authority, when one person is entrusted by two or more shareholders at the same time, the voting right of the agent shall not exceed 3 percent of the total voting rights of the issued shares, and if it exceeds the voting right, it is not calculated.

Article 16: The resolutions of the shareholders' meeting shall be attended by shareholders who represent more than half of the total number of shares in issue unless provided by the company law and other laws and regulations, and shall agree to attend more than half of the voting rights of the shareholders. At the time of voting, it shall be deemed as passed and its validity shall be the same as the voting if the chairman has no objection to the shareholders.

Shareholders who disagree with the proposal shall vote by way of voting in accordance with the provisions of the preceding section. In addition to the proposals set out in the agenda, other proposals proposed by shareholders or amendments or alternatives to the original proposal shall be seconded by other shareholders. When there is an amendment or an alternative to the same motion, the chairman shall decide the order of voting with the original case. If one of the cases has been passed, the other motions are deemed to be vetoed and no further votes are required. The scrutineer and the counting person of the voting of the proposal shall be appointed by the chairman, but the scrutineer shall have the status of a shareholder. The votes shall be made public at the shareholders' meeting, and the results of the voting shall be reported and recorded.

Article 17: When a shareholder elects a director or supervisor, it shall handle it according to the relevant selection rules set by the company, and shall announce the results of the election. The election votes for the election items referred to in the preceding paragraph shall be sealed and signed by the scrutineer and kept in good condition for at least one year. However, the case filed by the shareholders in accordance with Article 189 of the Company Law shall be kept until the end of the lawsuit.

Article 18: The resolutions of the shareholders' meeting shall be made into a deliberation, signed or sealed by the chairman, and the minutes of the meeting shall be distributed to the shareholders within 20 days after the meeting. The production and distribution of the meeting agenda can be made electronically.

For the distribution of the meeting agenda in the preceding paragraph, the company was able to enter the public information observatory's announcement method.

The minutes of the meeting shall record the year, month, day, place of the meeting, the name of the chairman, the method of the resolution, the essential of the meeting agenda and the resolution results (including the statistical tallies of the numbers of votes) . The election of Directors and Supervisors at the shareholders meetings shall be announced the number of votes and shall be kept forever during the company's existence.

Article 19: The number of shares acquired by the solicitor and the number of shares represented by the entrusted agent shall be clearly disclosed in the shareholders' meeting at the date of the meeting of the shareholders meeting. The resolutions of the shareholders' meeting shall be reported in accordance with the laws and regulations.

Article 20: The conference personnel handling the shareholders' meeting shall wear identification cards or armbands. The chairman must direct the picket or security personnel to help maintain the order of the venue. When the picket or security guard is present to help maintain order, the "picket" badge or identification card should be worn. The chairman shall have the equipment for sound reinforcement. If the shareholder does not speak with the equipment configured by the company, the chairman shall stop it. If the shareholder violates the rules of procedure and does not obey the chairman's rectification, and the obstruction of the meeting is not stopped, the chairman may direct the picket or security personnel to leave the venue.

Article 21: The chairman may decide to rest at an optional time when the meeting is held. The chairman may decide to suspend the meeting temporarily and announce the time for the resumption of the meeting as appropriate when an irresistible situation occurs. Before the final of the shareholders' meeting (including the extemporary motion), the venue for the meeting will not be used at that time. It is up to the shareholders' meeting to decide to continue the meeting. The shareholders' meeting may decide to procrastinate or resume the assembly within 5 days in accordance with Article 182 of the Company Law.

Article 22: These rules shall be implemented after the approval of the shareholders' meeting, and the same shall apply to the amendments

Bionime Corporation

Shareholdings of All Directors and Supervisors

Book closure date: April 26, 2021

Position	Name	Date of election	Term of Office	Shareholding while elected		Current shareholding	
				shares	Percent age of issued shares	shares	Percentage of issued shares
Chairman	Huang, Chun-Mu	6/20/2019	3	2,405,492	4.04%	2,470,992	3.97%
Director	Chiang, Tai-Hsiung	6/20/2019	3	807,657	1.36%	887,657	1.43%
Director	HUA ENG WIRE&CABLE CO.,LTD Representative : Lin, Ming-Hsiang	6/20/2019	3	7,807,900	13.12%	7,807,900	12.55%
Director	TONGHUA DONGBAO Pharmaceutical CO., LTD.	6/20/2019	3	12,000,000	20.17%	12,000,000	19.28%
Independent Director	Tsai ,Gan-Ren	6/20/2019	3	0	0.00%	0	0.00%
Independent Director	Kuo, Li-Jen	6/20/2019	3	0	0.00%	0	0.00%
Independent Director	Lu, Hsueh-Yu	6/20/2019	3	0	0.00%	0	0.00%
Total				23,021,049	38.69%	23,166,549	37.23%
Supervisor	Su, Chin-Pin	6/20/2019	3	1,087,817	1.83%	1,087,817	1.75%
Supervisor	Tai, Tsung-Kai	6/20/2019	3	405,236	0.68%	405,236	0.65%
Supervisor	Lin, Chien-Hsing	6/20/2019	3	12,501	0.02%	12,501	0.02%
Total				1,505,554	2.53%	1,505,554	2.42%

- 1.Type: Common stock
- 2.Totally shares issued: 62, 226, 294 shares
3. The minimum required combined shareholding of all directors by law: 4, 978, 103 shares
4. The minimum required combined shareholding of all supervisors by law: 497, 810 shares