

2021 Annual Report

Now is The Time For Biosimilars

Published on April 19th, 2022

The Tanvex Annual Report is available at:

<http://mops.twse.com.tw>

<http://www.tanvex.com>

1.Spokesperson, Deputy Spokesperson, Title, and Contact Information

	SPOKESPERSON
Name	Yun Yen
Title	Chairman/Chief Executive Officer
Telephone Number	Tel: +886-2-2701-0518
E-mail	E-mail: contact@tanvex.com

2. Corporate Headquarters, Subsidiaries, Facility Addresses and Contact Information

- 1) Corporate Headquarter: Tanvex BioPharma, Inc. ("Tanvex" or the "Company")
Registered Address: P.O. BOX 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, KY1-1205, Cayman Islands
Contact Tel: +886-2-2701-0518
Taipei Representative Office: 13F-1, No. 376, Sec. 4, Renai Road, Da'an District, Taipei City, Taiwan
Taipei Representative Office Tel: +886-2-2701-0518
- 2) U.S. Subsidiary: Tanvex BioPharma USA, Inc.
Address: 10394 Pacific Center Court, San Diego, CA 92121, U. S. A.
Tel: +1-858-210-4100
- 3) Taiwan Subsidiary: Tanvex Biologics Corporation ("Tanvex Taiwan" or "Tanvex TW")
Address: 33F, No. 99, Sec. 1, Xintai 5th Road, Xizhi District, New Taipei City, Taiwan
Tel: +886-2-2697-1315

3. Stock Transfer Agent Name, Address, Telephone and Website

Name: China Trust Commercial Bank Stock Transfer Agency Service
Address: 5F, No. 83, Sec. 1, Chongqing South Road, Taipei, Taiwan
Tel: +886-2-6636-5566
Website: <https://ecorp.ctbcbank.com>

4. Most Recent Year Financial Auditor's Name, CPA Firm, Address, Telephone and Website

Auditor: Ms. Yu, Shu-Fen, Ms. Liang, Hua-Ling
CPA Firm: PricewaterhouseCoopers Taiwan ("PwC Taiwan")
Address: 27F, No. 333, Sec. 1, Keelung Road, Xinyi District, Taipei, Taiwan
Tel: +886-2-2729-6666
Website: <https://www.pwc.tw>

5. Listing Foreign Stock Exchange and Query Method: Not Applicable

6. Board of Directors

TITLE	NAME	NATIONALITY	WORK EXPERIENCE
Director	Peng Lin Investment Co., Ltd., Representative: Chen, Chi-Chuan	Taiwan, ROC	Please refer to the Section 3.2 Board Members Information of this Annual Report for more details.
Director	Peng Lin Investment Co., Ltd., Representative: Tseng, Tamon	Taiwan, ROC	
Director	Allen Chao and Lee Hwa Chao Family Trust, Representative: Allen Chao	U.S.A	
Director	Hsia Family Trust, Representative: Hsia, David	U.S.A	
Director	Delos Capital Fund, LP, Representative: Ula Xue	China, PRC	
Chairman & CEO	Yen, Yun	Taiwan, ROC	
Independent Director	Tsai, Jin-Pau	Taiwan, ROC	
Independent Director	Wang, Tay-Chang	Taiwan, ROC	

7. Designated Agent Name, Title, Telephone Number and Email Address

Name	Yen, Yun
Title	Litigation and non-litigation agents
Telephone Number	+886-2-2701-0518
E-mail	contact@tanvex.com

8. Company Website: www.tanvex.com

Notice to Reader:

1. For the convenience of readers and for informational purposes only, the 2021 Annual Report for the 2022 Annual General Meeting has been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version, or any differences in the interpretation of the two versions, the Chinese-Language annual report should prevail.
2. Tanvex is a biotechnology company that aims to develop biosimilar and new drug products. Due to the lengthy R&D process, extensive spending, failure to obtain the regulatory approval of government authorities which may result in non-productive R&D activities, investors should assess carefully the risks of investment. Please refer to the risk assessment section **7.6** of this annual report for more details.

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1. Letter to Shareholders

1.1 Letter from CEO

Dear Shareholders,

For many years, I have served as one of the Board of Directors of Tanvex BioPharma, Inc. I have always been very proud to be part of Tanvex Family. In August 2021, I was elected unanimously as the Chairman of the Board and President by the Board of Directors, and most recently Tanvex CEO. Throughout my service for Tanvex, I have always felt extremely privileged and honored to help lead our Tanvex Family achieve key milestones.

With two BLAs having been submitted to the FDA, Tanvex is highly regarded as an upcoming multinational company. Tanvex is expected to rise to prominence and make a lasting impact in the biopharma industry and biotech business world. At the same time and on a personal note, I recognize Tanvex's time to shine is coming. For that reason, a sense of duty and responsibility upon me is unescapable. With the solid foundation laid by the previous Chairman, I will work with everyone in Tanvex to achieve goals expected of all of us. Together, we will raise Tanvex to the top and lead our company to a brighter future.

For Tanvex's future development, I will continue to expand the breadth of our existing biosimilar products, optimize the development of new formulations of our biosimilar products while re-examining the pipeline, and continue executing Tanvex 2.0 in the interest of research and development of new antibody drugs and related technologies. Furthermore, I will strive to expand the needed manpower and resources by leveraging our existing foundation and expanding our dedicated and sophisticated CDMO facility.

For any successful product development journey, the last step is always the hardest, because it requires dedication, passion, and teamwork. Steve Jobs, the co-founder of Apple, once said: "Great things in business are never done by one person; they're done by a team of people." Together with members of Tanvex, Board of Directors, and fellow shareholders, I am confident Tanvex will accomplish our final step together and create lasting solutions in healthcare and biopharma.

Yun Yen, Chairman/CEO

A handwritten signature in black ink, appearing to read 'Yun Yen', is positioned above the company name.

Tanvex BioPharma, Inc.

1.2 2021 Business Report

The high price of biologic drugs presents a significant financial burden on the healthcare system globally. Consequently, quality, effective and affordable biosimilar products has emerged as one of the best solutions to reduce pharmaceutical costs.

The United States represents the single, largest market in the world for biologic drugs. In 2010, the US government approved the Biologics Price Competition and Innovation Act ("BPCIA") which established a clear and efficient pathway for biosimilar regulation and market access. In 2015, the US FDA approved the first biosimilar product (Zarxio®), a biosimilar to Neupogen®. As of December 31, 2021, the US FDA had approved a total of thirty-three biosimilar products, four of which were approved during 2021. With the continued growth in biosimilar product approvals, introductions and market penetration rates, the US biosimilar industry continues to move toward fulfilling its potential.

2021 was again a challenging year as the Covid-19 epidemic continued to delay progress in the field of clinical research. Between 2020 and 2021, more than 79% of ongoing clinical trials were disrupted. Disruptions include ongoing trials, suspensions of trial recruitment and clinical study sites, and unsuccessful recruitment of clinical study participants. Nevertheless, Tanvex BioPharma Inc. continued to push forward in its product developments in an efficient manner during this challenging time.

Tanvex BioPharma, Inc. (Tanvex) is developing biosimilar products and plans to target the US market as a priority. The Company will leverage its in-house development, manufacturing and commercialization capabilities. With the ability to vertically integrate key operations, it allows Tanvex the flexibility to control each process and to be able to compete successfully in the US market. Key developments in 2021 are as follows:

2021 Product and Operation Results, Financial Performance and Budget Execution Status

1. 2021 Product and Operation Results:

To deliver on our commitment to shareholders, we have been diligently working on advancing the development of our product pipeline and building the foundation for commercialization. Below is an overview of the progress we made in 2021:

- **Product TX01 (A Proposed biosimilar to Neupogen®)**
 - Developed sales and marketing team and identify distribution channels.
 - Secured business license from Health Canada in October 2021.
- **Product TX05 (A Proposed biosimilar to Herceptin®)**
 - US FDA BLA submission in September 2021.
 - Prepared for FDA pre-approval inspection.
- **Product TX04 (A Proposed biosimilar to Neulasta®)**
 - Prepared for large scale production of clinical supply in late 2021.
- **Product TX54 (proposed biosimilar to Keytruda®)**
 - Launched cell line development.

→ **CDMO Service**

- Completed small scale cell line batch production for OBI Pharma.
- Prepared for CDMO service expansion.

Our product pipeline development status is outlined in the table below:

Pipeline Product	Molecule	Innovator Product	Pre-clin	Phase I	Phase III	Submission	Approval	Status
TX-01	filgrastim	Neupogen® (Amgen)						CRL received May 2021; preparing for resubmission & Pre-Approval Inspection; Canadian NOC approved (Oct)
TX-05	trastuzumab	Herceptin® (Genentech)						BLA accepted by US FDA Sep 30, 2021; preparing for Pre-Approval Inspection
TX04	pegfilgrastim	Neulasta® (Amgen)						Completed engineering run; preparing for production of clinical supply in late 2022
TX-16	bevacizumab	Avastin® (Genentech)						On hold (delaying initiation of Phase III due to clinical cost)
TX-52	pertuzumab	Perjeta® (Genentech)						On hold
TX-54	pembrolizumab	Keytruda® (Merck)						Targeting completion of cell line development by end of 2022
CDMO AP-2205	bispecific antibody	NA						Prepared for CDMO service in 2H 2021. Signed agreement in Q1 2022. Targeting completion of cell line development by end of 2022

2. Year 2021 financial performance

Tanvex BioPharma products are still in the research and development stage, but did continue to generated limited contract service revenue performed by the development lab in Taiwan. Below is a summary of our financial results for 2021 and 2020:

Unit: NT\$ in thousands, (except per share amounts)

DESCRIPTION	2021	2020	VARIANCE	% OF VARIANCE
Sales and Revenue	5,406	300	5,106	1702%
Cost of Goods Sold	(1,856)	(157)	(1,699)	1082%
Operating Expenses	(1,602,734)	(2,099,720)	496,986	-23.7%
Non-operating Income and Expenses	55,995	(4,635)	60,630	-1308.1%
Income Tax Expense	(22)	(24)	2	-8.3%
Net Loss after Tax	(1,543,211)	(2,104,236)	561,025	-26.7%
Net Loss Per Share (NT\$)	(4.74)	(7.84)	3.10	-39.5%

To keep pace with the product development schedule, we continue to invest in R&D activities and to reach commercialization in 2022. 2021 financial performance resulted in an after-tax net loss of approximately NT\$1,543,211 a decrease of approximately NT\$561,000 from 2020. R&D expenses increased due clinical trials of TX05, and is expect to reduce in 2021. The total operating expense budget was about NT\$2 billion, and the stages of product development were completed within the budget and in line with the plan.

Outlook

Tanvex will continue its transition towards commercialization in the coming year. It is expected that the company's products TX01 proposed biosimilar to Neupogen® (Filgrastim) and TX05 proposed biosimilar to Herceptin® (Trastuzumab) will obtain a drug license issued by the U.S. Food and Drug Administration in 2022, and ready for commercialization in the U.S. and Canadian markets. In addition, Tanvex will continue to push forward aggressively in advancing the development of other biosimilar products in the current pipeline.

Tanvex BioPharma, Inc.

Dr. Yen Yun

Chairman & ChiefExecutive Officer

1.3 Potential Challenges from External Competition Environment, Regulations and Overall Business Environment

1. Challenges from External Competition

When products are launched in the market, the Company may face challenges from new products (new drug and/or biosimilars) with the same efficacy, or the insurance companies reducing reimbursement amounts or declining coverage. However, the Company's unique marketing strategies, integrated, cost-effective structure, and its team's experience will enable the Company to overcome these challenges and successfully market and sell its products.

2. Impact from Regulatory Changes

- (1) U.S. FDA has established standards for biosimilars and had approved thirty-three biosimilar products as of the end of 2021. The FDA and other regulatory authorities' policies may change and additional regulations may be enacted that could impact the Company's plans and timelines. During 2021 and up to the date of this report, there were no changes to the FDA regulations for biosimilars that significantly affect the Company's business and financials.
- (2) The Company has strictly followed local, state and federal regulations and policies, constantly monitors the changes and trends on important policies, consults with its attorneys and certified public accountants to ensure it is aware of any changes in local regulations and policies and any related impact on the Company. In addition, the Company constantly monitors the regulatory changes in order to take proper actions in a timely fashion. In the most recent year and up to the date of this report, there hasn't been any change which significantly affects the Company's business and financials.

3. Challenges from Overall Business Environment

The Company was registered in the Cayman Islands on May 8, 2013 as a holding company and has no substantial economic activities in the Cayman Islands. The government in the Cayman Islands not only strengthens crime prevention, but also strives to protect the privacy of legitimate business practices. It has generally stable political and economic environment. The Company has two wholly-owned subsidiaries which are located in Taiwan and the United States. These two countries are also both generally politically and economically stable. Their governments are actively boosting domestic demand, and committed to long-term economic restructuring to continue to strengthen their economies.

In 2021, SARS-CoV-2, a novel strain of coronavirus, and the resulting disease COVID-19, had spread to most countries, including the United States. As a result of the COVID-19 pandemic, both the global economy and our business has been impacted. While the long-term economic impact and the duration of the COVID-19 pandemic may be difficult to assess or predict, the widespread pandemic has resulted in, and may continue to result in, significant disruption of global financial markets, global supply constraints, and other disruptions, including but not limited to travel restrictions which have impacted FDA's ability to conduct on-site inspections, which could impact our business and financial results.

2. Company Profile

2.1 Company Overview

Tanvex Biopharma, Inc. (TWSE: 6541) is a biopharmaceutical company focused on biologic pharmaceutical products with a core focus on biosimilar products. We are vertically integrated with in-house capabilities to research, develop, manufacture and bring to market our products. Tanvex operates out of its facilities in the United States and Taiwan. The Company's Taiwan subsidiary is responsible for initial stage cell line and bioprocess development. The Company's US subsidiary is responsible for further cell line and process development, scale up and commercial production. Seamless cooperation between the two subsidiaries promotes the Company's overall international competitiveness.

Key Facts:

- Founded in 2013
- Approximately 150 employees in the U.S. and Taiwan.
- The Company was listed on the Taiwan Stock Exchange (TWSE) in October 2017.
- Vertically integrated with in-house capabilities to research, develop and manufacture providing better control of quality and cost.
- Technical expertise and equipment to develop and manufacture products using either mammalian or microbial expression/systems.
- Plan to resubmitted BLA for TX-01 (biosimilar to Neupogen®) to U.S. FDA in 2022;
- BLA submission for TX-05 (biosimilar to Herceptin®) in October 2021;
- Plan and prepare for TX04 (biosimilar to Neulasta®) expansion study.

Manufacturing

- Tanvex BioPharma USA, Inc. has facilities for early commercial production located in San Diego, California. It has two buildings which include manufacturing, lab, warehouse and offices. Total area is approximately 135,000 square foot.
- Initial commercial production capacity includes 1 x 150 liter stainless steel fermenter (with capacity to expand to 300 liter) for microbial product, and 4 x 1000 liter single-use bioreactors (with capacity to expand further) for mammalian cell products.

2.2 Market Overview

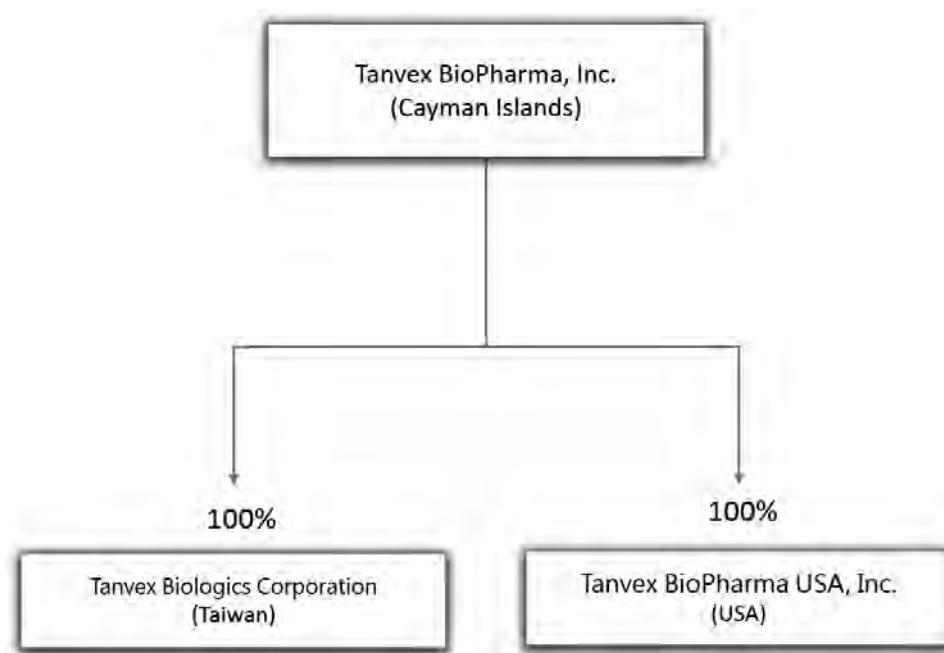
Most pharmaceutical products can be classified into one of two major categories: small molecule products and large molecule products. Small molecule products are generally made from chemicals which have been synthesized using chemical reactions between different organic and/or inorganic compounds. Small molecule products have relatively simple structure and "small" molecular weight. Large molecule products are made from living organisms such as human, animal, yeast and bacteria cells. Large molecule products have a relatively complex structure and "large" molecular weight. Biologic pharmaceutical products ("biologics") fall into the large molecule classification.

Many of today's important therapeutics are biologics. Biologics are used to treat multiple conditions including various types of cancer, low white blood cell counts, anemia, rheumatoid arthritis, and inflammatory bowel disease and skin conditions such as psoriasis. The biologics market was valued at over \$300 billion in 2021 and estimated to grow to over \$500 billion by 2027.

Biosimilars are biologics that have been shown to have no clinically meaningful differences from an already approved biologic known as the reference product. Biosimilars represent a relatively new market. The high, growing cost of biologics and the need to increase access to critical treatment options will continue to drive demand for lower cost alternatives and create vast commercial potential for the biosimilars market.

The process to develop and manufacture biosimilars is complex and requires a high level of scientific sophistication. The associated technical barriers, in addition to the high cost of development (relative to small molecule generics) will limit many potential competitors, enhancing the overall commercial opportunity within the biosimilar market.

2.3 Group Structure



2.4 Company History

YEAR	MILESTONES
May 2013	Ruenvex Biotech Inc. was registered in Cayman Islands on May 8th, 2013. Authorized capital stock US\$50,000
September 2013	Cash capital increase for US\$16,000,000 for business funding
September 2013	Acquired 100% shares of Tanvex Biologics Corporation for obtaining cell line patent and licensing, and developing biosimilar market
September 2014	Ruenvex Biotech Inc. changed name to Tanvex BioPharma, Inc. on September 30th, 2014
September 2014	Acquired 100% shares of La Jolla Biologics Inc. for obtaining technology on process development, commercialization manufacturing and equipments, and vertically integrating the supply chain of upstream, midstream and downstream

YEAR	MILESTONES
October 2014	Closed US\$20,000,000 equity financing for business operation
March 2015	Closed US\$50,000,000 equity financing for facility expansion, research and development of various biosimilar products
March 2015	Par value conversion of stock options to US\$ 109
April 2015	Par value conversion of stock options to US\$ 125
May 2015	Approved by the Board on conversion of stock par value to NT\$10, paid in capital is NT\$ 1,656,650,000 after conversion
July 2015	Approved by Taipei Exchange as public listed company in Taiwan
August 2015	Approved by Taipei Exchange as emerging stock company on Emerging Stock Board
February 2016	Closed NT\$3,328,000,000 equity financing with issued common stock 26,000,000 shares at NT\$128 per share, paid in capital valued NT\$1,924,445,000 post funding
March 2016	Completed phase II manufacturing facility expansion for La Jolla Biologics Inc. in the U.S.
October 2016	(1) Entered Phase III clinical trial for TX01 (2) Completed lab expansion for Tanvex Biologics Corporation in Taiwan (3) Completed building 2 remodel for La Jolla Biologics Inc. in the U.S.
November 2016	(1) Obtained approval from Industry Development Bureau on high-tech science and technology business application (2) Applied for primary listing on the Taiwan Stock Exchange
January 2017	Entered Phase I clinical trials for TX16
May 2017	Approved by Taiwan Stock Exchange as public listed company in Taiwan
July, October 2017	Preprocessed and Listed stock on Taiwan Stock Exchange (TWSE) and raised NT\$1.65 Billion
August 2017	Completed Phase III clinical trials for TX01, the pre-specified endpoints are met
October 2017	Initiated Phase III clinical trials for TX05
December 2017	Completed Phase I clinical trials for TX16
January 2018	Tanvex BioPharma, Inc. wholly owned subsidiary La Jolla Biologics, Inc. changed name to Tanvex BioPharma USA, Inc.
August 2018	Tanvex Biologics Corporation to expand process development capability
September 2018	Raised ~US\$70 million of additional capital through secondary public offering of common stock
September 2018	Filed Biologics License Application (BLA) with US FDA for TX01
November 2018	FDA accepts TX01 BLA filing
January 2019	Submitted NDS to Health Canada for TX01
December 2019	Raised ~US\$31 million of additional capital through a follow-on public offering of common stock
December 2019	Settled patent litigation with Amgen related to US patent #9,856,287 for TX01
March 2020	Clinical trial completion of enrollment for TX05

YEAR	MILESTONES
October 2020	Clinical trial completion of treatment for TX05
November 2020	Submitted TX01 NDS responses to Health Canada
November 2020	TX01 BLA resubmission
November 2020	Clinical trial completion of last patient surgery for TX05
December 2020	Signed binding term sheet with Canadian partner
December 2020	Raised ~US\$60 million of additional capital through a follow-on public offering of common stock
February 2021	Positive Phase III top-line results released
March 2021	Has reached a license agreement with Amgen for a patent in Canada that relates to filgrastim
May 2021	FDA completed interim BLA inspection for TX01
August 2021	TX05 BLA submission
September 2021	Completed NT\$1,680 million capital fundraising
October 2021	TX05 BLA submission accepted by FDA
October 2021	TX01 Canada Notice of Compliance (NOC) approved
February 2022	Signed CDMO service with AP Bioscience in cell line development

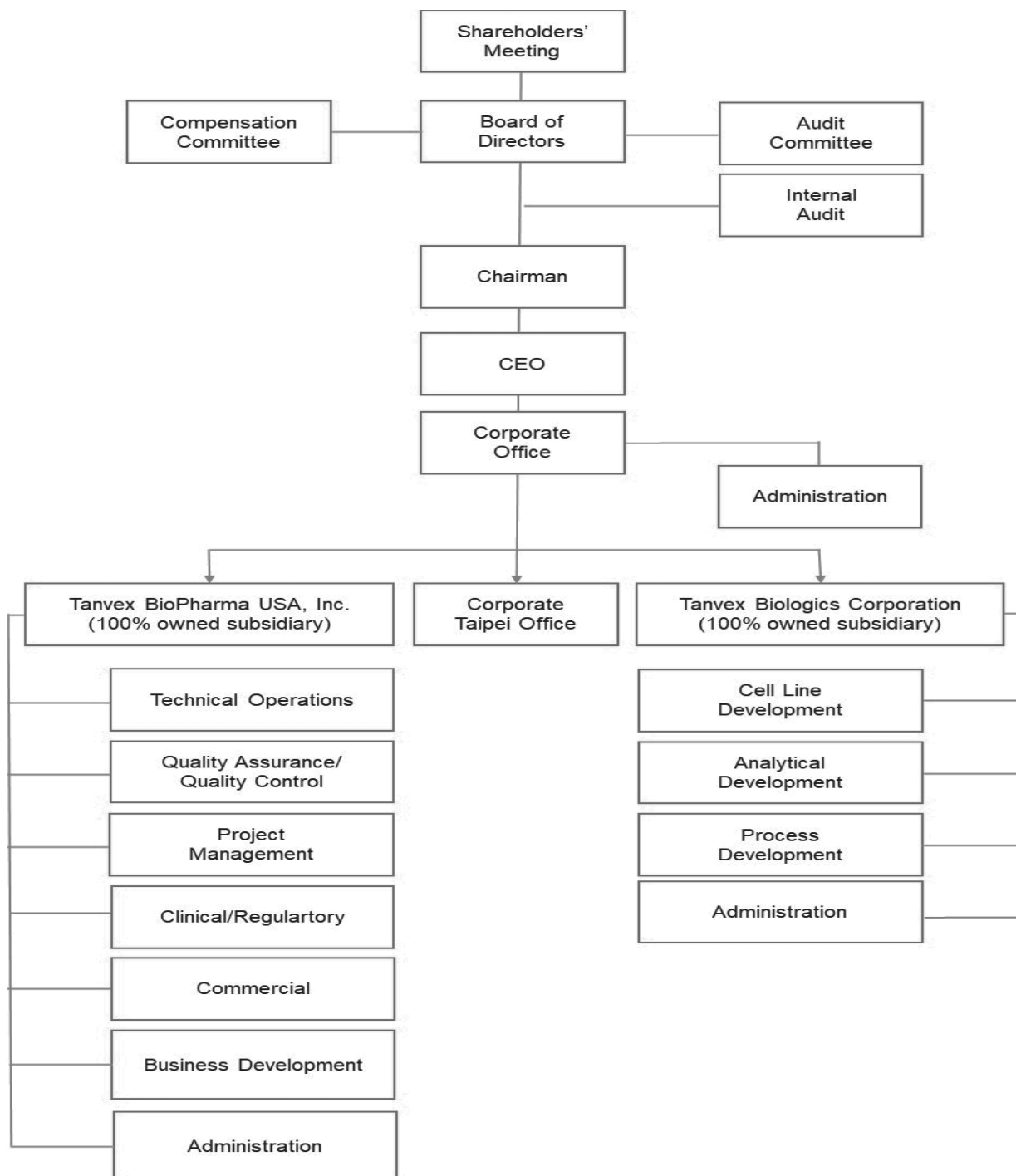
2.5 Risk Factors

Please refer to section 7 “Review and Analysis of Financial Position, Operating Results and Risk Assessment”.

Corporate Governance

3.1 Organization

3.1.1 Organizational Chart



3.1.2 Duties of Main Departments

DEPARTMENT	MAIN DUTIES
Board of Directors (the "Board")	Formulate strategies, objectives, and policies on Tanvex BioPharma's business operations.
Audit Committee	Conduct financial and business supervision over Tanvex BioPharma, oversee representations in its financial reports to ensure appropriateness, and monitor its implementation of internal controls to ensure effectiveness.
Remuneration Committee	Review performance evaluation and remuneration of directors and officers and formulate and review on a regular basis policies, systems, standards and structures regarding performance evaluation and remuneration of the Board directors and officers.
Chairman of the Board	(1) Oversee Company operations on behalf of the Board. (2) Guide managements in implementation of major operational strategies of Tanvex, according to Board Resolution.
CEO/General Manager	(1) Formulate, plan and supervise the Company's operational plans, objectives, and quality policies. (2) Formulate the Company's overall business strategies and revise business performance forecasts. (3) Execute plans and report the operational result to the Board.
Internal Audit	(1) Examine and evaluate the soundness, reasonableness, effectiveness, and implementation of internal controls for each department. (2) Execute annual audit plans. (3) Draft audit reports, assess improvements, and conduct self-examination of internal control systems. (4) Other actions as required by laws and regulations.
Administration	(1) Convene and assist with Compensation Committee, Audit Committee, the Board and shareholders' meetings. (2) HR, conduct general procurements, and handle administrative matters. (3) Manage accounting and tax matters. (4) Financial and cash flow management and utilization of funds. (5) Stock affairs and Employee Stock Option Plan management (6) Manage and maintain IT system, computer software and hardware. (7) Set up and manage the security of information systems. (8) Manage properties, inventories, and materials.
Business Development	(1) Formulate, plan, execute, manage and coordinate the Company's business development strategies. (2) Product marketing collaboration, promotion and execution.
Technical Operations	U.S. subsidiary, Tanvex BioPharma USA, Inc.: (1) Cell culture development group—upstream cell line development and scale-up process development. (2) Purification group—protein purification method development, process improvement and scale-up. (3) Analytical Science group—analytical method setup and development, establish testing program according to FDA regulations, perform lab sample and stability analysis. (4) Formulation group—drug formulation design and development. (5) Biosimilar products upstream and downstream scale up, improvement and commercial production technology development. (6) Conduct GMP manufacturing of cell cultures and purification. (7) Initial commercialization production. Taiwan subsidiary, Tanvex Biologics Corporation: (1) Cell line development—design cell line development platform, construct and screen cell line, develop stable and high-quality cell lines. (2) Initial stage process development—for both mammalian and microbial fermentation, both upstream and downstream initial stage process development and scale-up process, including upstream cell cultivation and downstream protein purification process development. (3) Analytical technology development, including biosimilar product characterization, analytical data analysis, analytical method research and development.
Clinical/Regulatory	Preclinical/Clinical Research group—support preparation and planning of preclinical and clinical study, execution of CRO research, communicate with regulation agencies, and clinical research and drug license application.
Quality Assurance/Quality Control	(1) Quality Assurance - GMP sample analysis, stability test and environmental monitoring. (2) Quality Control - Establish product analysis and process procedure documentation, ensure the execution of the procedure, and audit product process and documentation.
Project Management	(1) Projects management and progress tracking. (2) Prepare annual project planning. (3) Assist in preparation of preclinical, clinical study plan, execution and management. (4) Communication and coordination among project units.
Commercial	(1) Preparation for commercialization. (2) Marketing and Brand awareness.

3.2 Board Members

3.2.1 Board Members information

As of April 19, 2022

TITLE (NOTE 1)	NAME	NATIONALITY OR PLACE OF REGISTRATION	GENDER/ AGE (NOTE 2)	DATE ELECTED	TERM EXPIRES	DATE FIRST ELECTED (NOTE 3)	SHAREHOLDING UPON ELECTION		CURRENT SHAREHOLDING		SPOUSE AND MINORS SHAREHOLDING		SHARES HELD IN ANOTHER'S NAME		WORK (AND EDUCATIONAL) EXPERIENCE (NOTE 4)	CONCURRENT POSITIONS HELD IN THE COMPANY AND OTHER COMPANIES	OTHER OFFICER, DIRECTOR OR SUPERVISOR, NOTE WHICH IS THE SPOUSE OR WITHIN A SECOND- DEGREE RELATIONSHIP OF CONSANGUINITY TO THE MEMBER			NOTE (NOTE 5)
							NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%			TITLE	NAME	RELATION- SHIP	
	Peng Lin Investment Co., Ltd.	Taiwan R.O.C.		08/27/ 2021	Three Year	10/06/ 2013	70,566,999	32.52 %	70,566,999	20.02 %	—	—	—	—	—	—	—	—	—	
Director	Representative: Chen, Chi-Chuan	Taiwan R.O.C.	Male 61-70		Three Year	10/06/ 2013 (Note 7)	49,046	0.01%	—	—	—	—	—	—	Master in Business, National Taiwan University, College of Management Vice President and Special Assistant to CEO, Investment Management Office, Ruentex Group	<ul style="list-style-type: none"> Vice General Manager, Investment Management and Special Assistant to Chairman of Ruentex Group Representative of Corporate Board Director, TaiMed Biologics, Inc. Representative of Corporate Board Director, OBI Pharma, Inc. CFO, OBI Pharma, Inc. Representative of Corporate Board Director, Amaran Biotechnology, Inc. Representative of Corporate Board Director, Cotton Field Organic Co., Ltd. Board Director, Mr. Hsun-Ruo Yin Educational Foundation Board Director, Shu-Tien Yin Medical Group Partner, Delos Capital Fund, LP Representative of Corporate Board Director, RenBio Holdings Ltd. Representative of Corporate Board Director, RENBIO, Inc. Representative of Corporate Board Director, Mithra Biotechnology Inc. Representative of Corporate Board Director, Mass Solutions Technology Co., Ltd. Representative of Corporate Board Director, Do-Intelligent Consulting Inc. Representative of Corporate Board Director, Sin-Sheng Biotechnology, Inc. Representative of Corporate Board Director, Tanvex Biologics, Inc. Representative of Corporate Board Director, Theragent, Inc. Representative of Corporate Board Director (Chairman), AP Biosciences, Inc. Representative of Corporate Supervisor, Ruen Chen Investment Holding Co., Ltd. Vice President, Hui-Hong Investment Inc. Representative of Corporate Board Director, Mega Growth Investment Inc. Representative of Corporate Board Director, Nan Shan Life Insurance Co., Ltd Representative of Corporate Board Director (Chairman), OBI GEN PHARMA, INC. Representative of Corporate Board Director, Brogent Technologies Inc. Representative of Corporate Board Director, MIRROR VISION CO., LTD 	—	—	—	

TITLE (NOTE 1)	NAME	NATIONALITY OR PLACE OF REGISTRATION	GENDER/ AGE (NOTE 2)	DATE ELECTED	TERM EXPIRES	DATE FIRST ELECTED (NOTE 3)	SHAREHOLDING UPON ELECTION		CURRENT SHAREHOLDING		SPOUSE AND MINORS SHAREHOLDING		SHARES HELD IN ANOTHER'S NAME		WORK (AND EDUCATIONAL) EXPERIENCE (NOTE 4)	CONCURRENT POSITIONS HELD IN THE COMPANY AND OTHER COMPANIES	OTHER OFFICER, DIRECTOR OR SUPERVISOR WHO IS THE SPOUSE OR WITHIN A SECOND- DEGREE RELATIONSHIP OF CONSANGUINITY TO THE MEMBER			NOTE (NOTE 5)
							NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%			TITLE	NAME	RELATION- SHIP	
Director	Peng Lin Investment Co., Ltd.	Taiwan R.O.C.		08/27/ 2021	Three Year	10/06/ 2013	70,566,999	32.52 %	70,566,999	20.02 %	-	-	-	-	-	-	-	-	-	-
	Repre- sentative: Tseng, Tamon	Taiwan R.O.C.	Male 61-70		Three Year	10/06/ 2013 (Note 7)									<ul style="list-style-type: none"> • Representative of Corporate Board Director, OBI Pharma, Inc. • Representative of Corporate Board director, Amaran Biotechnology, Inc. • Representative of Corporate Board Director, Mithra Biotechnology Inc. • Representative of Corporate Board Director, Ruenhui Biopharmaceuticals • Representative of Corporate Board Director, Ruen Chen Investment Holding Co., Ltd. • Representative of Corporate Board Director, Sunny Friend Environmental Technology Co., Ltd. • Representative of Corporate Supervisor, Yi Tai Investment Co., Ltd. • Representative of Corporate Board Director, Sheng Cheng Investment Co., Ltd. • Representative of Corporate Board Director, Ruentex Group Construction & Development • Chairman, Taiwan Transport Insurance Services Co., Ltd. • Board Director, China Marine Surveyors • Board Director, Mr. Hsun-Ruo Yin Educational Foundation • Representative of Corporate Board Director, Haoke Investment Holding Ltd. • Representative of Corporate Board Director, TaiMed Biologics, Inc. • Representative of Corporate Board Director, Nan Shan Life Insurance Co., Ltd 					

TITLE (NOTE 1)	NAME	NATIONALITY OR PLACE OF REGISTRATION	GENDER/ AGE (NOTE 2)	DATE ELECTED	TERM EXPIRES	DATE FIRST ELECTED (NOTE 3)	SHAREHOLDING UPON ELECTION		CURRENT SHAREHOLDING		SPOUSE AND MINORS SHAREHOLDING		SHARES HELD IN ANOTHER'S NAME		WORK (AND EDUCATIONAL) EXPERIENCE (NOTE 4)	CONCURRENT POSITIONS HELD IN THE COMPANY AND OTHER COMPANIES	OTHER OFFICER, DIRECTOR OR SUPERVISOR WHO IS THE SPOUSE OR WITHIN A SECOND- DEGREE RELATIONSHIP OF CONSANGUINITY TO THE MEMBER			NOTE (NOTE 5)
							NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%			TITLE	NAME	RELATION- SHIP	
Director	Delos capital Fund, LP	Cayman Islands		08/27/ 2021	Three Year	05/15/ 2015	14,400,000	6.64 %	14,400,000	4.09 %	—	—	—	—	—	—	—	—	—	
	Repre- sentative: Ula Xue (Note 6)	China, PRC	Female 31-40	08/27/ 2021	Three Year	05/15/ 2015 (Note 8)	—	—	—	—	—	—	—	Bachelor in Global Business and Finance, Hong Kong University of Science and Technology Senior Associate, Olympus Capital Asia Investment Banker, Goldman Sachs Investment Banker, JP Morgan Board observer, Luqa Pharmaceuticals	<ul style="list-style-type: none">Representative of Corporate Board Director, Tanvex Biologics Inc.Principal, Delos Capital	—	—	—		
Director	Allen Chao and Lee Hwa Chao Family Trust	U.S.A.		08/27/ 2021	Three Year	05/15/ 2015	22,978,243	7.78 %	16,888,022	6.52 %	—	—	—	—	—	—	—	—	—	
	Repre- sentative: Allen Chao	U.S.A.	Male 71-80	08/27/ 2021	Three Year	06/10/ 2013	1,143,421	0.53 %	2,633,766	0.75%	554,991	0.16 %	—	Ph.D., Purdue University, College of Pharmacy Founder and CEO, Watson Pharmaceuticals	<ul style="list-style-type: none">Representative of Corporate Board Director, Tanvex Biologics Corp.Representative of Corporate Board Director, Tanvex BioPharma USA, IncRepresentative of Corporate Board Director, Tanvex Biologics Inc.Board Director, Ansun BioPharma Inc.Board Director, Mithra Biotechnology Inc.Trust Director, Taipei Medical UniversityIndependent Director, Mycenax Biotech Inc.	Director	Hsia, David	Brother- in-law		

TITLE (NOTE 1)	NAME	NATIONALITY OR PLACE OF REGISTRATION	GENDER/ AGE (NOTE 2)	DATE ELECTED	TERM EXPIRES	DATE FIRST ELECTED (NOTE 3)	SHAREHOLDING UPON ELECTION		CURRENT SHAREHOLDING		SPOUSE AND MINORS SHAREHOLDING		SHARES HELD IN ANOTHER'S NAME		WORK (AND EDUCATIONAL) EXPERIENCE (NOTE 4)	CONCURRENT POSITIONS HELD IN THE COMPANY AND OTHER COMPANIES	OTHER OFFICER, DIRECTOR OR SUPERVISOR WHO IS THE SPOUSE OR WITHIN A SECOND- DEGREE RELATIONSHIP OF CONSANGUINITY TO THE MEMBER			NOTE (NOTE 5)
							NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%			TITLE	NAME	RELATION- SHIP	
Director	Hsia Family Trust	U.S.A.		08/27/ 2021	Three Year	05/15/ 2015	2,590,270	1.13 %	2,590,270	0.73 %	—	—	—	—	—	—	—	—	—	—
	Repre- sentative: David Hsia	U.S.A.	Male 71-80	08/27/ 2021	Three Year	05/15/ 2015	—	—	—	—	—	—	—	—	Ph.D., Purdue University, College of Pharmacy Senior Vice President, R&D, Watson Pharmaceuticals Manager, Pharmaceutical Technology R&D Director, American Hospital Supply Corp. (now Baxter)	<ul style="list-style-type: none"> Board Director, Tanvex Biologics Inc. Member of Consulting committee, Allianz Pharmascience Ltd. 	Director	Allen Chao	Brother- in-law	

TITLE (NOTE 1)	NAME	NATIONALITY OR PLACE OF REGISTRATION	GENDER/ AGE (NOTE 2)	DATE ELECTED	TERM EXPIRES	DATE FIRST ELECTED (NOTE 3)	SHAREHOLDING UPON ELECTION		CURRENT SHAREHOLDING		SPOUSE AND MINORS SHAREHOLDING		SHARES HELD IN ANOTHER'S NAME		WORK (AND EDUCATIONAL) EXPERIENCE (NOTE 4)	CONCURRENT POSITIONS HELD IN THE COMPANY AND OTHER COMPANIES	OTHER OFFICER, DIRECTOR OR SUPERVISOR WHO IS THE SPOUSE OR WITHIN A SECOND- DEGREE RELATIONSHIP OF CONSANGUINITY TO THE MEMBER			NOTE (NOTE 5)
							NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%			TITLE	NAME	RELATION- SHIP	
Chairman	Yen, Yun	Taiwan R.O.C.	Male 61-70	08/27/ 2021	Three Year	05/15/ 2015	273,748	0.13 %	318,579	0.09 %	—	—	—	—	<p>Adjunct Professor, Graduate Institute of Oncology, National Taiwan University</p> <p>Affiliate Professor, California Institute of Technology</p> <p>Attending Physician, Division of Medical Oncology, City of Hope; Professor, Medical Oncology and Graduate School, City of Hope; Director, Therapeutics Program, City of Hope; Chairman, Molecular Pharmacology Department, City of Hope; Vice President, City of Hope</p> <p>Fellow, Hematology and Oncology Section, School of Medicine, Yale U.</p> <p>Ph.D. in Pathology and Cell Biology, Thomas Jefferson University</p> <p>M.D., Taipei Medical College</p>	<ul style="list-style-type: none"> • Professor, Ph.D. Program for Cancer Molecular Biology and Drug Discovery, Taipei Medical University • Volunteer Chairman, Sino American Cancer Foundation • Chief Science Advisor, Stembios • Board Director, Fulgent • Chairman, Calgent Biotechnology Co. Ltd. • Chairman, Theragent Inc. • Board Director, NANO Targeting & Therapy BioPharma Inc. • Board Director, OBI Pharma, Inc. • Board Director, National Health Research Institutes (NHR) • Chairman and Board Director, Tanvex Biologics Corp. • Chairman and Board Director, Tanvex BioPharma USA, Inc. 				There are 3 Independent Directors, and over 1/2 of the Board Directors are not employed or manager.

TITLE (NOTE 1)	NAME	NATIONALITY OR PLACE OF REGISTRATION	GENDER/ AGE (NOTE 2)	DATE ELECTED	TERM EXPIRES	DATE FIRST ELECTED (NOTE 3)	SHAREHOLDING UPON ELECTION		CURRENT SHAREHOLDING		SPOUSE AND MINORS SHAREHOLDING		SHARES HELD IN ANOTHER'S NAME		WORK (AND EDUCATIONAL) EXPERIENCE (NOTE 4)	CONCURRENT POSITIONS HELD IN THE COMPANY AND OTHER COMPANIES	OTHER OFFICER, DIRECTOR OR SUPERVISOR WHO IS THE SPOUSE OR WITHIN A SECOND- DEGREE RELATIONSHIP OF CONSANGUINITY TO THE MEMBER			NOTE (NOTE 5)
							NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%			TITLE	NAME	RELATION- SHIP	
Independent Director	Tsai, Jin-Pau	Taiwan R.O.C.	Male 61-70	08/27/ 2021	Three Year	05/15/ 2015	—	—	—	—	—	—	—	—	<ul style="list-style-type: none"> Department of Accounting, National Chengchi University Master in Accounting, Graduate Institute of Accounting, National Chengchi University Master in Law, College of Law, National Chengchi University Vice Chairman, Fuh Hwa Securities Investment Trust Co., Ltd. Deputy CEO and Deputy Chairman, PwC Taiwan Consultant, Public Service Pension Fund Supervisory Board President, PricewaterhouseCoopers Management Consulting Company Ltd. Director and Managing Director, Taiwan Corporate Governance Association Managing Director, Accounting Research and Development Foundation, and Chairman, Auditing Standards Committee Advisor, Government Pension Management 	<ul style="list-style-type: none"> Adjunct Associate Professor, Department of Accounting, National Chengchi University Chairman, Jia Guang Development Industry Co., Ltd. Chairman, Wanshida Development, Ltd. Board Director, Global Life Insurance Co. Ltd. Board Director, Oriental Recreation and Development Corp. Board Director, Tuntex Incorporation Board Director, FCB Leasing Co., Ltd. Board Director, FCB International Leasing Co., Ltd. Independent Director, Sunny Friend Environmental Technology Co., Ltd. Independent Board Director, Chien Kuo Construction Co. Ltd. Independent Board Director, KD Holding Corporation Board Director, Hsing Tian Kong Medical Foundation Board Director, Yung Tai Charity Foundation 				

TITLE (NOTE 1)	NAME	NATIONALITY OR PLACE OF REGISTRATION	GENDER/ AGE (NOTE 2)	DATE ELECTED	TERM EXPIRES	DATE FIRST ELECTED (NOTE 3)	SHAREHOLDING UPON ELECTION		CURRENT SHAREHOLDING		SPOUSE AND MINORS SHAREHOLDING		SHARES HELD IN ANOTHER'S NAME		WORK (AND EDUCATIONAL) EXPERIENCE (NOTE 4)	CONCURRENT POSITIONS HELD IN THE COMPANY AND OTHER COMPANIES	OTHER OFFICER, DIRECTOR OR SUPERVISOR WHO IS THE SPOUSE OR WITHIN A SECOND- DEGREE RELATIONSHIP OF CONSANGUINITY TO THE MEMBER			NOTE (NOTE 5)
							NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%	NO. OF SHARES	%			TITLE	NAME	RELATION- SHIP	
Independent Director	Wang, Tay- Chang	Taiwan R.O.C.	Male 61-70	08/27/ 2021	Three Year	08/27/ 2021	—	—	—	—	—	—	—	—	Ph.D., University of Pennsylvania (Finance) Professor, Department of Accounting, National Taiwan University	<ul style="list-style-type: none"> Professor, Department of Accounting, National Taiwan University Independent Director, Ruentex Global Co., Ltd. Consultant, Taiwan Economic Journal 	—	—	—	
Independent Director	Chen, Lan-Bo (Note 9)	Taiwan R.O.C.	Male 71-80	08/27/ 2021	Three Year	08/27/ 2021	—	—	—	—	—	—	—	—	Ph.D. in Cell Biology, MIT Emeritus Professor of Pathology, Harvard Medical School Research Fellow in Life Science, ACADEMIA SINICA		—	—	—	

Note 1: An institutional shareholder shall list its name and representative individually (where the member is a representative of an institutional shareholder, the name of the institutional shareholder shall be specified). Table 1 shall also be completed.

Note 2: Please use actual age, listed in a range, i.e. age 41-50 or age 51-60.

Note 3: The time the member first acted as a Company director or supervisor shall be entered. In the event of suspension, the reason shall be stated.

Note 4: In regard to experiences relevant to positions currently held, the titles held and duties shall be stated if the member has worked in a CPA firm or an affiliate thereof during the aforementioned period.

Note 5: The chairman and the general manager or equivalent are the same person, relatives of each other or spouse, need to explain the reasons, rationality, necessity and corresponding measures.

Note 6: Delos Capital Fund, LP changed Representative to Uia Xue on 12/03/2021.

Note 7: Same as the date elected as Peng-Lin Investment Co. Ltd.

Note 8: Same as the date elected as Delos Capital Fund, LP.

Note 9: Independent Director Chen, Lan-Bo resigned on 01/06/2022.

3.2.2 Major Institutional Shareholders with Representation on the Board

As of December 31, 2021

INSTITUTIONAL SHAREHOLDER NAME (NOTE 1)	MAJOR SHAREHOLDERS (NOTE 2)
Peng Lin Investment Co., Ltd.	Yin, Chungyao (100%)
Delos Capital Fund, LP	Peng Lin Investment Co., Ltd. (38.46%), Alpha Institutional Holdings Limited (15.38%), Viva Victory Limited (7.69%), Taishin Venture Capital Co. Ltd. (7.69%), E. Sun Venture Capital Co. Ltd. (7.69%), MAL Investment Company (3.85%), Allen Chao and Lee Hwa Chao Family Trust (3.85%)
Allen Chao and Lee Hwa Chao Family Trust	Allen Chao and Lee Hwa Chao (100%)
Hsia Family Trust	David Hsia and Phylis Hsia (100%)
<p>Note 1: Where a supervisor is a representative of an institutional shareholder, the name of institutional shareholder shall be specified.</p> <p>Note 2: Top 10 shareholders shall be listed with their shareholding percentage. If the shareholder is an institutional entity, further information shall be provided in below table.</p> <p>Note 3: If the institutional shareholder is not a company, the name and shareholding ratio should be disclosed.</p>	

3.2.3 Major Shareholders of the Institutional Shareholders with Representation on the Board

As of December 31, 2021

INSTITUTIONAL SHAREHOLDER NAME (NOTE 1)	MAJOR SHAREHOLDERS (NOTE 2)
Peng Lin Investment Co., Ltd.	Yin, Chungyao (100%)
Alpha Corporation Holdings Limited	Geng, Zhongxuan (91%), Chang, Jinjin (9%)
Viva Victory Limited	Geng, Zhongxuan (91%), Chang, Jinjin (9%)
MAL Investment Company	Allen Chao and Lee Hwa Chao Family Trust (69%), Michael Chao (31%)
Taishin Venture Capital Co. Ltd.	Taishin Venture Capital Co. Ltd. (100%)
E Sun Venture Capital Co. Ltd.	E Sun Venture Capital Co. Ltd. (100%)
<p>Note 1: If shareholder is a corporate/institutional entity, the name of the entity shall be specified.</p> <p>Note 2: Top 10 shareholders shall be listed with their shareholding percentage.</p> <p>Note 3: If the institutional shareholder is not a company, the name and shareholding ratio should be disclosed.</p>	

3.2.4 Directors' professional qualification and independent directors' status of independence

As of December 31, 2021

<div><div></div><div>Criteria</div><div>Name</div></div>	Professional Qualification and Experience	Independent Directors' Independence Status	NO. OF OTHER PUBLIC COMPANIES FOR WHICH THE MEMBER ACTS AS AN INDEPENDENT DIRECTOR CONCURRENTLY
Peng Lin Investment Co., Ltd. Representative: Chen, Chi-Chuan	For Directors' professional qualification and experience, please refer to "3.2.1 Board Members information" on page 12-18 of this Annual Report. None of the Directors has been in or is under any circumstances stated in Article 30 of the Company Law. (Note 1)	Not Applicable	-
Peng Lin Investment Co., Ltd. Representative: Tseng, Tamon			-
Delos Capital Fund, LP Representative: Ula Xue (Note 3)			-
Allen Chao and Lee Hwa Chao Family Trust Representative: Allen Chao			1
Hsia Family Trust Representative: Hsia, David			-
Yen, Yun			-
Tsai, Jin-Pau		All of the following situations apply to each and every of the Independent Directors: 1. Satisfy the requirements of Article 14-2 of "Securities and Exchange Act" and "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) issued by Taiwan's Securities and Futures Bureau 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any TSMC shares 3. Received no compensation or benefits for providing commercial, legal, financial, accounting services or consultation to the Company or to any its affiliates within the preceding two years, and the service provided is either an "audit service" or a "non-audit service"	3
Wang, Tay-Chang			1
Chen, Lan-Bo (Note 4)			-

Note 1: in any of the following circumstances, shall not be appointed as a manager, and the person who has been appointed as a manager shall be relieved of course:

- Has committed an offence under the Organized Crime Prevention Ordinance and has not been executed or completed, or has not been executed or suspended or pardoned for more than five years.
- Those who have committed crimes of fraud, breach of trust or embezzlement and have been sentenced to fixed-term imprisonment of more than one year have not been executed or have not completed the execution, or have not completed the execution, probation or pardon for more than two years.
- An offence committed under the Corruption Code has not been executed, has not been completed, or has not been executed, or has not been suspended or pardoned for more than two years.
- Has not been reinstated by a declaration of bankruptcy or by order of the court to commence liquidation proceedings.
- The use of the instrument has not expired after being rejected.
- Incapacity or limited capacity.
- The assisted declaration has not been revoked.

Note 2:

- Other than the provisions of Article 27 of the Company Law, the government, the legal person or its Representative:
- No more than three independent directors of other publicly issued companies.
- Not having any of the following incidents in the first two years or during the term of office:
 - (1) An employee of the Company or its affiliates.
 - (2) Directors and supervisors of the company or its affiliated enterprises.
 - (3) Natural person shareholder holding over 1% of the total issued shares of the company or being the top ten shareholders not in the name of himself/herself and his/her spouse, minor children or other persons.²¹
 - (4) Not the spouse, relative within second degree of kinship, or lineal relative within third degree of kinship, of the managerial officer listed in Paragraph (1) or any of the persons listed in Paragraph (2) and (3).
 - (5) Directors, supervisors or employees of the corporate shareholders who directly hold more than 5% of the total number of issued shares of the company, the top five holders of shares or who designate Representative as director or supervisor of the Company in accordance with Article 27 of the Company Law.
 - (6) More than half of the directors or voting shares of the company and the other company are directors, supervisors or employees of the other company controlled by the same person.
 - (7) A director, supervisor or employee of another company or institution where the company and the chairman, general manager or equivalent of the other company are the same person or spouse.

(8) Directors, supervisors, managers or shareholders holding more than 5% of the shares of specific companies or institutions that have financial or business dealings with the company.

(9) Not the professional individual who, or an owner, partner, director (member of a council), supervisor, or managerial officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof. Provided that, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities Exchange Act, Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not having spouse relationship or relatives relationship within second degree with other directors.

Note 3: Delos Capital Fund, LP changed Representative to Ula Xue on 12/03/2021.

Note 4: Independent Director Chen-Lan-Bo resigned on 01/06/2022.

3.2.5 Board Diversity and Independence

Diversity Policy:

The company strengthens the diversity of the board of directors based on the corporate Code of Practice and Corporate Governance. Directors who also serve as company managers should not exceed one-third of the number of directors, and it should include but not limited to the following two major standards:

1. Basic conditions and values: gender, age, nationality and culture, etc.
2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industry experience.

Specific management objectives: The board of directors of the company should guide the company's strategy, supervise the management team, and be responsible to the company and shareholders. The corporate governance system should ensure that the board of directors comply in accordance with laws and regulations, the company's articles of association or the resolutions of the shareholders' meeting. authority. The board of directors shall have adequate professional knowledge and skills, and background in law, accounting, industry and finance.

Currently there are 8 board members including 2 independent directors. The current board members consist of diverse backgrounds: PhD in Pharmacology, PhD in Cell Biology, accounting and law professor, private equity and finance professional. Management director represents 12%, independent director represents 25%, 2 directors are at age above 70, 5 directors are at age between 60-69, 1 director is at age 31-40, majority of directors are Taiwan residences, 2 are from USA, 1 is from Hong Kong China, 1 female director.

Director	Gender	Age	Operation	Accounting	Management	Risk Management	Industry Experience	International exposure	Leadership	Decision Making	Legal Experience
Allen Chao	Male	71-80	√		√	√	√	√	√	√	
Chen, Chi-Chuan	Male	61-70	√	√	√	√		√	√	√	
David Hsia	Male	71-80	√		√	√	√	√	√	√	
Tseng, Tamon	Male	61-70	√		√	√		√	√	√	√
Yen, Yun	Male	61-70	√		√	√	√	√	√	√	
Ula Xue	Female	31-40	√	√	√	√		√	√	√	
Tsai, Jin-Pau	Male	61-70	√	√	√	√		√	√	√	
Wang, Tay-Chang	Male	61-70	√	√	√	√		√	√	√	

The company currently has 8 members on its Board of Directors. All of the independent directors have adhered to the policies set by the Securities and Futures Bureau of the Financial Supervisory Commission. Also, the directors and the independent directors do not violate Paragraph 3 and 4 of Article 26 of the Securities and Exchange Act. Please refer to page 20 of the annual report "3.2.4 Directors' professional qualification and independent directors' status of independence" for the Board of Directors' status of independence. Please refer to page 12-18 of the annual report "3.2.1 Board Members Information" for each director's gender, education, and work experience.

3.2.6 Remuneration Paid to Directors (Including Independent Director)

2021 Remuneration paid to directors (Including independent directors)

As of December 31, 2021; Unit: NT\$ in thousands

TITLE	NAME(NOTE1)	REMUNERATION TO DIRECTORS								TOTAL REMUNERAION (A+B+C+D) AND % OF 2021 NET INCOME (NOTE 10)		REMUNERATION TO DIRECTORS AS CONCURRENT EMPLOYEES								TOTAL REMUNERATION (A+B+C+D+E+F+G) AND % OF 2021 NET INCOME (NOTE 10)		REMUNERATION FROM INVESTED ENTERPRISES OTHER THAN A SUBSIDIARY OR MOTHER COMPANY (NOTE 11)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
		REMUNERATION (A) (NOTE 2)		SEVERANCE PAY AND PENSION (B)		REMUNERATION ALLOCATED FROM EARNINGS (C) (NOTE 3)		BUSINESS EXECUTION EXPENSES (D) (NOTE 4)				SALARY, BONUS & ALLOWANCES (E) (NOTE 5)		RETIREMENT PENSION (F)		REMUNERATION (G) (NOTE 6)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
		TANVEX BIO- PHARMA	ALL COM- PANIES CONSOLID ATED IN FINANCIAL REPORTS (NOTE 7)	TANVEX BIO- PHARMA	ALL COM- PANIES CONSOLID ATED IN FINANCIAL REPORTS (NOTE 7)	TANVEX BIO- PHARMA	ALL COM- PANIES CONSOLIDA TED IN FINANCIAL REPORTS (NOTE 7)	TANVEX BIO- PHARMA	ALL COM- PANIES CONSOLIDAT ED IN FINANCIAL REPORTS (NOTE 7)	TANVEX BIO- PHARMA	ALL COM-PANIES CONSOLIDATED IN FINANCIAL REPORTS (NOTE 7)	TANVEX BIO- PHARMA	ALL COM- PANIES CONSOLIDAT ED IN FINANCIAL REPORTS (NOTE 7)	TANVEX BIO- PHARM A	ALL COM- PANIES CONSOLIDAT ED IN FINANCIAL REPORTS (NOTE 7)	TANVEX BIO- PHARMA		ALL COM-PANIES CONSOLIDATED IN FINANCIAL REPORTS (NOTE 7)	TANVEX BIO- PHARMA	ALL COM-PANIES CONSOLIDATED IN FINANCIAL REPORTS (NOTE 7)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								

1. The current year (2021) supervisor remuneration does not apply as Tanvex BioPharma has no supervisor.

2. Except disclosed above, the Company's directors did not receive any compensation or pay for the services they provided in year 2021 financial report (e.g. providing consultations as non-employee).

According to Tanvex's Articles of Incorporation, the compensation to directors shall be no more than 3% of annual profits and the Directors' Remunerations should be voted at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors and shall be reported to Shareholders at the general meeting. If the Company has accumulated losses of the previous years for the annual financial year, the Company shall set aside the amount of such accumulated losses prior to the allocation of Employees' Remunerations and Directors' Remunerations.

The company has not made any profit and has no financial resources to pay the remuneration according to factors such as the responsibility, risk and time of the independent director; the statement above is reviewed by the Audit Committee and approved by the Board.

2. Except disclosed above, the Company's directors did not receive any compensation or pay for the services they provided in year 2021 financial report (e.g. providing consultations as non-employee).

Note 1: The above remuneration represented as aggregated amounts. For the remuneration of the Company's Director who is also the CEO, General Manager or Vice President, please refer to the section 3.3.1 of this annual report.

Note 2: Refer to most recent year remuneration (including salary, allowance, termination payment, bonus, etc)

Note 3: Refer to most recent year apportioned remuneration approved by Board Meeting

Note 4: Refer to most recent year business expenses (including transportation, special allowance, other allowances, accommodation, company car, etc.). Nature of asset and cost shall be disclosed if house, vehicle or other individual costs incurred. If a driver is hired, remuneration to the driver shall be disclosed but excluded from remuneration.

Note 5: Refer to most recent year remuneration for a director who is also an employee, including salary, allowance, termination payment, bonus, transportation, accommodation, company car usage, etc. Nature of asset and cost shall be disclosed if house, vehicle or other individual costs incurred. If a driver is hired, remuneration to the driver shall be disclosed but excluded from remuneration. In addition, according to IFRS 2 "Stock Based Remuneration", it shall include employee stock option granted, new restricted stock option and stock subscription during public offering.

Note 6: Refer to most recent year a director who is also an employee (including General Manager, vice General Manager, other managers or staff) gets remuneration (including stocks and cash), shall disclose most recent year apportioned compensation approved by Board Meeting. If the amount can't be predicted, the previous year's apportion rate can be used as reference.

Note 7: Total remuneration shall include all entities within the consolidated financial report.

Note 8: Names of directors shall be disclosed in Payment Range table.

Note 9: Total remuneration shall include all entities within the consolidated financial report. Names of directors shall be disclosed in Payment Range table.

Note 10: Net profit after tax refers to the most recent year amount. If IFRS adopted, net profit after tax shall be most recent year individual entity's net profit after tax.

Note 11: a. Remuneration from invested enterprises other than subsidiaries shall be disclosed. b. The remuneration in a. shall be disclosed in Payment Range table 1st column named "Mother Company and all invested enterprises". c. Remuneration refers to amount a director earned from position as direct, supervisor, managers in the invested enterprises.

Note 12: Delos Capital Fund, LP changed Representative to Uia Xue on 12/03/2021.

Note 13: Mr. Chang, Lee-Chiou's term expired on 08/26/2021.

Note 14: Mr. Chen, Lan-Bo was elected on 08/27/2021, resigned on 01/06/2022.

Note 15: Mr. Wang, Tay-Chang was elected on 08/27/2021.

*Remuneration disclosed in the table applies different concept from that of tax law, therefore, it is for disclosure only and shall not be used for tax purpose.

3.3 Management Team

3.3.1 Information Regarding Management Team

TITLE	NAME	NATIONALITY	GENDER	START DATE	SHAREHOLDING		SPOUSE AND MINORS SHAREHOLDING		SHARES HELD IN ANOTHER'S NAME		EDUCATION & MAJOR WORK EXPERIENCE	CONCURRENT POSITIONS CURRENTLY AT OTHER COMPANIES	OFFICER WHO IS THE SPOUSE OR WITHIN SECOND-DEGREE RELATIONSHIP OF CONSANGUINITY TO EACH OTHER			EMPLOYEE STOCK OPTIONS GRANT STATUS	NOTE (Note3)
CEO	Yen, Yun (Note4)	Taiwan R.O.C.	Male	10/31/ 2021	318,591	0.09	—	—	—	—	Adjunct Professor, Graduate Institute of Oncology, National Taiwan University Affiliate Professor, California Institute of Technology Attending Physician, Division of Medical Oncology, City of Hope; Professor, Medical Oncology and Graduate School, City of Hope; Director, Developmental Cancer Therapeutics Program, City of Hope; Chairman, Molecular Pharmacology Department, City of Hope; Vice President, City of Hope Fellow, Hematology and Oncology Section, School of Medicine, Yale U. Ph.D. in Pathology and Cell Biology, Thomas Jefferson University M.D., Taipei Medical College	<ul style="list-style-type: none"> Professor, Ph.D. Program for Cancer Molecular Biology and Drug Discovery, Taipei Medical University Volunteer Chairman, Sino American Cancer Foundation Chief Science Advisor, Stembios Board Director, Fulgent Chairman, Calgent Biotechnology Co. Ltd. Chairman, Theragent Inc. Board Director, NANO Targeting & Therapy BioPharma Inc. Board Director, OBI Pharma, Inc. Board Director, National Health Research Institutes (NHRI) Chairman and Board Director, Tanvex Biologics Corp. Chairman and Board Director, Tanvex BioPharma USA, Inc. 	—	—	—	Note	There are 3 Independent Board Directors, and over ½ Board Directors are not employee or manager.
CFO & Corporate Controller	Peter Lin	U.S.A.	Male	02/18/ 2022	—	—	—	—	—	—	Master of Business Administration – Marshall School of Business – University of Southern California CFO, MEBO GROUP/MEBO INTERNATIONAL	—	—	—	—	Note	
VP PPD, Tanvex USA	Jennifer Hopp	U.S.A.	Female	09/24/ 2018	—	—	—	—	—	—	Master of Chemical Engineering, Arizona State University Research Director, Genetech Research Director, Biogen	—	—	—	—	Note	
VP Project Management, Tanvex USA	Qi Liu	U.S.A.	Female	09/24/ 2018	—	—	—	—	—	—	Research Director, Novartis Research Director, Waston	—	—	—	—	Note	
VP Business Development	Matthew Unkrich	U.S.A.	Male	10/05/2020	—	—	—	—	—	—	Bachelor of Business Administration, California State University Financial Officer of Allergan's subsidiary(Australia)	—	—	—	—	Note	
VP Tanvex Biologics Corporation	Cho, Chin-Wen	Taiwan R.O.C.	Female	12/02/2020	125,599	0.04	—	—	—	—	PhD in Pharmacology, University of Cambridge Special Assistant to CEO, CHUNGHWA CHEMICAL SYNTHESIS & BIOTECH CO., LTD.	—	—	—	—	Note	

Note: Please refer to section 4.5 of this annual report on employee stock option plan status.

Note1: Include information of GM, deputy GM, associate manager, head of department, and regardless of job title, should also be disclosed of any position equivalent to GM, deputy GM or associate manager

Note2: If have worked in the audit CPA firm or related company, should disclose the title and job responsibility

Note3: The chairman and the general manager or equivalent are the same person, relatives of each other or spouse, need to explain the reasons, rationality, necessity and corresponding measures.

Note4: Since October 31, 2021, Mr. Yen Yun has concurrently served as the acting CEO of its subsidiaries Tanvex Biologics Corporation and Tanvex BioPharma USA, Inc.

3.3.2 Remuneration Paid Top 5 management personnel in 2021

NT\$ in thousands

TITLE	NAME (NOTE 1)	SALARY (A) (NOTE 2)		SEVERANCE PAY AND PENSION (B)		BONUSES AND ALLOWANCES (C) (NOTE 3)		EMPLOYEE REMUNERATION (D) (NOTE 4)				SUM OF A, B, C, AND D AND % OF 2021 NET INCOME (NOTE 6)		REMUNERATION RECEIVED FROM NON-CONSOLIDATED AFFILIATES (NOTE 7)
		TANVEX BIOPHARMA	ALL CONSOLIDATED ENTITIES (NOTE 5)	TANVEX BIOPHARMA	ALL CONSOLIDATED ENTITIES (NOTE 5)	TANVEX BIOPHARMA	ALL CONSOLIDATED ENTITIES (NOTE 5)	TANVEX BIOPHARMA		ALL CONSOLIDATED ENTITIES (NOTE 5)		TANVEX BIOPHARMA	ALL CONSOLIDATED ENTITIES (NOTE 5)	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
Vice President PPD, Tanvex USA	Jennifer Hopp	-	8,902	-	160	-	7,680	-	-	-	-	-	16,742 (1.08)	-
Vice President Project Management, Tanvex USA	Qi Liu	-	7,202	-	132	-	4,476	-	-	-	-	-	11,810 (0.80)	-
Corporate Controller	James Williamson (Note 8)	-	6,965	-	130	-	5,014	-	-	-	-	-	12,109 (0.78)	-
Vice President Business Development	Matthew Unkrich	-	7,600	-	145	-	2,967	-	-	-	-	-	10,712 (0.69)	-
Vice President Commercial Sales, Tanvex USA	Samuel Lum (Note 9)	-	9,610	-	187	-	5,036	-	-	-	-	-	14,833 (0.96)	-

Note 1-7: Please refer to the Chinese annual report.

Note 8: James Williamson resigned on 01/04/2022.

Note 9: Samuel Lum resigned on 01/20/2022.

3.3.3 Remuneration Paid to CEO, General Manager, President and Vice Presidents in 2021

NT\$ in thousands

TITLE	NAME (NOTE 1)	SALARY (A) (NOTE 2)		SEVERANCEPAY AND PENSION (B)		BONUSES AND ALLOWANCES (C) (NOTE 3)		EMPLOYEE REMUNERATION (D) (NOTE 4)				SUM OF A, B, C, AND D AND % OF 2021 NET INCOME (NOTE 8)		REMUNERATION RECEIVED FROM NON-CONSOLIDATED AFFILIATES (NOTE 9)
		TANVEX BIOPHARMA	ALL CONSOLIDATED ENTITIES (NOTE 5)	TANVEX BIOPHARMA	ALL CONSOLIDATED ENTITIES (NOTE 5)	TANVEX BIOPHARMA	ALL CONSOLIDATED ENTITIES (NOTE 5)	TANVEX BIOPHARMA		ALL CONSOLIDATED ENTITIES (NOTE 5)		TANVEX BIOPHARMA	ALL CONSOLIDATED ENTITIES (NOTE 5)	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
Vice President PPD, Tanvex USA	Jennifer Hopp	-	48,775	-	807	1,667	30,343	-	-	-	-	1,667 (0.11)	79,925 (5.18)	Nil
Vice President Project Management, Tanvex USA	Qi Liu													
Corporate Controller	James Williamson (Note 10)													
Vice President Business Development	Matthew Unkrich													
Vice President Commercial Sales, Tanvex USA	Samuel Lum (Note 11)													
Vice President Clinical Operation, Tanvex USA	Jennifer Lai													
CEO&CFO	Chen, Lin-Cheng (Note 12)													
Chairman&CEO	Yen, Yun (Note 13)													
Vice President, Tanvex Biologics Corporation	Cho, Chin-Wen													

Payment Range

REMUNERATION PAID TO EACH OF THE PRESIDENTS AND VICE	NAMES OF PRESIDENTS AND VICE PRESIDENTS	
	TANVEX BIOPHARMA (NOTE 6)	ALL CONSOLIDATED ENTITIES (NOTE 7) (E)
Below \$1,000,000	Yen, Yun (Note 13)	Yen, Yun (Note 13)
\$1,000,000 (inclusive) ~ \$2,000,000 (exclusive)	Chen, Lin-Cheng (Note 12)	Chen, Lin-Cheng (Note 12)
\$2,000,000 (inclusive) ~ \$3,500,000 (exclusive)	—	Cho, Chin-Wen
\$3,500,000 (inclusive) ~ \$5,000,000 (exclusive)	—	—
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	—	Jennifer Lai
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)	—	Qi Liu, James Williamson (Note 10), Matthew Unkrich, Lum Samuel (Note 11)
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)	—	Jennifer Hopp
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)	—	—
\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)	—	—
Above \$100,000,000	—	—
Total	2	9

Note 1: Name of CEO, Vice Presidents and Officers shall be listed separately. If CEO or Vice President is a director, please refer to Section 3.3.2.

Note 2: Includes most recent year's salary, raise and severance payment.

Note 3: Includes most recent year's all types of bonus, incentive, transportation allowance, special allowance, accommodations, housing, and company provided car and other type of non-cash remuneration. Nature of asset and cost, rent paid at actual cost or evaluated by fair market value, gasoline and other payments shall be disclosed if house, vehicle or other individual costs incurred. If a driver is hired, remuneration to the driver shall be disclosed but excluded from remuneration listed above. In addition, according to IFRS 2 "Stock Based Remuneration", it shall include employee stock option granted, new restricted stock option and stock subscription during public offering.

Note 4: Includes remuneration amount paid to the CEO, Vice Presidents and Officers (including stock and cash) based on the Retained Earnings distribution plan approved by the Board of Directors in most recent year. If the remuneration cannot be projected, previous year's amount can be used as an estimate to fill in the applicable table. Net income after tax is the most recent year's amount. If IFRS is adopted, net income after tax shall be the amount from individual financial statements.

Note 5: Includes remuneration from all consolidated entities. Name of the CEO, Vice Presidents and Officers shall be disclosed.

Note 6: Names of CEO and Vice Presidents shall be disclosed in the table of Payment Range.

Note 7: Includes remuneration from all consolidated entities. Name of the CEO, Vice Presidents and Officers shall be disclosed in the table of Payment Range.

Note 8: Net income after tax is applied to recent year's amount. If IFRS is adopted, net income after tax shall be the amount from individual financial statements.

Note 9: a. Disclose remuneration paid to CEO, Vice Presidents and Officers from any reinvested entity or from mother company other than subsidiaries.

b. If applied, the remuneration paid to CEO, Vice Presidents and Officers shall be listed in Column E and renamed as "Mother Company and All Invested Entries".

c. Includes remuneration when the CEO, Vice Presidents and Officers act as a director, supervisor or manager of the invested entities.

Note 10: Employee resigned on 01/04/2022.

Note 11: Employee resigned on 01/20/2022.

Note 12: Employee resigned on 10/31/2021.

Note 13: Since October 31, 2021, Mr. Yen Yun has concurrently served as the acting CEO of its subsidiaries Tanvex Biologics Corporation and Tanvex BioPharma USA, Inc.

*Remuneration disclosed in the above-mentioned table applies different concept from that of tax law, therefore, it is for disclosure only and shall not be used for tax purpose.

3.4 Corporate Governance Implementation Status

3.4.1 Board of Directors Meeting Implementation Status

3.4.1.1 Ten Board meetings were convened in 2021 with directors' attendance is listed below:

TITLE	NAME	NO. OF ATTENDANCE IN PERSON	NO. OF ATTENDANCE BY PROXY	ATTENDANCE RATE (%)	NOTES
Chairman	Yen, Yun	10	0	100%	—
Director	Peng Lin Investment Co., Ltd. Representative: Tseng, Tamon	8	1	80%	—
Director	Allen Chao and Lee Hwa Chao Family Trust Representative: Dr. Allen Chao	9	0	90%	—
Director	Hsia Family Trust Representative: Hsia, David	9	0	90%	—
Director	Delos Capital Fund, LP Representative: Chen, Lin-Cheng	8	0	88.9%	Note 1
Director	Delos Capital Fund, LP Representative: Ula Xue	1	0	100%	Note 1
Director	Peng Lin Investment Co., Ltd. Representative: Chen, Chi-Chuan	10	0	100 %	—
Independent Director	Chang, Lee-Chiou	6	0	100%	Note 2
Independent Director	Tsai, Jin-Pau	10	0	100%	—
Independent Director	Wang, Tay-Chang	4	0	100 %	Note 2
Independent Director	Chen, Lan-Bo	4	0	100%	Note 2

Note 1: Delos Capital Fund, LP changed Representative from Chen, Lin-Cheng to Ula Xue on 12/03/2021.

Note 2: Mr.Chang, Lee-Chiou's term expired on 08/26/2021. Mr.Chen, Lan-Bo and Mr.Wang, Tay-Chang was elected on the date of the 2021 Annual General Meeting. And Mr.Chen, Lan-Bo resigned on 01/06/2022.

Others notes to be specified:

1. If one of the following subsequent condition occurs, date, terms, agenda, meeting minutes, opinions of independent directors and how their opinions are responded by the Company shall be listed.

(1) What is listed in Article 14-3 of the Securities and Exchange Act: **None**. Please refer to section of 3.4.12.

(2) Other than above, any Board resolutions on which independent directors have expressed dissenting or qualified opinion, with a record or written statement of such opinion made: **None**. Please refer to section of 3.4.12.

2. The independent director's name, content of the proposal, reasons for recusal, and voting status:

Name	Meeting Date	Content	Reasons for recusal	Voting status
Director Yen, Yun	2021/11/12	<ul style="list-style-type: none"> Release the Prohibition on officers from Participation in Competitive Business 	Director Yen, Yun is the stakeholder of the cases	The stakeholder left before discussion and vote; proposal resolved unanimously

3. Performance evaluation of the Board of Directors should be disclosed, and it will fill in section of 3.4.1.2

4. Goal of strengthening the Board of Directors governance and evaluation of implementation status in the current year and most recent year (i.e., establish Audit Committee, increase information transparency): The Company has established an Audit Committee and Compensation Committee to strengthen Board of Directors' governance. Company's website has been established to disclose related information. Financial information has been disclosed on the Market Observation Post System (MOPS) by TWSE.

3.4.1.2 Measures taken to evaluate the Board

Cycle	Period	Scope	Method	Content
Yearly	2021	The major aspects included of the evaluation 1. mastering of company goals and tasks 2. recognition of directors' responsibilities 3. the level of participation in company operation 4. internal relationship management and communication 5. the selection of the members and continuous education 6. internal control	The Board of Directors' meeting approved the Board Performance Evaluation Rules, on November 14, 2017, and all board members received self-assessment questionnaires since 2017.	The measurement items of board performance evaluation include the following five aspects: I. Extent of participation in the operation of the company. II. Improve the decision-making quality of board of directors. III. Composition and structure of the board of directors. IV. Selection and continuing education of directors. V. Internal control. The measurement items of performance evaluation of individual directors include the following six aspects: I. Master the company's objectives and tasks. II. Recognition of director responsibility. III. Extent of participation in the operation of the company. IV. Operation and communication of internal relationship. V. Professional and continuing education of directors. VI. Internal control. The 2021 result for self-assessment of board members and evaluation of the Board are 95%, it were reported in the Board Meeting on February 18, 2022.

3.4.2 Audit Committee Meeting Implementation Status

Six audit committee meetings were convened in 2021, with Independent Directors' attendance is listed below:

TITLE	NAME	NO. OF ATTENDANCE IN PERSON	NO. OF ATTENDANCE BY PROXY	ATTENDANCE RATE (%)	NOTES
Convener	Tsai, Jin-Pau	6	0	100 %	Note
Member	Wang, Tay-Chang	2	0	100 %	Note
Member	Chen, Lan-Bo	2	0	100 %	Note Resigned on 01/06/2022
Member	Chang, Lee-Chiou	4	0	100 %	Note

Note: Mr.Chang, Lee-Chiou's term expired on 08/26/2021. Mr.Chen, Lan-Bo and Mr.Wang, Tay-Chang was elected on the date of the 2021 Annual General Meeting.

Others notes to be specified:

1. If one of the following subsequent condition occurs, date, terms, agenda, meeting minutes, resolution of the meeting and how their opinions are responded by the Company shall be listed.

(1) What is indicated in Article 14-5 of the Securities and Exchange Act: Please refer to 3.4.2.1

(2) Other than above, any resolution which was not approved by Audit Committee but passed by more than two third of Board members: **None**.

2. Recusal of an independent director from review of a proposal where stakes are involved, the independent director's name, content of the proposal, reasons for recusal, and voting status: **None**.

3. Communication of independent directors with internal audit supervisors and CPAs (including material items, methods and results of audits of corporate finance or operations, etc.).

(1) The Company's internal audit supervisor has periodically reported audit result to Audit Committee. The internal audit supervisor has also attended meetings of the audit committee:

Date	Meeting	Content
2021.03.25	The 22 th meeting of 2 nd term of Audit Committee	<ul style="list-style-type: none"> Audit result in Q4, 2020 Statement of Internal Audit in 2020
2021.05.14	The 23 th meeting of 2 nd term of Audit Committee	<ul style="list-style-type: none"> Internal Audit result in Q1, 2021
2021.08.26	The 25 th meeting of 2 nd term of Audit Committee	<ul style="list-style-type: none"> Internal Audit result in Q2, 2021
2021.11.12	The 1 st meeting of 3 rd term of Audit Committee	<ul style="list-style-type: none"> Internal Audit result in Q3, 2021 Audit plan in 2022

(2) Audit Committee audits the company's financial reports regularly. Independent CPAs also attend Audit Committee meetings to present their audit result.

Date	Meeting	Content
2021.03.25	The 22 th meeting of 2 nd term of Audit Committee	<ul style="list-style-type: none"> Review instructions for 2020 annual Consolidated Financial Report, Final Statement and Business Reports.
2021.05.14	The 23 th meeting of 2 nd term of Audit Committee	<ul style="list-style-type: none"> Review instructions for 2021 Q1 Consolidated Financial Report.
2021.08.26	The 25 th meeting of 2 nd term of Audit Committee	<ul style="list-style-type: none"> Review instructions for 2021 Q2 Consolidated Financial Report.
2021.11.12	The 1 st meeting of 3 rd term of Audit Committee	<ul style="list-style-type: none"> Review instructions for 2021 Q3 Consolidated Financial Report. The evaluation of CPA's independence * The appointment of CPA for consolidated financial statements audit of 2022.

3.4.2.1 Important Resolutions of Audit Committee

DATE OF MEETING	IMPORTANT RESOLUTIONS	RESULT
2021.03.25 (The 22 th meeting of 2 nd term)	<ul style="list-style-type: none"> 2020 annual Consolidated Financial Reports, Final Statement and Business Reports Proposal for loss make-up of 2020 2020 Internal Control Declaration be approved To amend the Rules of Procedure for Shareholders' Meeting of the Company Release the prohibition on Directors from participation in competitive business 	<ul style="list-style-type: none"> Proposal resolved unanimously by the Board of Directors. Proposal resolved unanimously by the Board of Directors. Proposal resolved unanimously by the Board of Directors. Proposal resolved unanimously by the Board of Directors. Proposal resolved unanimously by the Board of Directors. Proposal resolved unanimously by the Board of Directors.
2021.05.14 (The 23 th meeting of 2 nd term)	<ul style="list-style-type: none"> Approve of 1st quarter of 2021 Consolidated Financial Report 	<ul style="list-style-type: none"> Proposal resolved unanimously by the Board of Directors.
2021.07.20 (The 24 th meeting of 2 nd term)	<ul style="list-style-type: none"> 2021 equity financing by issuing new shares and Sound Business Plan amendment 	<ul style="list-style-type: none"> Proposal resolved unanimously by the Board of Directors.
2021.08.26 (The 25 th meeting of 2 nd term)	<ul style="list-style-type: none"> Approve of 2nd quarter of 2021 Consolidated Financial Report 	<ul style="list-style-type: none"> Proposal resolved unanimously by the Board of Directors.
2021.11.12 (The 1 st meeting of 3 rd term)	<ul style="list-style-type: none"> Approved 2021 Q3 Consolidated Financial Report Evaluate independence of the Company's CPA The appointment of CPA for consolidated financial statements audit of 2022 The Audit Plan of 2022 	<ul style="list-style-type: none"> Proposal resolved unanimously by the Board of Directors. Proposal resolved unanimously by the Board of Directors. Proposal resolved unanimously by the Board of Directors. Proposal resolved unanimously by the Board of Directors.
2021.12.15 (The 2 nd meeting of 3 rd term)	<ul style="list-style-type: none"> The operation and budget plan of 2022 	<ul style="list-style-type: none"> Proposal resolved unanimously by the Board of Directors.

3.4.2.2 Major work items of the Audit Committee

The Audit Committee is formed by all Independent Directors with one as chairman of the committee, the duties of the Audit Committee include to audit the fair presentation of the financial statements of the company, hiring or dismissal of an attesting CPA, evaluation of performance and independence, the effective implementation of internal control of the company, legal compliance and corporate risk management.

- (1) Review the internal control system and conduct necessary amendment
- (2) The effective implementation of internal control of the company
- (3) Review the material asset or derivatives transactions, the material lending funds, endorsements or guarantees
- (4) Related-party transactions and potential conflicts of interests involving directors
- (5) Material asset or derivatives transactions
- (6) Material lending funds, endorsements or guarantees
- (7) Offering or issuance of any equity-type securities
- (8) Hiring or dismissal of an attesting CPA, or the compensation given thereto
- (9) Appointment or discharge of financial, accounting, or internal auditing officers
- (10) Financial reports of Q1, Q2, Q3 and annual financial report
- (11) Regulatory compliance

3.4.2.3 Measures taken to evaluate the Audit Committee

Cycle	Period	Scope	Method	Content
Yearly	2021	<p>The major aspects included of the evaluation</p> <ol style="list-style-type: none"> 1. mastering of company goals and tasks 2. recognition of members' responsibilities 3. the level of participation in company operation 4. the selection of the members and continuous education 5. internal control 	<p>The Board of Directors' meeting approved the Board Performance Evaluation Rules, on November 14, 2017, and all board members received self-assessment questionnaires since 2017.</p>	<ol style="list-style-type: none"> (1) The 2021 result for self-assessment of Audit Committee members is 97%, it was reported in the Board Meeting on February 18, 2022. (2) The 2021 evaluation of the Audit Committee is 100%, it was reported in the Board Meeting on February 18, 2022.

3.4.3 Corporate Governance Implementation Status and Deviation from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies”

ITEM FOR ASSESSMENT	IMPLEMENTATION (NOTE)			NON-COMPLIANCE AND REASONS
	YES	NO	EXPLANATION	
1. Does the company establish and disclose its corporate governance practices in accordance with the Corporate Governance Code of Practice of Taiwan Stock Exchange and Taipei Exchange Listed Companies?	✓		The company has established its Corporate Governance Code of Practice according to the Corporate Governance Code of Practice of Taiwan Stock Exchange and Taipei Exchange Listed Companies, and discloses related information in Corporate Governance section on the company's website.	No material divergence
2. Shareholding structure and shareholders' rights				
(1) Does the company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters? If yes, has these procedures been implemented accordingly?	✓		(1) To protect shareholders' interest, the company assigns spokespersons and deputy spokespersons to handle shareholders' suggestions and disputes.	No material divergence
(2) Does the company possess a list of major shareholders and beneficial owners of these major shareholders?	✓		(2) The company conducts regular reviews of the list of major shareholders based on updated records as of the book closure date, and regularly discloses change of pledge of stock rights owned by shareholders with more than 10% stockholdings.	No material divergence
(3) Has the company built and executed a risk management system and “firewall” between the company and its affiliates?	✓		(3) The company has established an “Operating Procedure for Transactions Among Interested Parties, Special Companies and Group Enterprises”, and strictly complies with it.	No material divergence
(4) Has the company established internal rules prohibiting insider trading on undisclosed information?	✓		(4) The company has established “Procedure for Processing significant inside information” and “Directions for Prevention of Insider Trading” and strictly complies with and enforces them.	No material divergence
3. Composition and responsibilities of the board of directors				
(1) Has the company established a diversification policy for the composition of its board of directors and has it been implemented accordingly?	✓		(1) The company strengthens the diversity of the board of directors based on the corporate Code of Practice and Corporate Governance. Directors who also serve as company managers should not exceed one-third of the number of directors, and it should include but not limited to the following two major standards: 1. Basic conditions and values: gender, age, nationality and culture, etc. 2. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills Please refer to 3.2.5 Board Diversity and Independence and company's website.	No material divergence
(2) Other than the compensation committee and the audit committee which are required by law, does the company plan to set up other board committees?	✓		(2) The company has not set up functional committees other than the compensation committee and the audit committee. New committee will be set up in future based on evaluation of necessities.	No material divergence
(3) Has the company established regulations for evaluating the performance of its board of directors, and conducted such evaluation on an annual basis?	✓		(3) The company's board of directors adopted the “Board Performance Evaluation Rules” on November 14, 2017 and issued a self-evaluation questionnaire to each of the directors in every December from 2017 so as to evaluate the overall operation of the board of directors and to have each director perform self-evaluation. The completion rate of self-evaluation of the board directors was 95% in 2021, submitted the evaluation results to the first quarter of 2022 board meeting for review and improvement. please refer to company's website.	No material divergence
(4) Does the company regularly evaluate its external auditors' independence?	✓		(4) The board of directors evaluates the independence of CPAs annually. The company and the external auditors are not related parties, and don't have interest in each other. The recent evaluations resolved in Audit Committee and Board meeting in 11/12/2021.	No material divergence

ITEM FOR ASSESSMENT	IMPLEMENTATION (NOTE)			NON-COMPLIANCE AND REASONS
	YES	NO	EXPLANATION	
4. Has the company established corporate governance unit or personnel to manage governance related matters (including but not limited to prepare materials for director and supervisor for performing business, manage matters of Board Meeting and Shareholders Meeting according to related regulations, manage company registration, and prepare meeting minutes of Board Meeting and Shareholders Meeting?	✓		<p>The company was approved by the board of directors' meeting on June 30, 2021, and designated the director of operation as the chief corporate governance. The main responsibilities are as follows:</p> <p>(1) assist directors in starting working, complying with laws and regulations, continuing education and furnishing information required for business execution by directors.</p> <p>(2) manage matters of Board Meeting and Shareholders Meeting according to related regulations</p> <p>(3) prepare meeting minutes of Board Meeting and Shareholders Meeting</p> <p>The chief corporate governance of the Company has continued education. The training courses are listed on the Company's website.</p>	No material divergence
5. Has the company established a means of communicating with its stakeholders or created a stakeholders section on its company website? Does the company address properly stakeholders' concerns about important corporate responsibilities issues?	✓		<p>(1) Shareholders: The company annually convenes a shareholders' meeting, issues annual reports, and periodically discloses the relevant information on the Market Observation Post System or on its own website as required by law.</p> <p>(2) Employees: The company convenes a labor-management meeting on a regular basis and an employees' meeting on an irregular basis.</p> <p>(3) Suppliers: The company conducts evaluation of applicable suppliers to ensure that all suppliers comply with the laws and regulations of the jurisdiction in which the company operates its business and have no materially wrongful act.</p> <p>The company has spokespersons and deputy spokespersons and designates a specific section for stakeholders on its website so as to respond to the comments from stakeholders.</p>	No material divergence
6. Has the company appointed a professional registrar for its shareholders' meetings?	✓		The company has appointed CTBC Bank to handle its shareholders' meetings.	None
7. Information Disclosure				
(1) Has the company established a corporate website to disclose information regarding its financials, business and corporate governance status?	✓		(1) The company has established a website http://www.tanvex.com/index-c.php and discloses financial and corporate governance data on it. It also discloses financial information on MOPS by TWSE.	No material divergence
(2) Does the company use other information disclosure channels (e.g. maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors' conference etc.)?	✓		(2) The company has assigned personnel to collect and disclose company information and has also appointed spokespersons and deputy spokespersons. The company maintains an English-language website and webcasts investors' conferences onto its website.	
(3) Does the company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statement as well as the operating status of each month before the prescribed deadline?	✓		(3) The company follows relevant laws and regulations to announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline.	

ITEM FOR ASSESSMENT	IMPLEMENTATION (NOTE)			NON-COMPLIANCE AND REASONS
	YES	NO	EXPLANATION	
8. Has the company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g. including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, continuing education and training of directors and supervisor, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and liability insurances for directors and supervisors)?	✓		<p>(1) Employee rights and employee wellness: Besides following local labor laws, the company has established various measures concerning employee benefits and systems concerning continuing education and training, retirement, and provides employment and medical insurance, group insurance.</p> <p>(2) Investor relations: the company has contact person for investors and regularly disclosed financial and business information according to related regulations to protect investors' interest.</p> <p>(3) Supplier relations: the company maintains relations with both suppliers on a good and equal basis.</p> <p>(4) Stakeholders' relations: the company upholds the principle of good faith, maintains excellent communication channel with stakeholders to protect their legal interest.</p> <p>(5) Directors' training: the company follows the regulation and disclose information on MOPS by TWSE</p> <p>(6) Implementation of risk management policies and risk evaluation measures: The company has established and complies with various bylaws to control risks and audited by internal auditor regularly.</p> <p>(7) Implementation of customer relations policies: Products are still in the R&D stage. Relevant customer policies will be established in future as needed.</p> <p>(8) Liability insurances for directors and supervisors: the company has taken out liability insurance for directors and evaluates the coverage regularly.</p>	No material divergence
<p>9. Please list improved items, and prioritized items under improvement status based on evaluation result from TWSE governance center in most recent year:</p> <p>(1) Improved Projects</p> <p>(a): In order to implement the policy guidelines for promoting gender equality, increase women's participation in decision-making and improve the board structure, the company's board of directors will include a female director in 2021.</p> <p>(b): The company has set up full-time corporate governance personnel to be responsible for corporate governance related affairs to improve the corporate governance of the company.</p> <p>(c): The annual report and company's website reveal the major work items of the Audit Committee and implementation.</p> <p>(2) Priority improvements</p> <p>(a): The company voluntarily add more independent board directors than required by law.</p> <p>(b): The company sets up a functional committee other than statutory.</p> <p>(c): Disclose the procedures for Ethical Management and Guidelines for Conduct of the Company on website or annual report.</p>				
Note: Implementation status should be specified when check "yes" or "no".				

3.4.4 The Composition, Duties and Operation of the Compensation Committee

3.4.4.1 Compensation Committee Members

QUALIFICATIONS NAME		Professional qualifications and experience	Independence conformance	NO. OF OTHER PUBLIC COMPANIES OF WHICH THE MEMBER ACTS AS AN INDEPENDENT DIRECTOR/COMPENSATION COMMITTEE MEMBER CONCURRENTLY
Independent Director (Convener)	Wang, Tay-Chang	The members of the Compensation Committee are the Company's independent directors. Please refer to page 20 of this annual report "3.2.4 Directors' professional qualification and independent directors' status of independence " for their professional qualification and independence status.	The members of the Compensation Committee are the Company's independent directors. Please refer to page 20 of this annual report "3.2.4 Directors' professional qualification and independent directors' status of independence " for their professional qualification and independence status.	2
Independent Director	Tsai, Jin-Pau			4
Independent Director	Chen, Lan-Bo (Note 3)			-
Independent Director	Chang, Lee-Chiou (Note 4)			3

Note 1: Please enter director, independent director or others as identity.

Note 2: Please check the box with a "√" under each condition number if the member satisfies the relevant condition two years prior to being elected and during employment:

- (1) Not an employee of the Company or an affiliate of the Company.
- (2) Not a director or supervisor of the Company or its affiliates, unless the member is an independent director of the Company, its parent company, or a subsidiary of the Company in which the Company holds directly or indirectly a majority of the shares with voting rights.
- (3) Not a natural-person shareholder who holds 1% or more of the Company's total issued shares or holds Company shares as one of its top ten shareholders, in the member's own name or in the name of his spouse, minor or others.
- (4) Not a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs.
- (5) Not a director, supervisor or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act.
- (6) Not a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
- (7) Not a chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not having any of the conditions defined in Article 30 of the Company Law.

Note 3: Mr. Chen, Lan-Bo resigned on 01/06/2022.

Note 4: Mr. Chang, Lee-Chiou's term expired on 08/26/2021.

3.4.4.2 Compensation Committee Meeting Implementation Status

- (1) The Compensation Committee includes three members.
- (2) Term: August 27th, 2021 to August 26th, 2024

Two meetings were convened in 2021, eligibility and attendance of members:

TITLE	NAME	NO. OF ATTENDANCE IN PERSON	NO. OF ATTENDANCE BY PROXY	ACTUAL ATTENDANCE RATE (B/A) (%) (NOTE)	NOTES
Convener	Wang, Tay-Chang	2	0	100 %	Note
Member	Tsai, Jin-Pau	2	0	100 %	
Member	Chen, Lan-Bo	1	0	100 %	Resigned on 01/06/2022
Member	Chang, Lee-Chiou	1	0	100 %	Note
<p>Note: Mr.Chang, Lee-Chiou's term expired on 08/26/2021. Mr.Chen, Lan-Bo was elected on the date of the 2021 Annual General Meeting. New convener is Mr.Wang, Tay-Chang.</p> <p>Others notes to be specified:</p> <ol style="list-style-type: none"> If the board of directors decline to adopt or revise the recommendations of the compensation committee, it shall state the date of the board meeting, term of the board, content of the proposal, results of the board resolutions, and actions taken by the company in response to comments made by the compensation committee (if the remuneration passed by the board is better than as recommended by the compensation committee, the difference and reasons shall be provided): None. If a member has expressed a dissenting or qualified opinion, with a record or written statement of such opinion made, on a resolution of the compensation committee, the date of the meeting of the compensation committee, term of the committee, content of the proposal, opinions of all the members, and actions taken to address the opinions shall be specified: None. <p>Notes:</p> <ol style="list-style-type: none"> If a member of the compensation committee resigned before the last day of fiscal year, the date of departure shall be specified in the Notes column and his/her actual attendance rate (%) shall be based on the number of meetings of the compensation committee that has been held and the number of actual attendance as an active member. Where an election of the compensation committee is held before the last day of a fiscal year, both the new and the old members of the compensation committee shall be listed, and whether he is old, new or re-elected, and the date of election, shall be stated in the Notes column. His actual attendance rate (%) shall be based on the number of meetings of the compensation committee that has been held and the number of actual attendance as an active member. 					

3.4.4.3 Compensation Committee Duties

The compensation committee with the independent position under the applicable law to evaluate compensation of the directors of Board and executives, discharges its responsibilities on compensation policies based on related regulations, and submits suggestions to the Board as reference for decision.

3.4.4.4 Important Resolutions of Compensation Committee

DATE OF MEETING	IMPORTANT RESOLUTIONS	RESULT
2021.03.25 (The 10 th meeting of 2 nd term)	<ul style="list-style-type: none"> To approve the issuance of Employee Stock Option for Year 2021 	<ul style="list-style-type: none"> Proposal resolved unanimously by the Board of Directors.
2021.11.12 (The 1 st meeting of 3 rd term)	<ul style="list-style-type: none"> The appointment of President of the US subsidiaries-Tanvex BioPharma USA, Inc. 	<ul style="list-style-type: none"> Proposal is withdrawn. Further proposals might be made based on future operation planning needs.

3.4.4.5 Measures taken to evaluate the Audit Committee

Cycle	Period	Scope	Method	Content
Yearly	2021	<p>The major aspects included of the evaluation</p> <ol style="list-style-type: none"> 1. the level of participation in company operation 2. recognition of members' responsibilities 3. improved the quality of decision making 4. the selection of the members and continuous education 	<p>The Board of Directors' meeting approved the Board Performance Evaluation Rules, on November 14, 2017, and all board members received self-assessment questionnaires since 2017.</p>	<p>(1) The 2021 result for self-assessment of Compensation Committee members is 98%, it was reported in the Board Meeting on February 18, 2022.</p> <p>(2) The 2021 evaluation of the Compensation Committee is 100%, it was reported in the Board Meeting on February 18, 2022.</p>

3.4.5 Fulfilment of Sustainable Development and Deviations from the “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”

ITEM FOR ASSESSMENT	IMPLEMENTATION (NOTE)			DIVERGENCE FROM CORPORATE SOCIAL RESPONSIBILITY (CSR) CODE OF PRACTICE OF TAIWAN STOCK EXCHANGE AND TAIPEI EXCHANGE LISTED COMPANIES, AND REASONS
	YES	NO	EXPLANATION	
1. Has the Company established a Sustainable Development unit (full- or part-time), with a senior manager authorized by the Board of Directors to handle and report related activities to the Board of Directors? 2. Does the company follow principles of materiality in evaluating the risks of environmental, social, and corporate governance, and establish relevant policies or strategies?	✓		(1) The company amended a “Corporate Sustainable Development Best Practice Principles” and got approval by the Board on March 21, 2022, and has implemented the policy and reviewed the result continuously.	No material divergence
	✓		(2) The company has a non-dedicated CSR office to be served by the CEO office to facilitate the company's continuous CSR fulfillment.	No material divergence
3. Environmentally sustainable development (1) Has the company set an Environmental management system designed to industry characteristics? (2) Is the company committed to improving resource efficiency and to the use of renewable materials with low environmental impact? (3) Does the company track the impact of climate change on operations, carry out greenhouse gas inventories, and set energy conservation and greenhouse gas reduction strategies? (4) Does the company counted the gas emissions of greenhouse, water consumption and total weight of waste in the past two years, and whether the company formulated policies on energy saving and carbon reduction, reduction of greenhouse gas and water consumption or other waste management?	✓		(1) As a biopharmaceutical company, the company has organized a toxic chemical substance team and accepted training and education on toxic chemical substances according to the characteristics of the industry, with its laboratory wastes to be disposed of by an engaged company certified by the government so as to prevent any environmental pollution. Also, the company's decoration has been approved in respect of fire prevention as required by the government and conforms to the laws and regulations for environmental protection, sanitation and fire prevention of each jurisdiction in which the company operates its business.	No material divergence
	✓		(2) The company does not use any renewable materials with high environmental impact and always encourages employees to have two sides of paper used so as to maximize the use of paper and make repeated use of files, and thus improve resource efficiency and reduce unnecessary waste.	No material divergence
	✓		(3) The company encourages employees to recycle, turn off lights when they leave, reduce paper usage, etc to achieve energy saving and carbon reduction.	No material divergence
		✓	(4) The company does not engage in business that produces green-house air emission, waste liquid and waste solidity, so there's no such policies, and with its laboratory wastes to be disposed of by an engaged company certified by the government so as to prevent any environmental pollution.	Will be added according to needs
4. Promotion of social welfare (1) Does the company set policies and procedures in compliance with regulations and internationally	✓		(1) The company has established Work Rules pursuant to local law in all regional locations and internationally	No material divergence

ITEM FOR ASSESSMENT	IMPLEMENTATION (NOTE)			DIVERGENCE FROM CORPORATE SOCIAL RESPONSIBILITY (CSR) CODE OF PRACTICE OF TAIWAN STOCK EXCHANGE AND TAIPEI EXCHANGE LISTED COMPANIES, AND REASONS
	YES	NO	EXPLANATION	
recognized human rights principles?			accepted labor laws to protect employees' rights and interests.	
(2) Has the company established and implemented reasonable employee benefits measures (including salary, leave and other benefits, etc.), and appropriately reflect the operating performance or result on the compensation of employees?	✓		(2) The company has established employee welfare measures, including salary, leave and other benefits, and implement the performance evaluation related to salary periodically.	No material divergence
(3) Does the company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		(3) The company has had its office decoration approved in respect of fire prevention and engaged a company certified by the government to dispose of the laboratory wastes. Also, the company provides its employees with the welfare of annual physical examination and enhances employees' ability to respond to emergencies and concept of safety through continuing education, training, and promotion of awareness, in an effort to provide employees with a safe and healthy working environment.	No material divergence
(4) Has the company established effective career development training plans?	✓		(4) The company encourages continuing education and training subject to individual situations, and has effective career development training plans.	No material divergence
(5) Has the company set polices and consumer complaint procedures, and follow regulations and international standards in the marketing and labelling of its products and services?		✓	(5) The company has not engaged in product sales yet, and will set consumer interest protection and consumer complaint processing procedures. The company designates a special section on its website for stakeholders' communication, wherein stakeholders, such as suppliers, shareholders and employees, may provide their complaints or suggestions at any time.	Will be added according to needs
(6) Do the company's contracts with major suppliers include termination clauses if they violate CSR policy and cause significant environmental and social impact?	✓		(6) The company has not engaged in a contract with any major supplier since the company's product is still in R&D stage.	No material divergence
5. Does the company refer to internationally accepted reporting standards or guidelines for compiling reports on non-financial information, such as ESG reports? Did the previous release reports obtain a confirmation or assurance opinion from a third party verifier?		✓	The company disclosed the "Corporate Sustainable Development Best Practice Principles" in annual report and website, no such as the corporate social responsibility report available.	Will be added according to needs
6. If the Company has established the sustainable development principles based on "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies", please describe any discrepancy between the Principles and their implementation: The company has adopted its own "Corporate Sustainable Development Best Practice Principles" in accordance with the "Corporate Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies" and has been performing its corporate governance and social responsibility in compliance with the laws and regulations of the jurisdictions in which it operates business, with no material divergence between the company's corporate social responsibility and the applicable practice principles as assessed.				
7. Other important information to facilitate better understanding of the company's implementation of corporate social responsibility: (1) Human Rights: All employees are entitled to the same work rights and afforded opportunities for free expression and development, irrespective of race, sex and age. (2) Other Social Responsibilities: The company is dedicated to provide high quality, affordable biosimilar drug to benefit people and society.				

3.4.6 Circumstances of the company fulfilling ethical corporate management and the differences with the Ethical Corporate Management Best- Practice Principles for TWSE/ TPEX Listed Companies and the reasons thereof

ITEM FOR ASSESSMENT	IMPLEMENTATION (NOTE)			DIVERGENCE FROM ETHICAL MANAGEMENT CODE OF PRACTICE OF TAIWAN STOCK EXCHANGE AND TAIPEI EXCHANGE LISTED COMPANIES, AND REASONS
	YES	NO	EXPLANATION	
1. Establish ethical management policies and plans				
(1) Are the company's guidelines, practices, and board of directors' and management's commitments to implement the policies provided in its bylaws and disclosed publicly?	✓		(1) The company has made "Ethical Management Principles" and "Ethical Operating Procedures and Guidelines for Conduct" in accordance with applicable laws, while the board of directors and the management have fulfilled their obligations as good administrators to supervise the implementation of the ethical management policies, and disclosed on our website.	No material divergence
(2) Has the company established, and does it strictly enforce, relevant policies for preventing any unethical conduct, each incorporating operating procedures and guidelines, penal provisions for violations, and complaint mechanisms?	✓		(2) The company has made "Ethical Management Principles" and "Ethical Operating Procedures and Guidelines for Conduct", while the board of directors and the management have fulfilled their obligations as good administrators to supervise the implementation of the ethical management policies, and the auditing office has conducted audit on an irregular basis.	No material divergence
(3) Does the company adopt measures for preventing the business activities in Article 7, paragraph 2 of the Code of Ethics of Taiwan Stock Exchange and Taipei Exchange Listed Companies or business activities within other business scope with a higher risk of unethical conduct?	✓		(3) The company has made "Ethical Management Principles" and "Ethical Operating Procedures and Guidelines for Conduct" and has given anti-corruption instructions to its board directors and employees so as for them to understand the company's determination to implement ethical management and the consequence of any unethical conduct.	No material divergence
2. Ethical management				
(1) Does the company evaluate trading counterparts' ethical records and incorporate ethics related clauses in the contracts executed with them?	✓		(1) According to the company's "Ethical Operating Procedures and Guidelines for Conduct", we do evaluate potential trading counterparts before entering into transactions with them to ascertain whether they are legal and have a poor ethical record.	No material divergence
(2) Has the company set up a dedicated (ad hoc) unit under the board of directors in charge of promotion of the company's ethical management and reporting the enforcement to the board of directors on a regular basis?	✓		(2) The company has dedicated Internal Auditor who reports to Board, and supervises the implementation of ethical management.	No material divergence
(3) Has the company established policies to prevent conflicts of interest? Does it provide appropriate communication avenues? Does it strictly comply with such policies?	✓		(3) The company has made "Ethical Management Principles" and "Ethical Operating Procedures and Guidelines for Conduct" to prevent conflicts of interest, and we do provide appropriate communication avenues. Also, the company has made "Guidelines for Prevention of Insider Trading" and "Procedures for Handling Material Inside Information", under which no staff may disclose any unpublished information of the company, and the company promotes the awareness thereof at employees' meetings so as to ensure the faithful implementation of the relevant policies.	No material divergence
(4) Has the company established effective accounting and internal control systems for the implementation of ethical management? Does the internal audit unit conduct regular audits itself or through CPAs?	✓		(4) The company has established effective accounting and internal control systems in accordance with applicable laws and regulations. Its internal auditors review its compliance on a regular basis and report to the Board of Directors and Audit Committee.	No material divergence
(5) Does the company provide internal and external educational training on ethical management on a regular basis?	✓		(5) The company has put the "Ethical Management Principles" and "Ethical Operating Procedures and Guidelines for Conduct" on our website and promotes the awareness of matters relating to ethical management at employees' and supervisors' meetings.	No material divergence

ITEM FOR ASSESSMENT	IMPLEMENTATION (NOTE)			DIVERGENCE FROM ETHICAL MANAGEMENT CODE OF PRACTICE OF TAIWAN STOCK EXCHANGE AND TAIPEI EXCHANGE LISTED COMPANIES, AND REASONS
	YES	NO	EXPLANATION	
3. Implementation of Compliance Procedures				
(1) Has the company established specific report and incentive systems, set up convenient avenues for reports to be made, and assigned appropriate personnel to entertain reports against accused parties?	✓		(1) The company has made "Ethical Management Principles" and "Ethical Operating Procedures and Guidelines for Conduct", and established specific report and incentive systems, the company encourages employees to report any unethical and improper behavior and rewards complainants based on the severity of the matters. Employees may report any ethics violation through stakeholder section, related management shall take action immediately and inform complainants on the result. The whole reporting process is confidential to protect the complainants.	No material divergence
(2) Does the company have standard operating procedures for investigating reports entertained, and the relevant nondisclosure mechanism?	✓		(2) The company has made "Ethical Management Principles" and "Ethical Operating Procedures and Guidelines for Conduct", employees may report any ethics violation through stakeholder section. The whole reporting process is confidential to protect the complainants.	No material divergence
(3) Does the company adopt measures to protect informers from inappropriate actions taken against them?	✓		(3) The company adopts measures to protect informers from inappropriate actions against them.	No material divergence
4. Enhanced information disclosure				
(1) Does the company disclose the content and results of promotion of its code of ethics on its website and the Market Observation Post System?	✓		(1) The company has disclosed its Code of Ethical Management in its annual report and on its website.	No material divergence
5. If the company has established a code of ethics based on the Code of Ethics of Taiwan Stock Exchange and Taipei Exchange Listed Companies, please describe the enforcement of its own code of ethics and any discrepancy between the two codes:				
The company has established "Ethical Management Principles", takes social responsibilities, constantly follows ethical management principle.				
6. Other important information to facilitate better understanding of the company's enforcement of ethical management (e.g., review and amendment of the company's code of ethics):				
The company keeps track of development on related rules and regulations domestically and internationally, update and promote ethical management policies accordingly, to improve the implementation results.				
Note : Implementation status should be specified when check "yes" or "no"				

3.4.7 Description of How Company Discloses Its Code of Corporate Governance and Relevant Bylaws, If Applicable

In compliance with "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies", the company has established "Rules of Procedures for Board Meetings", "Rules of Procedures for Shareholders' Meetings", "Election Procedures for Directors", "Rules of Audit Committee" and "Rules of Compensation Committee". All information is disclosed on the company's website for inquiry.

3.4.8 Other Important Information to Facilitate Shareholders' Understanding of Corporate Governance

1. Other than the Corporate Governance section in the MOPS, if there is any information regarding the Corporate Governance, the company will evaluate the importance of the information and disclose it to investors.
2. The company holds investors conference and press conference from time to time to disclose the information of the company, and will upload the content of investors conference on the MOPS.

3.4.9 Internal Control System Execution Status

2021 Statement of Internal Control System

Tanvex BioPharma, Inc. Statement of Internal Control System

Date: March 21, 2022

Tanvex's self-assessment results for 2021 Internal Control System are presented below:

1. Tanvex is fully aware that the establishment, implementation, and maintenance of the internal control system are the responsibility of the Board of Directors and management. Tanvex has established such a system with the objective to provide reasonable assurance for attainment of operating effect and efficiency (including profitability, performance, and safeguarding of assets), reliability of our financial reporting, and compliance with applicable laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Tanvex BioPharma takes immediate remedial actions in response to any identified deficiencies.
3. Tanvex BioPharma evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring. Each of such components is further divided into several items, which can all be found in the Regulations.
4. Tanvex BioPharma has evaluated the design and operating effectiveness of its internal control system according to the Regulations.
5. Based on the findings of such evaluation, Tanvex BioPharma believes that as of December 31, 2021, it has maintained in all material respects an effective internal control system (that includes the supervision and management of our subsidiaries) to provide reasonable assurance over our operational effectiveness and efficiency, reliability of financial reporting, and compliance with applicable laws and regulations.
6. This Statement will be an integral part of Tanvex BioPharma's annual report and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been approved by the Board of Directors in the meeting held on March 21, 2022, where none of the eight attending directors expressing any dissenting opinion and the remainder all affirming the content of this Statement.

Tanvex BioPharma, Inc.

Chairman: Yen, Yun

CEO: Yen, Yun

3.4.10 Description of Any Legal Sanctions Against Company or Its Internal Personnel, Disciplinary Action Taken by the Company Against Its Own Personnel for Violation of Internal Controls, and Major Shortcomings in Company's Internal Control System as Well as Improvements Made, in 2021 and as of the Date of This Annual Report
None.

3.4.11 Important Resolutions of Shareholders' Meetings in 2021 and as of the Date of This Annual Report

DATE OF MEETING	TYPE	IMPORTANT RESOLUTIONS	IMPLEMENTATION
2021/08/27	Shareholders' meeting	<ol style="list-style-type: none"> 1. Approved 2020 annual consolidated financial report, final statement and business report. 2. Approved the proposal of loss make-up for year 2020. 3. Approved the amendment of the Rules of Procedure for Shareholders' Meeting of the Company 4. Approved the amendment of the Procedures for Election of Directors of the Company 5. Re-election of Board of Directors 6. Approved relief of directors from non-competition restrictions 	<ol style="list-style-type: none"> 1. Shareholders approved by voting, no follow-up needed. 2. Shareholders approved by voting, no follow-up needed. 3. Shareholders adopted by voting, no follow-up needed. 4. Shareholders adopted by voting, no follow-up needed. 5. Shareholders approved by voting, no follow-up needed. 6. Shareholders approved by voting, no follow-up needed.

3.4.12 Important Resolutions of Board of Directors' Meetings in 2021 and as of the Date of This Annual Report

DATE OF MEETING	TYPE	IMPORTANT RESOLUTIONS	Any Dissenting Opinion Made by Independent directors
2021/03/25	Board of Directors' meeting	<ul style="list-style-type: none"> • 2020 annual Consolidated Financial Reports, Final Statement and Business Reports. • Proposal for loss make-up of 2020 • The 2020 Internal Control Declaration be approved. • To amend the Rules of Procedure for Shareholders' Meeting of the Company. • To approve the issuance of Employee Stock Option for Year 2021. • Re-election for Company's Board of Directors • Acceptance of the list of director candidates' nomination, review standards and relevant process. • List of Director candidates, including independent director candidates, to be nominated by the Board of Directors. • Release the prohibition on Directors from participation in competitive business. • The time, venue, and agenda of the 2021 shareholders' annual general meeting. 	<p>None.</p> <p>None.</p> <p>None.</p> <p>None.</p> <p>None.</p> <p>None.</p> <p>None.</p> <p>None.</p> <p>None.</p>
2021/03/25	Board of Directors' meeting	<ul style="list-style-type: none"> • Elect the Chairman of the Board of Directors. 	None.
2021/05/14	Board of Directors' meeting	<ul style="list-style-type: none"> • The Company's re-signing of the securities compliance counseling contract with KGI Securities Co. Ltd. for 2019 and 2020. 	None.
2021/06/30	Board of Directors' meeting	<ul style="list-style-type: none"> • Appointment of the corporate governance officer of the Company. 	None.

DATE OF MEETING	TYPE	IMPORTANT RESOLUTIONS	Any Dissenting Opinion Made by Independent directors
2021/07/20	Board of Directors' meeting	<ul style="list-style-type: none"> 2021 Equity Financing by issuing new shares and Sound Business Plan amendment. Change the date and location of 2021 Annual Shareholders' Meeting in accordance with the instruction of the FSC. 	None. None.
2021/08/26	Board of Directors' meeting	<ul style="list-style-type: none"> Approve of 2nd quarter of 2021 Consolidated Financial Report. 	None.
2021/08/27	Board of Directors' meeting	<ul style="list-style-type: none"> Elect the Chairman of the Board of Directors Appoint the Members of the 3rd term of the Audit Committee. Appoint the Members of the 2nd term of the Remuneration Committee. 	None. None. None.
2021/08/31	Board of Directors' meeting	<ul style="list-style-type: none"> Determination of the issuance price of the 2021 equity financing by issuing new shares. 	None.
2021/11/12	Board of Directors' meeting	<ul style="list-style-type: none"> Evaluate independence of the Company's CPA. The appointment of CPA for consolidated financial statements audit of 2022. The audit plan of 2022. Authorize the Company's Corporate Controller James Williamson and the vice president of Business Development Matthew Unkrich as the cosignatories for handling the Company's bank deposits and withdrawals and related matters. The Company to enter into the Contract Development and Manufacturing agreement with AP Biosciences Inc. The appointment of President of the US subsidiaries-Tanvex BioPharma USA, Inc. Release the Prohibition on officers from Participation in Competitive Business. 	None. None. None. None. None. None. The proposal is withdrawn. Further proposals might be made based on future operation planning needs. None
2021/12/15	Board of Directors' meeting	<ul style="list-style-type: none"> The operation and budget plan of 2022. 	None.

3.4.13 Major Issues of Any Dissenting Opinion Made by Any Director or Supervisor to Important Resolution Approved by the Board of Directors, Where There Is a Record or Written Statement of Such Opinion, in 2021 and as of the Date of This Annual Report

None.

3.4.14 Resignation and Dismissal of Chairman, CEO, General Manager, Heads of Accounting and Finance, Internal Audit Supervisor, Head of R&D during 2021 and as of the Date of This Annual Report

TITLE	NAME	START WORKING DATE	EFFECTIVE DATE	REASON
Chairman	Allen Chao	2020/09/09	2021/03/25	Job adjustment
CEO	Chen, Lin-Cheng	2020/11/18	2021/10/31	Resigned
CFO	Chen, Lin-Cheng	2020/06/10	2021/10/31	Resigned
Corporate Controller	James Williamson	2019/02/13	2022/01/04	Resigned

Note: The term “relevant person in the company” includes Chairman, CEO, General Manager, Heads of Accounting and Finance, Internal Audit Supervisor, Head of R&D

3.5 Independent Auditor Information

3.5.1 Audit Fees and Non-Audit Fees Paid to CPAs, CPA Firms, and Affiliates of Such Firms

Unit: NT\$ in thousands

ACCOUNTING FIRM	NAME OF CPA	AUDIT FEE	NON-AUDIT FEE					CPA'S AUDIT PERIOD	NOTES
			RULES STIPULATION	REGISTRATION	HUMAN RESOURCE	OTHERS	SUBTOTAL		
Pricewaterhouse Coopers Taiwan	Yu, Shu-Fen	2,924	0	0	0	293	3,217	2021	Fees included employee stock option plan and agreed-upon procedure for equity financing
	Liang, Hua-Ling								

3.5.2 Discussion of Replacement of Accounting Firm when the Audit Fees Paid in the Year of Replacement are Less Than the Audit Fees of the Previous Year

None.

3.5.3 Discussion of Audit Fees if Current Year Fees are Less Than the Previous Year by 10% or More

None.

3.6 Replacement of Auditors

None.

3.7 Discussion of Circumstances if the Company's Chairman, CEO, or Officers Responsible for Finance and Accounting Operations Have Held Positions at the CPA Firm or Its Affiliates within recent year

None.

3.8 Information on the Equity Transfers and Changes in Pledges of Stock Rights by Directors, Supervisors, Officers and Major Shareholders Holding More than 10% of Company's Shares, in 2021 and up to the Date of This Annual Report

3.8.1 Changes in Equity of Directors, Supervisors, Officers and Major Shareholders

TITLE (NOTE 1)	NAME	2021		APRIL 19TH, 2022	
		INCREASE OR DECREASE IN SHAREHOLDING	INCREASE OR DECREASE IN SHARES PLEDGED	INCREASE OR DECREASE IN SHAREHOLDING	INCREASE OR DECREASE IN SHARES PLEDGED
Chairman	Yen, Yun	—	—	—	—
Director and Major shareholder	Peng Lin Investment Co., Ltd.	—	—	—	—
	Representative: Chen, Chi-Chuan	—	—	—	—
Director and Major shareholder	Peng Lin Investment Co., Ltd.	—	—	—	—
	Representative: Tseng, Tamon	—	—	—	—
Director	Allen Chao and Lee Hwa Chao Family Trust	—	—	—	—
	Representative: Allen Chao	—	—	—	—
Director	Hsia Family Trust	—	—	—	—
	Representative: David Hsia	—	—	—	—
Director	Delos Capital Fund, LP	—	—	—	—
	Representative: Ula Xue	—	—	—	—
Independent Director	Tsai, Jin-Pau	—	—	—	—
Independent Director	Wang, Tay-Chang	—	—	—	—
Independent Director	Chen, Lan-Bo (Note 2)	—	—	—	—
CEO	Yen, Yun	—	—	—	—
CFO&Corporate controller	Peter Lin	—	—	—	—
10% Major shareholder	Tanvex Biologics, Inc.	—	—	—	—
Note 1: Shareholders with shareholdings above 10% shall be stated as Major shareholders.					
Note 2: Mr.Chen, Lan-Bo resigned on 01/06/2022.					

3.8.2 Information on a Counterparty to an Equity Transfer or Pledge of Stock Rights Who Is a Related Party

None.

3.9 Information on Top 10 Shareholders Who Are Related Party, Spouse, or Within a Second-Degree Relationship of Consanguinity to Each Other

April 19, 2022 / Unit: Shares; %

NAME (NOTE 1)	SHAREHOLDING IN SHAREHOLDER'S OWN NAME		SPOUSE AND MINOR SHAREHOLDING		SHAREHOLDING IN ANOTHER'S NAME		NAME AND RELATIONSHIP OF ANY OF THE TOP 10 SHAREHOLDERS BEING A RELATED PARTY, SPOUSE, OR WITHIN A SECOND-DEGREE RELATIONSHIP OF CONSANGUINITY TO THE MEMBER		NOTES
	SHARES	SHARE- HOLDING	SHARES	SHARE- HOLDING	SHARES	SHARE- HOLDING	NAME	RELATION-SHIP	
Peng Lin Investment Co., Ltd.	70,566,999	20.02	—	—	—	—	—	—	
Representative: Li, Tian-Jie	—	—	—	—	—	—	—	—	
Tanvex Biologics, Inc.	37,811,668	10.73	—	—	—	—	—	—	
Representative: Allen Chao	2,633,766	0.75	554,991	0.16	—	—	—	—	
Allen Chao and Lee Hwa Chao Family Trust	22,978,243	6.52	—	—	—	—	Allen Chao Interests, Ltd.	The directors are within a second- degree relationship of consanguinity to one another.	
Representative: Allen Chao	2,633,766	0.75	554,991	0.16	—	—	—	—	
Delos Capital Fund, LP	14,400,000	4.09	—	—	—	—	—	—	
Representative: Chen, Lin- Cheng	—	—	—	—	—	—	—	—	
Huei Hong Investment Co., Ltd.	12,666,640	3.59	—	—	—	—	—	—	
Representative: Samuel Yin	—	—	—	—	—	—	—	—	
Yi Tai Investment Co., Ltd.	10,426,485	2.96	—	—	—	—	—	—	
Representative: Samuel Yin	—	—	—	—	—	—	—	—	
Allen Chao Interests, Ltd.	7,338,153	2.08	—	—	—	—	Allen Chao and Lee Hwa Chao Family Trust	The directors are within a second-degree relationship of consanguinity to one another.	
Representative: Michael Chao	—	—	—	—	—	—	—	—	
Fubon Life Insurance Co., Ltd.	6,394,000	1.81	—	—	—	—	—	—	
Representative: Tsai, Ming- Hsiang	—	—	—	—	—	—	—	—	
Fubon Financial Holdings	6,064,000	1.72	—	—	—	—	—	—	
Representative: Tsai, Ming- Chong	—	—	—	—	—	—	—	—	
ARCH Healthcare Fund, LLC	4,601,578	1.31	—	—	—	—	—	—	
Representative: Michael Chao	—	—	—	—	—	—	—	—	
Note 1: Top 10 shareholders shall be all disclosed. If a shareholder is a corporate entity, both the corporate name and representative name shall be disclosed.									

3.10 Shareholding in the Reinvested Entity by the Company; Directors, Supervisors or Officers of the Company; and Entity Directly or Indirectly Controlled by the Company; and their Consolidated Shareholdings

Unit: 1,000 shares; %

REINVESTMENT ENTITY (NOTE)	TANVEX BIOPHARMA SHAREHOLDING		SHAREHOLDING OF DIRECTORS, SUPERVISORS, OFFICERS, AND DIRECTLY OR INDIRECTLY CONTROLLED ENTERPRISES		CONSOLIDATED SHAREHOLDING	
	SHARES	SHAREHOLDING	SHARES	SHAREHOLDING	SHARES	SHAREHOLDING
Tanvex Biologics Corporation	221,169	100%	—	—	221,169	100%
Tanvex BioPharma USA, Inc.	1,000	100%	—	—	1,000	100%

Note: Adopt Equity Method Investment

4. Financing

4.1 Capital and Shares

4.1.1 Capitalization

1. Changes in capital in recent years and up to the date of this annual report

As of April 19, 2022

MONTH/ YEAR	ISSUE PRICE (\$)	AUTHORIZED SHARE CAPITAL		PAID-IN CAPITAL		NOTES		
		SHARES (IN 1,000 SHARES)	AMOUNT	SHARES (IN 1,000 SHARES)	AMOUNT (NT\$ in Thousands, unless expressed in US\$)	SOURCES OF CAPITAL (NT\$ in Thousands, unless expressed in US\$)	STOCK PAYMENT PAID WITH ASSETS OTHER THAN CASH	OTHERS
05/2013	US\$ 0.0001	500,000	US\$ 50,000	0.001	US\$ 0.0001	Seed capital	None	
09/2013	-	-	-	-	-	Buy-back and deregistration	None	
09/2013	US\$ 0.2	500,000	US\$ 50,000	80,000	US\$ 8,000	Cash capital increase US\$8,000	None	
10/2014	US\$ 0.4	500,000	US\$ 50,000	130,000	US\$ 13,000	Cash capital increase US\$5,000	None	
03/2015	US\$ 1.5	500,000	US\$ 50,000	163,333	US\$ 16,333	Cash capital increase US\$3,333	None	
03/2015	US\$ 1.5	500,000	US\$ 50,000	164,418	US\$ 16,642	Face value of conversion of stock options US\$109	None	
04/2015	US\$ 1.5	500,000	US\$ 50,000	165,665	US\$ 16,567	Face value of conversion of stock options US\$125	None	
05/2015	NT\$10	500,000	5,000,000,000	165,665	1,656,651	Capital conversion \$518,540	None	Note 2
						Conversion of capital surplus to capital stock \$1,656,132		Note 3
06/2015	US\$ 0.2~0.4	500,000	5,000,000,000	166,408	1,664,084	Conversion of stock options \$7,434	None	
02/2016	NT\$128	500,000	5,000,000,000	192,408	1,924,084	Cash capital increase NT\$3,328	None	Note 4
02~12/2016	US\$ 0.2~1.5	500,000	5,000,000,000	192,993	1,929,927	Conversion of stock options \$ 5,843	None	
01~09/2017	US\$ 0.2~1.5	500,000	5,000,000,000	193,543	1,935,432	Conversion of stock options \$5,505	None	
10/2017	NT\$72	500,000	5,000,000,000	216,543	2,165,432	Cash capital increase NT\$230,000	None	Note 5
11~12/2017	US\$ 0.2~1.5	500,000	5,000,000,000	216,636	2,166,364	Conversion of stock options \$93	None	
01~08/2018	US\$ 0.2~1.5	500,000	5,000,000,000	217,338	2,173,384	Conversion of stock options \$7,020	None	
08/2018	NT\$85	500,000	5,000,000,000	242,338	2,423,384	Cash capital increase NT\$250,000	None	Note 6
09~12/2018	US\$ 0.2~1.5	500,000	5,000,000,000	243,068	2,430,678	Conversion of stock options \$7,294	None	
01~11/2019	US\$ 0.2~1.5	500,000	5,000,000,000	244,052	2,440,521	Conversion of stock options \$9,843	None	
12/2019	NT\$48	500,000	5,000,000,000	264,052	2,640,521	Cash capital increase \$200,000	None	Note 7
12/2019	US\$ 0.2~1.5	500,000	5,000,000,000	264,204	2,642,041	Conversion of stock options \$1,520	None	
01~10/2020	US\$ 0.2~1.5	500,000	5,000,000,000	264,538	2,645,380	Conversion of stock options \$3,339	None	
11/2020	NT\$36	500,000	5,000,000,000	311,538	3,115,380	Cash capital increase NT\$470,000	None	Note 8
12/2020	US\$ 0.4	500,000	5,000,000,000	311,607	3,116,067	Conversion of stock options \$687	None	
01~07/2021	US\$ 0.2~2.52	500,000	5,000,000,000	312,425	3,124,247	Conversion of stock options \$8,180	None	
09/2021	NT\$42	500,000	5,000,000,000	352,425	3,524,247	Cash capital increase \$400,000	None	Note 9
10~12/2021	US\$ 0.2~2.52	500,000	5,000,000,000	352,455	3,524,547	Conversion of stock options \$300	None	
01~04/2022	US\$ 0.4~1.5	500,000	5,000,000,000	352,501	3,525,007	Conversion of stock options \$460	None	

Note 1: With regard to the stock capital of the Company, no stock payment has been paid with assets other than cash up to the date of the annual report.
 Note 2: For the purposes of applying for primary listing on the Taipei Stock Exchange or Taipei Exchange, Tanvex resolved in the shareholders' meeting of May 15, 2015 on the change of capital, where US\$0.0001 per share and the paid-in capital of US\$16,566.51 were to be converted as NT\$10 per share and a paid-in capital of NT\$518,540, at the average US\$:NT\$ spot rate of 1:31.30 of the Bank of Taiwan as at March 31, 2015.
 Note 3: Tanvex resolved in the shareholders' meeting of May 15, 2015 on the conversion of capital surplus as common shares at \$1,656,131,960.
 Note 4: Approval date on cash capital increase: January 7th, 2016. Approval certificate Ginguanzhengfazi no. 1040053944
 Note 5: Approval date on cash capital increase: October 3rd, 2017. Approval certificate Taizhengshangerhfazi no. 1060018129
 Note 6: Approval date on cash capital increase: June 22th, 2018. Approval certificate Ginguanzhengfazi no. 1070321886
 Note 7: Approval date on cash capital increase: October 3rd, 2019. Approval certificate Ginguanzhengfazi no. 1080331833
 Note 8: Approval date on cash capital increase: October 15th, 2020. Approval certificate Ginguanzhengfazi no. 1090359228
 Note 9: Approval date on cash capital increase: August 19th, 2021. Approval certificate Ginguanzhengfazi no. 1100352407

2. Types of shares in recent year and up to the date of this annual report

As of April 19, 2022; unit: share

TYPE	AUTHORIZED NUMBER OF SHARES			NOTES
	OUTSTANDING	NOT YET ISSUED	TOTAL	
Common stock	352,500,701	147,499,299	500,000,000	Listed stock

4.1.2 Composition of Shareholders

As of April 19, 2022

COMPOSITION NUMBER OF SHARES	GOVERNMENT INSTITUTIONS	FINANCIAL INSTITUTIONS	OTHER JURISTIC PERSONS	INDIVIDUALS	FOREIGN INSTITUTIONS AND INDIVIDUALS	TOTAL
Number of shareholders	—	4	68	12,502	80	12,654
Shares	—	7,088,418	122,579,413	110,494,718	112,338,152	352,500,701
Shareholding	—	2.01%	34.77%	31.35%	31.87%	100.00%

4.1.3 Distribution Profile of Share Ownership

As of April 19, 2022; unit: share

SHAREHOLDER OWNERSHIP	NO. OF SHAREHOLDERS	SHARES	SHAREHOLDING (%)
1～999	865	198,298	0.06%
1,000～5,000	8,553	16,960,859	4.81%
5,001～10,000	1,339	10,374,452	2.94%
10,001～15,000	520	6,655,265	1.89%
15,001～20,000	334	6,023,427	1.71%
20,001～30,000	345	8,655,180	2.46%
30,001～40,000	160	5,604,908	1.59%
40,001～50,000	115	5,280,662	1.50%
50,001～100,000	198	13,771,664	3.91%
100,001～200,000	111	15,454,288	4.38%
200,001～400,000	57	15,609,851	4.43%
400,001～600,000	14	6,642,729	1.88%
600,001～800,000	9	6,411,213	1.82%
800,001～1,000,000	7	6,091,131	1.73%
Over 1,000,001	27	228,766,774	64.89%
Total	12,654	352,500,701	100.00%

4.1.4 Major Shareholders (Names, and Shareholdings Either with up to 5% of Equity or among the Top Ten Shareholders)

As of April 19, 2022

MAJOR SHAREHOLDERS	SHARES	SHAREHOLDING %
Peng Lin Investment Co., Ltd.	70,566,999	20.02%
Tanvex Biologics, Inc.	37,811,668	10.73%
Allen Chao and Lee Hwa Chao Family Trust	22,978,243	6.52%
Delos Capital Fund, LP	14,400,000	4.09%
Huei Hong Investment Co., Ltd.	12,666,640	3.59%
Yi Tai Investment Co., Ltd.	10,426,485	2.96%
Allen Chao Interests, Ltd.	7,338,153	2.08%
Fubon Life Insurance Co., Ltd.	6,394,000	1.81%
Fubon Financial Holdings	6,064,000	1.72%
ARCH Healthcare Fund	4,601,578	1.31%

4.1.5 Market Value, Net Worth, Earnings and Dividends per Share, and Other Related Information in Most Recent Two Years

Unit: NT\$

ITEM			YEAR	2020 (NOTE 1)	2021 (NOTE 1)	2022 UP TO 3/31 (NOTE 2)
Market Price per share	Highest			60.60	100.00	63.00
	Lowest			24.50	34.20	51.30
	Average			41.03	54.89	58.02
Net Worth per share	Before distribution			8.41	7.93	7.07
	After distribution			8.41	7.93	7.07
Earnings per share	Weighted average (1,000 shares)			268,293	325,493	352,485
	Earnings (losses) per share			(7.84)	(4.74)	(0.94)
Dividends per share	Cash dividends			—	—	—
	Stock grants	Stock Dividend from Retained Earnings		—	—	—
		Stock Dividend from Capital Reserve				
	Accumulated undistributed dividends				—	—
Returns on investment	Price/earnings ratio			Not applicable	Not applicable	Not applicable
	Price/dividend ratio			(Note 3)	(Note 3)	Not applicable
	Cash dividend yield			(Note 3)	(Note 3)	Not applicable
Note 1: The financial data of 2020 and 2021 are from pro forma consolidated financial reports duly audited and certified by CPAs						
Note 2: The financial data of 2022 up to 3/31 are from consolidated financial reports duly reviewed by CPAs						
Note 3: No distribution of dividend in 2020 and 2021						

4.1.6 Dividend Policy and Distribution of Earnings

Dividend policy set out in the Articles of Association:

Unless otherwise provided in the Applicable Listing Rules, where the Company makes profits before tax for the annual financial year, the Company shall allocate (1) at least one percent (1%) of such annual profits before tax for the purpose of employees' remunerations (including employees of the Company and/or any Affiliated Company) (the "Employees' Remunerations"); and (2) at most three percent (3%) of such annual profits before tax for the purpose of Directors' remunerations (the "Directors' Remunerations"). Notwithstanding the foregoing paragraph, if the Company has accumulated losses of the previous years for the annual financial year, the Company shall set aside the amount of such accumulated losses prior to the allocation of Employees' Remunerations and Directors' Remunerations. Subject to Cayman Islands law and notwithstanding Article 139, the Employees' Remunerations may be distributed in the form of cash and/or bonus shares, and the Directors' Remunerations may be distributed in the form of cash, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors. The resolutions of Board of Directors regarding the distribution of the Employees' Remunerations and the Directors' Remunerations in the preceding paragraph shall be reported to the Shareholders at the general meeting after such Board resolutions are approved.

Unless otherwise provided in the Applicable Listing Rules, the net profits of the Company for each annual financial year shall be allocated in the following order and proposed by the Board of Directors to the Shareholders in the general meeting for approval:

- (a) to make provision of the applicable amount of income tax pursuant to applicable tax laws and regulations;
- (b) to set off cumulative losses of previous years (if any);
- (c) to set aside ten percent (10%) as Legal Reserve pursuant to the Applicable Listing Rules unless the accumulated amount of such Legal Reserve equals to the total paid-up capital of the Company;
- (d) to set aside an amount as Special Reserve pursuant to the Applicable Listing Rules and requirements of the Commission; and
- (e) with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (d) above plus any previously undistributed cumulative Retained Earnings), the Board of Directors may present a proposal to distribute to the Shareholders by way of dividends at the annual general meeting for approval pursuant to the Applicable Listing Rules. Dividends may be distributed in the form of cash dividends and/or bonus shares, and, subject to Cayman Islands law, the amount of dividends shall be at least ten percent (10%) of the net profit after the deduction of the items (a) to (d) above. Cash dividends shall comprise a minimum of ten percent (10%) and a maximum of one hundred percent (100%) of the total dividends allocated to Shareholders.

Dividend distribution proposal discussed in the current shareholders' meeting: Not applicable.

Material changes anticipated to the dividend policy: None.

4.1.7 Impact of Stock Dividend Distributions Proposed in the Current Shareholders' Meeting on the Company's Business Performance and Earnings per Share.

None.

4.1.8 Profit Sharing Bonus to Employees and Remuneration to Directors

1. Distribution amount and range based on Articles of Association:

Unless otherwise provided in the Applicable Listing Rules, where the Company makes profits before tax for the annual financial year, the Company shall allocate (1) at least one percent (1%) of such annual profits before tax for the purpose of employees' remunerations (including employees of the Company and/or any Affiliated Company) (the "Employees' Remunerations"); and (2) at most three percent (3%) of such annual profits before tax for the purpose of Directors' remunerations (the "Directors' Remunerations"). Notwithstanding the foregoing paragraph, if the Company has accumulated losses of the previous years for the annual financial year, the Company shall set aside the amount of such accumulated losses prior to the allocation of Employees' Remunerations and Directors' Remunerations. Subject to Cayman Islands law and notwithstanding Article 139, the Employees' Remunerations may be distributed in the form of cash and/or bonus shares, and the Directors' Remunerations may be distributed in the form of cash, upon resolution by a majority votes at a meeting of the Board of Directors attended by two-thirds (2/3) or more of the Directors. The resolutions of Board of Directors regarding the distribution of the Employees' Remunerations and the Directors' Remunerations in the preceding paragraph shall be reported to the Shareholders at the general meeting after such Board resolutions are approved.

Unless otherwise provided in the Applicable Listing Rules, the net profits of the Company for each annual financial year shall be allocated in the following order and proposed by the Board of Directors to the Shareholders in the general meeting for approval:

- (a) to make provision of the applicable amount of income tax pursuant to applicable tax laws and regulations;
- (b) to set off cumulative losses of previous years (if any);
- (c) to set aside ten percent (10%) as Legal Reserve pursuant to the Applicable Listing Rules unless the accumulated amount of such Legal Reserve equals to the total paid-up capital of the Company;
- (d) to set aside an amount as Special Reserve pursuant to the Applicable Listing Rules and requirements of the Commission; and
- (e) with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (d) above plus any previously undistributed cumulative Retained Earnings), the Board of Directors may present a proposal to distribute to the Shareholders by way of dividends at the annual general meeting for approval pursuant to the Applicable Listing Rules. Dividends may be distributed in the form of cash dividends and/or bonus shares, and, subject to Cayman Islands law, the amount of dividends shall be at least ten percent (10%) of the net profit after the deduction of the items (a) to (d) above. Cash dividends shall comprise a minimum of ten percent (10%), and a maximum of one hundred percent (100%) of the total dividends allocated to Shareholders.

2. Accounting treatment on difference between estimate base and actual payment:

The company had a net loss in 2021, therefore no estimate and actual payment.

3. Distribution approved by Board of Directors' meeting:

Not applicable.

4. Distribution (including number of shares, amount and share price) in previous year, difference, reason and treatment:

Not applicable.

4.1.9 Buyback of Common Stock

None.

4.2 Issuance of Corporate Bonds

None.

4.3 Preferred Stocks

None.

4.4 Overseas Depository Receipts

None.

4.5 Status of Employee Stock Options Plan

4.5.1 Non-Expired Employee Stock Options and Impact on Shareholders' Equity up to the date of this Annual Report

As of April 19, 2022

TYPE OF EMPLOYEE STOCK OPTION	2013 EMPLOYEE STOCK OPTIONS	2014 EMPLOYEE STOCK OPTIONS	2015 FIRST ISSUANCE EMPLOYEE STOCK OPTIONS	2015 SECOND ISSUANCE OF EMPLOYEE STOCK OPTIONS	2016 EMPLOYEE STOCK OPTIONS
Effective date of registration	Not applicable (Note 1)	Not applicable (Note 1)	Not applicable (Note 1)	2015/10/8	2016/07/04
Issue date	2013/12/17 (Note 2)	2014/09/11 (Note 2)	2015/05/15 (Note 2)	2015/12/14 2016/06/14 2016/09/16	2016/07/04 2016/12/15 2017/01/01 2017/03/15 2017/06/15
Option Duration	10 years	10 years	10 years	10 years	10 years
No. of options granted	802,000 shares (of which 155,000 shares are invalidated)	11,260,384 shares (of which 3,243,563 shares are invalidated)	1,000,000 shares (of which 506,800 shares are invalidated)	596,000 shares (596 units) 918,000 shares (918 units) 160,000 shares (160 units) (of which 1,284,000 shares are invalidated)	3,014,000 shares (3,014 units) 686,000 shares (686 units) 200,000 shares (200 units) 320,000 shares (320 units) 416,000 shares (416 units) (of which 2,952,000 shares are invalidated)
Percentage of shares exercisable to outstanding common shares	0.23%	3.19%	0.28%	0.47%	1.32%
Vesting period	Within 10 years from the time of grant	Within 10 years from the time of grant	Within 10 years from the time of grant	Within 10 years from the time of grant	Within 10 years from the time of grant
Performance	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Vesting schedule and ratio (%)	(1) 1st year: up to 25% (2) 2nd year: up to 50% (3) 3rd year: up to 75% (4) 4th year: up to 100%	(1) 1st year: up to 25% (2) 2nd year: up to 50% (3) 3rd year: up to 75% (4) 4th year: up to 100%	(1) 1st year: up to 25% (2) 2nd year: up to 50% (3) 3rd year: up to 75% (4) 4th year: up to 100%	(1) 2nd year: up to 50% (2) 3rd year: up to 75% (3) 4th year: up to 100%	(1) 2nd year: up to 50% (2) 3rd year: up to 75% (3) 4th year: up to 100%
Shares exercised	647,000	7,060,669	428,700	0	0
Value of shares exercised	US\$129,400	US\$3,871,193	US\$643,050	US\$0	US\$0
Shares unexercised	0	956,152	64,500	390,000	1,684,000
Exercise price per share on unexercised shares (Note 3)	US\$0.20	US\$0.40~1.50	US\$1.50	US\$4.54/\$4.20 US\$3.96/\$3.66 US\$5.18	US\$4.70 US\$4.57/\$4.36 US\$4.66 US\$4.18 US\$3.89/\$3.65
Percentage of shares unexercised to outstanding common shares (%)	-	0.27%	0.02%	0.11%	0.48%
Impact on shareholders' equity	Retain and attract talent, strengthen cohesiveness of employees, increase shareholder's value. Dilution to shareholder's equity is limited due to 10 years option duration.				
Note 1: The issuance of employee stock options is subject to adoption of a board resolution if the company is a non-public company at the time of the issuance. Note 2: The board of directors will authorize the management to issue the employee stock options in the amount approved by the board of directors. The management will report the issuance in Board of Directors' meetings on a regular basis. Note 3: Additional exercise price per share is due to price adjustment for Taiwan employees following issuance of new shares.					

TYPE OF EMPLOYEE STOCK OPTION	2017 EMPLOYEE STOCK OPTIONS	2018 EMPLOYEE STOCK OPTIONS	2019 EMPLOYEE STOCK OPTIONS	2020 EMPLOYEE STOCK OPTIONS	2021 EMPLOYEE STOCK OPTIONS
Effective date of registration	2017/08/03	2018/06/05	2019/06/20	2020/04/08	2021/06/23
Issue date	2017/10/26 2017/12/15 2018/03/15 2018/06/15	2018/06/15 2018/09/14 2018/09/25 2018/10/11 2018/12/19 2019/04/03	2019/8/14 2019/10/4 2020/1/6 2020/4/6	2020/05/04 2020/07/06 2020/10/05 2021/01/04 2021/04/06	2021/07/22 2021/10/04 2021/12/14 2022/02/07 2022/04/11
Option Duration	10 years	10 years	10 years	10 years	10 years
No. of options granted	3,595,300 shares (3,595 units) 359,000 shares (359 units) 1,614,000 shares (1,614 units) 400,000 shares (400 units) (of which 3,318,000 shares are invalidated)	800,000 shares (800 units) 544,000 shares (544 units) 2,264,200 shares (2,264 units) 16,000 shares (16 units) 1,688,000 shares (1,688 units) 490,000 shares (490 units) (of which 3,861,700 shares are invalidated)	4,150,900 shares (4,151 units) 408,000 shares (408 units) 216,200 shares (216 units) 1,110,000 shares (1,110 units) (of which 3,886,900 shares are invalidated)	5,335,300 shares (5,335 units) 670,000 shares (670 units) 90,000 shares (90 units) 1,232,000 shares (1,232 units) 110,000 shares (110 units) (of which 2,226,900 shares are invalidated)	642,000 shares (642 units) 586,000 shares (586 units) 3,508,690 shares (3,509 units) 150,000 shares (150 units) 1,154,000 shares (1,154 units) (of which 541,200 shares are invalidated)
Percentage of shares exercisable to outstanding common shares	1.69%	1.65%	1.68%	2.11%	1.71%
Vesting period	Within 10 years from the time of grant	Within 10 years from the time of grant	Within 10 years from the time of grant	Within 10 years from the time of grant	Within 10 years from the time of grant
Performance	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Vesting schedule and ratio (%)	(1) 2nd year: up to 50% (2) 3rd year: up to 75% (3) 4th year: up to 100%	(1) 2nd year: up to 50% (2) 3rd year: up to 75% (3) 4th year: up to 100%	(1) 2nd year: up to 50% (2) 3rd year: up to 75% (3) 4th year: up to 100%	(1) 2nd year: up to 50% (2) 3rd year: up to 75% (3) 4th year: up to 100%	(1) 2nd year: up to 50% (2) 3rd year: up to 75% (3) 4th year: up to 100%
Shares exercised	0	31,000	0	0	0
Value of shares exercised	US\$0	US\$69,250	US\$0	US\$0	US\$0
Shares unexercised	2,650,300	1,909,500	2,044,000	5,210,400	5,499,490
Exercise price per share on unexercised shares (Note 3)	US\$3.21/\$3.02 US\$2.51/\$2.36 US\$3.56 US\$3.44/\$3.35	US\$3.44 US\$2.55/\$2.44 US\$2.44/\$2.33 US\$2.11 US\$2.04/\$1.96 US\$2.38/\$2.31	US\$2.14/\$2.05 US\$2.07 US\$1.42/\$1.38 US\$1.07/\$1.03	US\$1.26/\$1.22 US\$1.59/\$1.54 US\$1.40/\$1.29 US\$1.31/\$1.29 US\$3.12/\$3.07	US\$1.77 US\$1.51 US\$2.68 US\$1.97 US\$1.91
Percentage of shares unexercised to outstanding common shares (%)	0.75%	0.54%	0.58%	1.48%	1.56%
Impact on shareholders' equity	Retain and attract talent, strengthen cohesiveness of employees, increase shareholder's value. Dilution to shareholder's equity is limited due to 10 years option duration.				

Note 1: The issuance of employee stock options is subject to adoption of a board resolution if the company is a non-public company at the time of the issuance.

Note 2: The board of directors will authorize the management to issue the employee stock options in the amount approved by the board of directors. The management will report the issuance in Board of Directors' meetings on a regular basis.

Note 3: Additional exercise price per share is due to price adjustment for Taiwan employees following issuance of new shares.

4.5.2 Employee Stock Options Granted to Officers and Top 10 Employees (Note 3), up to the Date of this Annual Report

As of April 19, 2022

	TITLE (NOTE 1)	NAME	GRANT SHARES	RATIO OF SHARES GRANT TO TOTAL ISSUED SHARES (NOTE 4)	EXERCISED (NOTE 2)				UNEXERCISED (NOTE 2)			
					# OF SHARES EXERCISED	PRICE (US\$) PER SHARE (NOTE 5)	AMOUNT (US\$)	RATIO OF SHARES EXERCISED TO TOTAL ISSUED SHARES (%) (NOTE4)	# OF SHARES UNEXERCISED (NOTE 9)	PRICE (US\$) PER SHARE (NOTE 6)	AMOUNT (US\$)	RATIO OF SHARES EXERCISED TO TOTAL ISSUED SHARES (%) (NOTE 4)
Officer	Corporate Controller	Williamson, James (Note 7)	1,600,000	0.45%	-	-	-	-	1,600,000	USD\$3.56	3,660,634	0.45%
	CFO&Corporate Controller	Peter Lin								USD\$2.44 USD\$2.14 USD\$1.26 USD\$2.68 USD\$1.91		
Tope 10 Employees (Note 3)	Director, IT	Chen, Frank	10,781,752	3.06%	1,143,752	USD\$0.4 USD\$1.5 USD\$2.04	594,851	0.32%	9,638,000	USD\$0.4 USD\$1.5 USD\$4.7 USD\$4.57 USD\$3.21 USD\$3.56 USD\$2.44 USD\$2.04 USD\$2.14 USD\$1.26 USD\$1.31 USD\$2.68	24,529,056	2.73%
	Vice President, Product Process Development	Hopp, Jennifer										
	Vice President of Project Management	Liu, Qi										
	Vice President, Sales & Marketing	Lum, Samuel (Note 8)										
	Vice President, Business Development	Unkrich, Matthew										
	Honorary chairman and employee	Allen Chao										
	Director, Materials Management	Yuan Li										
	Director, R&D	Yiwen Tao										
	Director, Sales & Marketing	Linda Grillo										
	Vice President, Clinical Trials	Jennifer Lai										
Note 1: Including officers and employees (deceased ones shall be so specified); individual names and titles shall be disclosed, but the situation concerning their share acquisition and subscription may be described in the aggregate. Note 2: The number of columns may be adjusted depending on the number of actual issuances. Note 3: The top 10 employees with most shares acquired refer to employees other than officers. Note 4: The total number of issued shares is the number of shares actually listed on Taipei Exchange. Note 5: Grant price for exercised employee stock options, actual exercised price shall be disclosed. Note 6: Grant for unexercised employee stock options, calculated price based on stock option plan shall be disclosed. Note 7: Resigned on 01/04/2022 Note 8: Resigned on 01/20/2022 Note 9: Includes 2,085,000 expired/forfeited shares of resigned employees												

Note 1: Including officers and employees (deceased ones shall be so specified); individual names and titles shall be disclosed, but the situation concerning their share acquisition and subscription may be described in the aggregate.

Note 2: The number of columns may be adjusted depending on the number of actual issuances.

Note 3: The top 10 employees with most shares acquired refer to employees other than officers.

Note 4: The total number of issued shares is the number of shares actually listed on Taipei Exchange.

Note 5: Grant price for exercised employee stock options, actual exercised price shall be disclosed.

Note 6: Grant for unexercised employee stock options, calculated price based on stock option plan shall be disclosed.

Note 7: Resigned on 01/04/2022

Note 8: Resigned on 01/20/2022

Note 9: Includes 2,085,000 expired/forfeited shares of resigned employees

4.6 Employee Restricted Stock

None.

4.7 Issuance of New Shares In Connection with Mergers and Acquisitions

None.

4.8 Financial Plans and Implementation Status

4.8.1 2020 Cash capital increase

4.8.1.1 Plan Progress:

Plan Item	Expected Completion Date	Total fund needed	Expected fund application progress				
			2020	2021			
			Q4	Q1	Q2	Q3	Q4
Enrich Working capital	2021	1692,000	168,828	490,228	414,291	543,819	74,834

4.8.1.2 Implementation Status:

ITEM	IMPLEMENTATION		2020 Q4	2021 Q1	2021 Q2	2021 Q3	2021 Q4	As of 2022 Q1	Reason for progress ahead or behind and Improvement plan
Enrich Working capital	Amount used	Expected	168,828	490,228	414,291	543,819	74,834	-	Completed capital increase in 2020 Q4, adjustment execute plan related to project timeline, no abnormal situation.
		Actual	-	346,884	318,124	404,387	326,536	224,366	
	Execution Progress%	Expected	9.97	28.97	24.49	32.14	4.43	-	
		Actual	-	20.50	18.80	23.90	19.30	13.26	

4.8.1.3 Improve Capital Structure:

ITEM \ YEAR		Before cash capital increase (2020 Q3)	After cash capital increase (2020 Q4)
Capital Structure(%)	Debt Ratio	28.89	40.07
	Long-term Fund to Fixed Assets Ratio	283.84	723.36
Liquidity Analysis%	Current Ratio	334.98	641.04

4.8.2 2021 Cash capital increase

4.8.2.1 Plan Progress:

Plan Item	Expected Completion Date	Total fund needed	Expected fund application progress			
			2022			
			Q1	Q2	Q3	Q4
Enrich Working Capital and Replace Equipment	2022	1,680,000	384,261	379,858	392,778	523,103

4.8.2.2 Implementation Status:

ITEM	IMPLEMENTATION		As of 2022 Q1	Reason for progress ahead or behind and Improvement plan
Enrich Working Capital and Replace Equipment	Amount used	Expected	384,261	Due to Covid-19, the relevant progress and payment schedule have been delayed. It'll continue invest in various project, no abnormal situation.
		Actual	-	
	Execution Progress%	Expected	22.87	
		Actual	-	

4.8.2.3 Improve Capital Structure:

ITEM \ YEAR		Before cash capital increase (2021 Q3)	After cash capital increase (2021 Q3)
Capital Structure(%)	Debt Ratio	42.14	29.42
	Long-term Fund to Fixed Assets Ratio	676.98	987.95
Liquidity Analysis%	Current Ratio	789.11	1,524.64

5. Operational Highlights

5.1 Business Activities

5.1.1 Scope of Business

The Company is primarily engaged in the following business activities:

Tanvex is a biopharmaceutical company with an integrated platform which allows it to develop, manufacture, sell and market its products. Tanvex is developing biotherapeutics and is primarily focused on biosimilar products. The Company has two wholly-owned subsidiaries, one in Taiwan and one in the United States. Our Taiwan subsidiary is mainly responsible for initial cell line development. Our U.S. subsidiary is responsible for process development, scale-up production, product analysis, and manufacturing.

The core competency of Tanvex is its ability to control quality and costs through its vertical integrated model. In view of the high prices of biopharmaceuticals and the increasing financial burden incurred by patients and healthcare systems, our primary objective is to expand access to safe, effective and affordable biosimilar products. Our current target market is the United States, the single largest biopharmaceutical market in the world. We plan to commercialize our products directly in the US and will look to expand our reach beyond the US primarily via commercial partnerships.

5.1.2 Industry Overview

5.1.2.1 Industry Overview

High pricing makes biopharmaceutical products unaffordable to many patients, and creates a tremendous financial burden on healthcare systems world-wide. This is creating a substantial opportunity for the biosimilar industry.

As the molecule characteristics of biosimilar medicines are different from those of small-molecule medicines, most developed countries have established separate regulatory pathways for biosimilars. In some markets, such as the US, the regulatory pathways created for biosimilars have created a high barrier to entry, which is expected to result in lower levels of competition compared to the small molecule generic market. The US established its regulatory pathway for biosimilars in 2010 with the enactment of the “Biologics Price Competition and Innovation Act” (BPCIA), however, as a result of the rigorous approval requirements and process, the US FDA did not approve a biosimilar product until March 2015. The US biosimilar market is still in its early days and is continuing to emerge. As of the end of 2021, thirty-three biosimilar products were commercially available in the US.

5.1.2.2 Industry

The upstream of the pharmaceutical industry chain is the API supplier, therefore its quality affects greatly the materials produced from the middle and downstream pharmaceutical factories. Also due to the high regulatory requirements of the pharmaceutical industry, the quality standards for APIs are also more stringent. Due to the increasing abundant competition from international manufacturers, we should strengthen the integration of upstream and downstream of the industrial chain, narrow the product lines gaps, and utilize technology and innovation.

5.1.3 Capacity Overview

Tanvex has the technological platforms and expertise to develop and manufacture biotherapeutics using both microbial and mammalian expression systems. The Company’s commercial manufacturing facility is located in San Diego, CA in the U.S. Our US plant currently has a 150 liter stainless steel fermenter for products using microbial expression systems. We also have four 1000 liter single-use bioreactors for products using mammalian expression systems. The plant has the space to add additional fermenters and bioreactors when needed.

5.1.4 Technology and R&D Overview

Development progress on product line up to the date of this annual report:

ITEMS	INDICATION	DEVELOPMENT PROGRESS
TX01	Neutropenia	· Preparing for resubmission & pre-approval inspection.
TX05	Breast cancer	· BLA accepted by US FDA on September 30, 2021 and preparing for pre-approval inspection
TX04	Neutropenia	· Preparing for Phase III clinical trials in 2022
TX16	Metastatic colorectal cancer	· Phase III ready

R&D investment in 2021 and as of up to the date of this annual report:*NT\$ in thousands*

ITEM \ YEAR	2021	Q1 2022
R&D expenses	1,383,521	276,611
Paid in Capital	3,524,547	3,525,007
R&D as % of Paid in Capital	39.25	7.85

5.1.5 Long-Term, Mid-Term and Near-Term Business Strategies**1. Near-Term Strategies:**

The Company's near-term strategies include the continued development of its biosimilar product pipeline. The Company intends to directly market and sell its products in the United States and will look to expand its reach outside of the US primarily through commercial partnerships.

2. Mid-Term and Long-Term Strategies:

Looking forward, in addition to expanding upon our biosimilar capabilities and expertise, we expect to enhance and leverage our R&D capabilities to expand into the development of innovative biotherapeutics to fulfill unmet medical needs and to offer improved quality of life for patients.

5.2 Market, Production and Sales**5.2.1 Market Analysis****1. Major market**

Our primary focus is on the US market, the single largest pharmaceutical market in the world. We are optimistic about the potential of the U.S. market, and plan to seize the opportunity to become a world-class biopharmaceutical company.

2. Market share

There is no market share analysis available for our products as they are not yet commercially available. We use internal market analysis to develop our product plans.

3. Market supply, demand and growth in the future

The biosimilar market is still emerging in the US. While the Biologics Price Competition and Innovation Act (BPCIA) was passed in 2010, the first licensed biosimilar product, Zarxio® (filgrastim-sndz), manufactured by Sandoz, was only launched in September 2015. As of December 31, 2021, there were thirty-three biosimilar products (representing seven different molecules) on the market in the US.

4. Core competency

The Company's core competency is its ability to control quality and cost through its vertical integration model and the flexibility it provides which enables us to respond quickly to changing customer and market conditions.

5. Advantages and Disadvantages**Advantages:**

- (1) The approval of the first biosimilar medicine in 2015 opened the door and paved the way for other manufacturers.
- (2) Large and attractive US market.
- (3) An extensively experienced R&D and commercial team with a proven track record of success in the US market.

Disadvantages:

- (1) High regulatory hurdles requiring costly clinical trials.
- (2) Innovator companies have employed various tactics making it difficult for most of the initial biosimilars brought to market to gain traction.

5.2.2 Product Overview**1. Primary Product Indication**

Tanvex's major products are biosimilar medicines used to treat neutropenia, breast cancer, metastatic colorectal cancer (mCRC) and other diseases.

2. Product Manufacturing Process

Our product manufacturing process uses an integrated platform. We have in-house capabilities from cell line development, cell culture, purification, and scale-up, to formulation development, allowing us to successfully manage both technology and costs.

5.2.3 Supply of Raw Materials

As our products are in the R&D stage, there were no reportable purchases or transactions related to raw materials. At this time, we only purchase materials needed for R&D activities. We have a stable supply of these materials and purchase our materials from various sources. Thus, there has been no supply concentration.

5.2.4 Top 10% Vendors and Customers in Most Recent Two Years

We did not have any business income of related products, customers in 2020 and 2021, as our products are in the R&D stage.

5.2.5 Production in Most Recent Two Years

We do not have any commercial production in 2020 and 2021, as our products are in the R&D stage.

5.2.6 Sales in Most Recent Two Years

We do not have any sales in 2020 and 2021, as our products are in the R&D stage.

5.3 Credentials, Average Service Years, Average Age and Educational Background of Employees in Most Recent Two Years and up to Date of This Report

YEAR		2020	2021	AS OF APRIL 19, 2022
Nuer of Employees	R&D staff headcount	38	35	38
	Operation staff headcount	53	67	68
	Other employees headcount	18	15	17
	Managerial position and above (R&D) headcount	17	15	15
	Managerial position and above (Operation) headcount	10	17	18
	Managerial position and above (Other) headcount	23	16	16
	Total headcounts	159	165	172
Average age		40.9	38.9	39.18
Average service years		3.47	3.48	2.99
Education	Ph.D. (%)	13	8	8
	Master's degree (%)	22	19	20
	College/Bachelor degree (%)	48	55	55
	High school diploma (%)	17	18	17
	No high school diploma (%)	0	0	0

5.4 Environmental Costs

1. Total amount of losses and penalties from environmental pollution in the most recent year and as of the date of this annual report:
None.

We did not have any environmental pollution incidents in the most recent year and as of the date of this annual report. We will continue to follow a no pollution policy and maintain a commendable record in environmental protection.

2. Future action plan and possible expenditures: **None.**

5.5 Employees Relations

5.5.1 Description of Employee Benefits Programs, Advanced Education, Training, Retirement System and Implementation of the Above, and Negotiation between Employees and Management, as Well as Measures to Protect the Employees' Rights and Benefits.

For our Taiwan-based operation:

(1) Employee Benefits Program:

- A. Paid leave entitlement: We provide more favorable benefits to our employees by granting more days of paid personal leave, sick leave and annual leave than the requirements under the Taiwan Labor Standards Act.
- B. Team building activities: We organize company outings for all employees every year for socialization and relaxation.
- C. Labor insurance: We comply with the provisions of Taiwan labor insurance legislations.
- D. National healthcare insurance: We comply with the Taiwan National Health Insurance Act.
- E. Group insurance: We provide insurance benefits to all our employees, including health and medical coverage, accident injury coverage, cancer treatment coverage and occupational injury coverage.
- F. Employee health examinations: We provide one health examination for all our employees every year.
- G. Employee stock options: To attract and retain talented employees, we provide an employee stock option plan as incentive to employees so that they can link their performance and effectiveness to the overall success of the Company. Upon the approval of the Board of Directors of the parent company, employees may be entitled to receive stock options issued by the parent company.

(2) Employee Development:

- A. Training for new hires: After a new hire reports to work, he or she will receive orientation from a Human Resources (HR) representative and get acquainted with the Company's HR policy, benefit programs, corporate overview, and co-workers in different departments.
- B. On-the-job training in Taiwan: To practice professional knowledge and improve work skills, we will provide internal training courses when necessary or send employees to attend training courses outside the Company.
- C. On-the-job training in overseas locations: In order to integrate the technologies within the value chain across the group and implement transfer of technologies developed in other countries, we will send staff to the parent company or affiliates in foreign countries or overseas institutions to attend educational courses and training to acquire new knowledge and skills.
- D. Advanced training opportunity: To help employees continue their academic study and acquire more professional knowledge, employees with two or more years of service may be eligible, subject to approval, to enroll in a formal degree program at an educational institution during regular working hours, in the evening or during non-working hours.

(3) Employee Retirement Programs:

As required by the Labor Pension Act, the Company allocates an amount not less than 6% of an employee's monthly salary to the employee's pension account with the Bureau of Labor Insurance on a monthly basis. Employees may elect to allocate within 6% of their monthly salary to their pension account.

(4) Employee Communication and Rights Protection:

The Company sponsors various activities and events which provide opportunities for employees to socialize with each other, and for the Company to better understand employees' needs and voluntarily identify and resolve issues. We are committed to building an amicable employee-employer relationship and to enhancing employee loyalty and satisfaction with the Company. We have included provisions in the Company rules that protect female employees' rights and benefits at work. The Company also provides channels to file a complaint against sexual harassment at work.

For our U.S.-based operation:

(1) U.S. Employee Benefits Program:

- A. Paid-leave entitlement: Our employees are granted more days of paid sick leave and annual leave than the standard for our industry and size of company.
- B. Team building activities: We organize Company outings in order to provide employees the opportunity to socialize and bond with each other.
- C. Workers' Compensation: Employees are covered by Workers Compensation insurance in order to be protected from work-related injury.
- D. Medical insurance: We provide employees health and welfare plans including medical, dental and vision coverage, flexible spending accounts, and long-term disability insurance.
- E. Group life insurance: We provide life insurance for employees and their family members.

- F. Voluntary plans: We give employees access to additional health and welfare plans including additional life insurance for themselves and family members, group accident and critical illness insurance, identity theft and legal assistance.
- G. Annual health examination: within the medical insurance plan, employees and their family members are entitled to a free physical exam once a year.
- H. Employee stock options: To attract and retain talented employees, we provide an employee stock option plan as incentive to employees so that they can link their performance and effectiveness to the overall success of the Company. Upon the approval of the Board of Directors of the parent company, employees may be entitled to stock options issued by the parent company.

(2) U.S. Employee Development and Training:

- A. Training for new hires: After a new hire reports to work, he or she will receive orientation from a Human Resources (HR) representative and get acquainted with the Company's HR policies, benefit programs, corporate overview, and co-workers in different departments.
- B. Domestic and foreign site training: Our employees complete job related professional training and many are certified or licensed. In addition, the Company reimburses job related classes employees choose to take on their own time. To improve working skills, we also provide internal training courses when necessary or send employees to attend training courses outside company.

(3) 401(k) retirement plan:

All eligible employees may enroll in the Company sponsored 401(k) retirement plan. It not only provides tax deferral benefits, but also helps employees set aside a portion of their income for retirement to secure their financial futures. As an additional benefit, the Company matches a certain percentage of the employees' contribution.

(4) Employee-Employer Relationship:

- A. We hold all-employee meetings throughout the year to communicate business updates and to collect feedback, suggestions, and concerns from employees. It provides a channel of interaction between the Company and employees in order to increase employees' loyalty and keep their morale high.
- B. All employees have equal rights and equal opportunity to be promoted without discrimination based on race, gender or other protected factors.
- C. We provide a private lactation room when needed to support breastfeeding female employees.
- D. The Human Resource (HR) department provides an inbox for employees' feedback and suggestions. Employees also may communicate with their supervisors and HR on any issue or concerns. This enables an effective communication channel between employees and the Company.
- E. We provide a cafeteria area for employee to take breaks and have lunches.

5.5.2 The Losses on Employee Disputes in Most Recent Year and as of the Date of This Annual Report, and Disclosure of Estimated Amount of Existing and Possible Future Disputes and Responsive Measures. If a Reasonable Evaluation Is Not Possible, Describe the Fact That Makes the Reasonable Evaluation Impossible.

At Tanvex BioPharma, we have a people-oriented corporate philosophy and we are rooted in professionalism. We are committed to providing a healthy work environment and professional development for our employees. We have therefore been able to maintain an amicable employee-employer relationship. There hasn't been any employee related loss.

5.6 Information Security Management

5.6.1 Data security risk management, framework, and policy:

- (1) The information security unit of the company is the information department, which is responsible for formulating internal information security policies and operations, and promoting and implementing information security policies, and regularly reports the company's information security governance to the CEO.
- (2) Internal Audit conducts regular inspection and provides oversight to ensure data are secured and protected to reduce potential risks.
- (3) Information Security Policy: to strengthen the company's information security to ensure the confidentiality, integrity and availability of information, so as to protect the rights and interests of the company's customers,

shareholders, employees and suppliers.

- (4) The company's information security management measures include: computer software use, network firewall management, information hardware equipment management, computer information backup operations, emergency recovery methods, website management, wireless network management, system account password permissions Safety regulations, personnel resignation account handling procedures, employee confidentiality agreements.
- (5) In terms of information security protection, the company strengthens multi-level protection in software and hardware, including account complexity and password verification, host and client protection, Internet behavior management/malicious website protection, firewall blocking 、Host data backup, access security management, IP management.
- (6) The company regularly conducts information security publicity and education training to strengthen the information security knowledge and professional skills of internal personnel.

5.6.2 The company has not had any major information security incidents in the most recent year.

5.7 Material Contracts

The contracting parties, major content, restrictive clauses, and the commencement dates and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year:

NATURE OF CONTRACT	CONTRACTING PARTIES	TERM	KEY CONTENTS	RESTRICTIVE CLAUSE
Lease agreement	Tanvex BioPharma USA and Third Ave. Investments, LLC.	07/30/2010-03/31/2024	Agreement for lease office for Tanvex	None
Lease agreement	Tanvex BioPharma USA and Kilroy Realty, L.P.	07/30/2010-11/30/2032	Agreement for lease of building (1) for LJB in San Diego, and the supplemental agreement	None
Lease agreement	Tanvex BioPharma USA and Kilroy Realty, L.P.	01/20/2016-11/30/2032	Agreement for lease of building (2) for LJB	None
Lease agreement	Tanvex Taiwan and Best Suit Limited, Taiwan Branch	04/15/2021-06/30/2026	Lease of R&D lab and office for Tanvex Taiwan	None
Master Collaboration Agreement and SOW	Tanvex TW and Tanvex BioPharma USA, Inc.	01/01/2018-12/31/2023	Collaboration on the biosimilar products development	None
Clinical research agreement	Tanvex Biologics Corporation and Clinical Research Ltd.	10/07/2017 - study completion	Phase III clinical trials for TX05	None

6. Financial Highlights

6.1 Condensed Financial Statements in Most Recent Five Years– IFRS

6.1.1 Condensed Consolidated Balance Sheet –IFRS

Unit: NTD\$ in thousands

YEAR ITEM		MOST RECENT FIVE YEARS (NOTE 1)					AS OF MARCH 31, 2022 (NOTE 2)
		2017	2018	2019	2020	2021	
Current Assets		3,176,125	3,696,323	2,604,974	2,263,513	2,401,988	2,105,258
Financial Assets at Amortized cost					182,715	180,050	185,835
Property, Plant and Equip.		747,168	735,550	657,824	555,692	477,369	472,363
Right-of-use Assets				265,136	1,350,585	1,636,483	1,665,920
Intangible Assets		24,626	18,168	15,932	11,957	10,167	11,973
Other Assets		25,084	28,728	29,127	8,263	7,532	8,262
Total Assets		3,973,003	4,478,769	3,572,993	4,372,725	4,713,589	4,449,611
Current Liabilities	Before Distribution	164,704	209,463	270,448	353,099	248,514	239,265
	After Distribution	164,704	209,463	270,448	353,099	248,514	239,265
Non-Current Liabilities		59,078	54,453	271,674	1,398,911	1,670,280	1,718,345
Total Liabilities	Before Distribution	223,782	263,916	542,122	1,752,010	1,918,794	1,957,610
	After Distribution	223,782	263,916	542,122	1,752,010	1,918,794	1,957,610
Equity attributable to owners of the parent		3,749,221	4,214,853	3,030,871	2,620,715	2,794,795	2,492,001
Capital Stock		2,166,364	2,430,678	2,642,041	3,116,067	3,524,547	3,525,007
Capital Surplus		5,375,881	7,421,513	8,348,201	9,652,911	10,987,806	10,994,826
Retained Earnings	Before Distribution	(3,489,501)	(5,383,363)	(7,679,989)	(9,784,225)	(11,327,436)	(11,659,282)
	After Distribution	(3,489,501)	(5,383,363)	(7,679,989)	(9,784,225)	(11,327,436)	(11,659,282)
Other Equity		(303,523)	(253,975)	(279,382)	(364,038)	(390,122)	(368,550)
Total Equity	Before Distribution	3,749,221	4,214,853	3,030,871	2,620,715	2,794,795	2,492,001
	After Distribution	3,749,221	4,214,853	3,030,871	2,620,715	2,794,795	2,492,001
Note 1: Independent Auditor's Report for year 2017 to 2021.							
Note 2: Q1, 2022 financial report reviewed by Auditors of PWC Taiwan and present to the Board on 05/12/2022.							

6.1.2 Condensed Consolidated Statement of Comprehensive Income – IFRS

Unit: NT\$ in thousands

ITEM \ YEAR	MOST RECENT FIVE YEARS (NOTE 1)					AS OF MARCH 31, 2022 (NOTE 2)
	2017	2018	2019	2020	2021	
Net Revenue	—	—	—	300	5,406	3,125
Gross Profit	—	—	—	143	3,550	(17,999)
Income (Loss) from Operations	(1,403,168)	(1,950,580)	(2,328,156)	(2,099,577)	(1,599,184)	(331,636)
Non-Operating Income(Expenses)	(6,607)	56,742	53,955	(4,635)	55,995	(210)
Net Loss before Tax	(1,409,775)	(1,893,838)	(2,274,201)	(2,104,212)	(1,543,189)	(331,846)
Continued Operation - Net Loss	(1,409,800)	(1,893,862)	(2,274,226)	(2,104,236)	(1,543,211)	(331,846)
Discontinued Operation- Net Loss	—	—	—	—	—	—
Net Loss	(1,409,800)	(1,893,862)	(2,274,226)	(2,104,236)	(1,543,211)	(331,846)
Other Comprehensive Income (net of tax)	(250,007)	49,548	(25,407)	(84,656)	(26,084)	21,572
Total Comprehensive Income (Loss)	(1,659,807)	(1,844,314)	(2,299,633)	(2,188,892)	(1,569,295)	(310,274)
Basic Earnings per Share	(7.29)	(8.32)	(9.26)	(7.84)	(4.74)	(0.94)
<p>Note 1: Independent Auditor's Report for year 2017 to 2021</p> <p>Note 2: Q1, 2022 financial report reviewed by Auditors of PWC Taiwan and present to the Board on 05/12/2022.</p>						

6.2 Condensed Financial Statements In Most Five Years – R.O.C. GAAP

6.2.1 Condensed Consolidated Balance Sheet –R.O.C. GAAP:

Not Applicable.

6.2.2 Condensed Consolidated Statement of Comprehensive Income – R.O.C. GAAP:

Not Applicable.

6.2.3 Significant Events Such as Accounting Policy Changes, Mergers & Acquisitions, Discontinued Operations, and Their Effects on Financial Reporting

None.

6.2.4 Auditors' Opinions from 2017-2021

1. Auditors name and opinions in most recent five years

YEAR	CPA FIRM NAME	AUDITORS	AUDIT OPINION
2017	PricewaterhouseCoopers Taiwan	Teng, Sheng-Wei; Tseng, Hui-Chin	An unqualified opinion
2018	PricewaterhouseCoopers Taiwan	Teng, Sheng-Wei; Tseng, Hui-Chin	An unqualified opinion
2019	PricewaterhouseCoopers Taiwan	Yu, Shu-Fen; Tseng, Hui-Chin	An unqualified opinion
2020	PricewaterhouseCoopers Taiwan	Yu, Shu-Fen; Liang, Hua-Ling	An unqualified opinion
2021	PricewaterhouseCoopers Taiwan	Yu, Shu-Fen; Liang, Hua-Ling	An unqualified opinion

2. If there is any change of auditors in most recent five years, predecessors, successors and reasons shall be listed:

(1) About predecessors

Date for Change	Approved by the Board on 03/25/2020		
Reasons	Replacement of CPA due to internal work rotation of PwC Taiwan. Since year of 2020, the Auditors are Yu, Shu-Fen; Liang, Hua-Ling.		
Reasons for termination	Who	CPA	Appointed person
	What		
	Voluntary termination of appointment	Not Applicable	Not Applicable
	No longer accept (continued) appointment	Not Applicable	Not Applicable
Any other opinions other than unqualified opinion in recent two years	None		
Different opinions with issuer	Yes		Accounting principles and practices
			Disclosed financial report
			Check scope or steps
			Others
	No	✓	
	Explanation		
Other items to disclose	None		

(2) About successors

CPA FIRM NAME	PricewaterhouseCoopers Taiwan
Auditors	Yu, Shu-Fen; Liang, Hua-Ling.
Date of appointment	Approved by the Board on 03/25/2020
Any other opinions before appointment	None
Any different opinions from successors to predecessors	None

6.3 Financial Analysis In Most Recent Five Years (Consolidated) –IFRS

YEAR ITEM		Most Recent Five Years (Note 1)					As of March 31, 2022 (Note 2)
		2017	2018	2019	2020	2021	
Capital Structure	Debt Ratio (%)	5.63	5.89	15.17	40.07	40.71	44.00
	Long-term Fund to Fixed Assets Ratio (%)	509.70	580.42	502.04	723.36	935.35	891.89
Liquidity Analysis	Current Ratio (%)	1,928.38	1,764.67	963.21	641.04	966.54	879.89
	Quick Ratio (%)	1,860.64	1,690.79	898.04	586.38	895.67	795.01
	Times Interest Earned (Times)	(Note 6)	(Note 6)	(Note 6)	(Note 6)	(Note 6)	(Note 6)
Operating Performance Analysis	Average Collection Turnover (Times)	—	—	—	—	—	—
	Days Sales Outstanding	—	—	—	—	—	—
	Average Inventory Turnover (Times)	—	—	—	—	—	—
	Average Inventory Turnover Days	—	—	—	—	—	—
	Average Payment Turnover (Times)	—	—	—	—	—	—
	Fixed Assets Turnover (Times)	—	—	—	—	—	—
	Total Assets Turnover (Times)	—	—	—	—	—	—
Profitability Analysis	Return on Total Assets (%)	(35.94)	(44.82)	(56.49)	(52.97)	(33.97)	(28.97)
	Return on Equity (%)	(38.51)	(47.56)	(62.77)	(74.47)	(56.99)	(50.22)
	Pre-tax Income to Paid-in Capital Ratio (%)	(65.08)	(77.91)	(86.08)	(67.53)	(43.78)	(37.66)
	Net Margin (%)	—	—	—	—	—	—
	Earnings Per Share (NT\$)	(7.29)	(8.32)	(9.26)	(7.84)	(4.74)	(0.94)
Cash flow	Cash Flow Ratio (%)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)
	Cash Flow Adequacy Ratio (%)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)
	Cash Flow Reinvestment Ratio (%)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)	(Note 4)
Leverage	Operating Leverage	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
	Financial Leverage	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)	(Note 5)
Profitability Analysis : The net loss is lower because the completion for TX05 clinical Phase III has been completed.							

Note 1: Independent Auditor's Report for year 2017 to 2021

Note 2: Reviewed by Auditors of PWC Taiwan

Note 3: Formulas for the above table are specified as follows:

1. Capital Structure Analysis

(1) Debt Ratio = Total Liabilities / Total Assets

(2) Long-Term Capital to Property, Plant and Equipment Ratio = (Total Equity + Non-Current Liabilities) / Property, Plant and Equipment

2. Solvency Analysis

(1) Current Ratio = Current Assets / Current Liabilities

(2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities

(3) Times Interest Earned = Income Before Interest Expenses and Income Taxes / Current Interest Expenses

3. Operating Ability

(1) Receivables (including accounts receivable and notes receivable arising from business operations) Turnover Rate = Net Sales / Average Receivables (including accounts receivable and notes receivable arising from business operations) for each period

(2) Average Collection Days for Receivables = 365 / Receivables Turnover Rate

(3) Inventory Turnover Rate = Cost Of Sales / Average Inventory

(4) Payables (including accounts payable and notes payable arising from business operations) Turnover Rate = Cost Of Sales / Average Payables (including accounts payable and notes payable arising from business operations) for each period

(5) Average Days Of Sale = 365 / Inventory Turnover Rate

(6) Property, Plant and Equipment Turnover Rate = Net Sales / Average Net Worth of Property, Plant and Equipment

(7) Total Assets Turnover Rate = Net Sales / Average Total Assets

4. Profitability Analysis

(1) Return on Assets = [Net Income + Interest Expense * (1 - Tax Rate)] / Average Total Assets

(2) Return On Equity = Net Income / Average Total Equity

(3) Profit Margin Before Tax = Net Income / Net Sales

(4) Pre-tax Income to Paid-in Capital Ratio = Pre-tax Income / Paid-in Capital

(5) Profit Margin Before Tax = Net Income / Net Sales

(6) Earnings Per Share = (Profit and Loss attributable to owners of the parent – Dividends on Preferred Shares) / Weighted Average Number of Issued Shares

5. Cash Flow

(1) Cash Flow Ratio = Net Cash Flow from Operating Activities / Current Liabilities

(2) Net Cash Flow Adequacy Ratio = Net Cash Flow from Operating Activities for the most recent five years / (Capital Expenditures + Inventory Increase + Cash Dividend)

(3) Cash Flow Reinvestment Ratio = (Net Cash flow from Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment value + Long-Term Investments + Other Non-Current Assets + Working Capital)

6. Leveraging

(1) Operating Leverage = (Net Operating Revenue - Variable Operating Costs and Expenses) / Operating Income

(2) Financial Leverage = Operating Income / (Operating Income / Interest Expenses)

Note 4: Not calculated as operations have resulted in a net loss only

Note 5: Not calculated since operating cash has outflow

Note 6: Not calculated as operations have resulted in a net loss

6.4 Audit Committee's Review Report

Tanvex BioPharma, Inc. Audit Committee's Review Report

March 21, 2022

The Board of Directors has prepared the Company's 2021 business report, Financial Statements and proposal for loss make-up. The CPA firm of PricewaterhouseCoopers Taiwan was retained to audit Tanvex BioPharma, Inc.'s Financial Statements and has issued an audit report relating to the Financial Statements. The Business Reports, Financial Statements, and proposal for Loss make-up have been reviewed and determined to be correct and accurate by the Audit Committee members of Tanvex BioPharma, Inc. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this Report.

Annual General Meeting of Tanvex BioPharma, Inc.

Chairman of the Audit Committee

Jin-Pau Tsai

6.5 Consolidated Financial Statements and Independent Auditor's Report

Please refer to the Independent Auditor's Report following Section 9 of this report.

6.6 Parent Company Only Statements and Independent Auditor's Report

None.

6.7 Financial Difficulties of the Company and Its Subsidiaries in Recent year and as of the Date of This Annual Report, and Impact on the Company's Financial

None.

7. Review and Analysis of Financial Position, Operating Results and Risk Assessment

7.1 Financial Status

Discussion of the main reasons for significant changes in assets, liabilities and equities and their impact in most recent two years, if applicable. In the case of significant impact, describe the company's future action plan.

Unit: NT\$ in thousands; %

ITEM \ YEAR	2020	2021	DIFFERENCE	
			AMOUNT	%
Current Assets	2,263,513	2,401,988	138,475	6.12
Property, Plant and Equipment	555,692	477,369	(78,323)	(14.09)
Right-of-use Assets	1,350,585	1,636,483	285,898	21.17
Intangible Assets	11,957	10,167	(1,790)	(14.97)
Other Assets	190,978	187,582	(3,396)	(1.78)
Total Assets	4,372,725	4,713,589	340,864	7.8
Current Liabilities	353,099	248,514	(104,585)	(29.62)
Non-Current Liabilities	1,398,911	1,670,280	271,369	19.4
Total Liabilities	1,752,010	1,918,794	166,784	9.52
Share Capital	3,116,067	3,524,547	408,480	13.11
Capital Surplus	9,652,911	10,987,806	1,334,895	13.83
Retained Earnings	(9,784,255)	(11,327,436)	(1,543,211)	15.77
Other Equities	(364,038)	(390,122)	(26,084)	7.17
Equity attributable to owners of the parent company	2,620,715	2,794,795	174,080	6.64
Total Shareholders' Equity	2,620,715	2,794,795	174,080	6.64
Description of analysis of the main reason for changes of more than 20% and amounts differing by more than NT\$10 million from the previous term: (1) Increase Right-of-Use Assets: New lease agreement entered in year 2020 (2) Decrease in Current Liabilities: Due to forgiveness of PPP loan and lease liability				

7.2 Financial Performance

7.2.1 Analysis of Significant Changes in Revenue, Net Profits and Net Profits before Tax in Most Recent Two Years

Unit: NT\$ in thousands

ITEM \ YEAR	2020	2021	Amount of Increase/Decrease	Change in percentage (%)
Revenue	300	5,406	5,106	1,702.00
Cost of Goods Sold	(157)	(1,856)	(1,699)	1,082.17
Gross Profits	143	3,550	3,407	2,382.52
Operating Expenses	(2,099,720)	(1,602,734)	496,986	(23.67)
Net Operating Losses	(2,099,577)	(1,599,184)	500,393	(23.83)
Non-Operating Incomes And Expenses	(4,635)	55,995	60,630	(1,308.09)
Net Losses before Tax	(2,104,212)	(1,543,189)	561,023	(26.66)
Income Tax Expenses	(24)	(22)	2	(8.33)
Net Losses	(2,104,236)	(1,543,211)	561,025	(26.66)
Other Comprehensive Income (loss after tax)	(84,656)	(26,084)	58,572	(69.19)
Total Comprehensive Income (loss)	(2,188,892)	(1,569,295)	619,597	(28.31)
Description and analysis of main reason for changes of more than 20% and difference of over NT\$10 million from previous year: (1) Revenue & Cost of Good Sold: due to increase of CRO projects (2) Operating Expenses: the decrease mainly due to completion of Phase III clinical trial for TX05 (3) Non- Operating Income/Expenses: due to forgiveness of PPP loan (4) Other Comprehensive Loss: Foreign exchange fluctuation				

7.2.2 Projected Sales

As our products are in the final stage of FDA approval, we expected revenue during 2022.

7.2.3 Potential Impact on the Company's Financial Results

We do not expect any material impact during 2022.

7.3 Cash Flow

7.3.1 Cash Flow Analysis in Most Recent Two Years

Unit: NT\$ in thousands

ITEM \ YEAR	2020	2021	DIFFERENCE	
	AMOUNT	AMOUNT	AMOUNT	%
Net Cash Flow from Operating Activities (Outflow)	(1,787,625)	(1,387,021)	400,604	(22.41)
Net Cash Flow from Investing Activities (Outflow)	(243,297)	(24,682)	(218,615)	(89.86)
Net Cash Flow from financing Activities (Outflow)	1,730,487	1,597,317	(133,170)	(7.70)
Description of analysis of increase/decrease in percentage: (1) Operating Activities: Increase of net cash outflow due to products are still in R&D stage, no revenue has been generated yet. (2) Investing Activities: in 2020, there was no lease related CD movement, it decreases the cash outflow (3) Financing Activities: less cash inflow from equity financing in 2021 due to forgiveness of PPP loan				

7.3.2 Improvement Plan in Response to Lack of Liquidity

Not applicable.

7.3.3 Projected Cash Flow for 2022

Unit: NT\$ in thousands

BEGINNING BALANCE (A)	NET CASH FLOW FROM OPERATING ACTIVITIES (B)	EXPECTED CASH OUTFLOW CASH OUTFLOW IN THE YEAR (C) (NOTE)	EXPECTED CASH BALANCE ENDING BALANCE A+B-C	MEASURES TO MAKE UP FOR SHORTFALL IN CASH FLOW	
				FINANCING PLAN	INVESTING PLAN
2,222,977	112,728	(2,140,993)	194,712	—	—
Analysis of changes in cash flow Cash outflow: mainly from expenditures spent on clinical trials, labor and equipment according to R&D schedule					

7.4 Major Capital Expenditures Which Significantly Impacted Financials of The Company in 2021

The company's capital expenditures in 2021 were mainly for capacity expansion and equipment purchases to accommodate the product R&D and to speed up the development progress. All expenditures are within budget. Therefore, there is no major impact to our financials in 2021.

7.5 Reinvestment Policies in 2021, Main Reason for Profits or Losses, Improvement and Investment Plan in 2022

1. Reinvestment policies:

Tanvex BioPharma's current reinvestment policies focus on investments relating to development of its core business. The company does not plan to make investments in other lines of business. All investment activities will be performed by the applicable execution department in compliance with "investment cycle" under the internal control system and the Procedures for Acquisition and Disposal of Assets, which have been discussed and approved at the board of directors' meeting or shareholders' meeting.

2. Main reason for profits or losses from reinvestment in 2021 and improvement plan:

December 31, 2021; (Unit: NT\$ in thousands)

REINVESTED COMPANY	BUSINESS ACTIVITIES	INVESTMENT GAINS/LOSSES IN 2020	REASON OF LOSSES AND IMPROVEMENT PLAN
Tanvex BioPharma USA, Inc.	Process development and manufacturing of biosimilars and new drugs	(1,441,128)	The product development is still at the early R&D stage, thus losses incurred. The company expects to start to earn profits after commercialization in the market.
Tanvex Biologics Corporation	Research and development of biosimilars and new drugs	(82,710)	The business activities are focused on early R&D, thus losses incurred.

3. Investment plan for next year:

Tanvex has established the Procedures for Acquisition and Disposal of Assets (the "Procedures") in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies promulgated by the competent authorities and follow the Procedures in performing reinvestment activities and to keep informed of related business and financial status. In addition, in order to have an enhanced level of supervision and management for our reinvested company, we have included regulations for supervision and management of subsidiaries in our internal control system, which provides for the management of a subsidiary's disclosure of information, finance, business, inventory and finance, so as to maximize the benefits of our reinvestments.

7.6 Risk Assessment for 2021 and as of the Date of This Annual Report

7.6.1 Impact of Interest Rate, Foreign Exchange fluctuation and Inflation on the Company's Earnings and Countermeasures

1. Interest Rate Fluctuation

Tanvex's funding source is solely from cash investment. In addition, interest rates have remained low due to the slow moving world-wide economy. Therefore, our exposure to interest rate risk is minimum. On the cash side, the Company controls spending tightly within budget, places its cash in short-term saving and checking accounts, and maintains healthy relationships with multiple major banks in order to preserve liquidity and security of our funds.

2. Foreign Exchange Volatility

Our functional currency is USD. The majority of research and development costs including clinical trial, consulting, lab material, and lab equipment purchase are in USD. Therefore, foreign exchange volatility has not significantly impacted our business. Operation costs for the subsidiary in Taiwan is in NTD. The accumulated exchange variance generated due to the exchange rate fluctuation is immaterial on the consolidated balance sheet. Overall, there is no significant risk associated with foreign exchange rate volatility. We will always monitor exchange rate fluctuations closely, adjust our practices based on the changes in order to minimize the impact from foreign exchange rate volatility.

3. Inflation Fluctuation

Based on statistics data, the inflation rate has remained low. Therefore, its impact to our business is minimal.

7.6.2 Major Reasons and Countermeasures for Gain and Losses on High-risk/High-leverage Investments; Loans to a Third Party, Making Endorsements and Guarantees and Financial Derivatives

We did not make high-risk or highly-leveraged financial investments, lending, endorsements, guarantees for other parties, or financial derivative transactions during 2021 and up to the date of this report. We have established internal policies and procedures including "Procedures for Lending Funds to Other Parties," "Procedures for Acquisition or Disposal of Assets", and "Procedures for Endorsement and Guarantee." All the procedures have been approved at the Board meeting and shareholders' meeting. We will follow the related policy and procedures in the occurrence of such situations.

7.6.3 R&D Plans and Projected Spending

Our development plan for our key projects as well as our investment in research and development is provided below :

1. TX01

Preparing for resubmission & pre-approval inspection.

2. TX05

BLA accepted by US FDA on September 30, 2021 and preparing for pre-approval inspection

3. TX16

Preparing for production of clinical supply in late 2022.

4. TX52

At pre-clinical R&D stage.

Based on our development plan, we have budgeted Research and Development costs in 2022. The plan is subject to adjustment upon any significant changes that may occur during the year.

7.6.4 Changes in International and Domestic Government Policies and Regulatory Environment

We are an international company with subsidiaries in the U.S. and Taiwan. Our management closely monitors all domestic and foreign governmental policies and regulations that might impact our business and financial operations. From 2021 until the date of the report, our business operation has not been impacted significantly by any change in policies and regulations.

7.6.5 Impact of Changes in Technologies and the Industry on the Financial Position and Operation of the Company and Countermeasures

We are a company specializing in the development, manufacturing and sale of biosimilars. The biosimilar market is an emerging global industry. Therefore, the regulatory environment for biosimilars is rigorous, dynamic, and evolving. In addition to the research and development team which focuses on product and process development, we have also established a dedicated team which closely monitors and evaluates changes in current technology, and implements on-site training in order to keep our staff at the leading edge of technological development. Our leadership is updated on any new regulations and remains agile in order to adapt to change. As a result, there has not been any significant impact to our business due to the change in technology.

7.6.6 Impact by Changes of Corporate Image on the Company's Crisis Management and Countermeasures

Since the establishment of the Company, we have built an excellent corporate image based on our core values of quality and efficiency, culture of stability, integrity, and principle of sustainable business. We are committed to acting ethically in all aspects of our business, constantly and rigorously following rules and regulations. As a result, we are able to quickly respond to regulatory changes and opportunities. Therefore, there has not been any negative impact to our business due to a change in our corporate image from 2021 to the date of the annual report.

7.6.7 Expected Benefits and Potential Risks from Mergers and Acquisitions and Countermeasures

There have not been any mergers and acquisitions that occurred up to the date of the annual report.

7.6.8 Expected Benefits and Risks Related to Facility Expansion and Countermeasures

We have completed a plant expansion to fulfill the capability of preliminary commercialized production up to the date of the annual report. The expansion includes the following:

1. One 150L microbial fermenter production line, with potential to expand for two more 150L to meet the production requirement of the TX01 product in the future.
2. Four 1000L bioreactor production lines, with potential to expand to ten more 1000L bioreactor production lines to meet the production requirement of TX05/TX16.

The plant expansion uses a pre-piped and wired design. This enables us to expand the production lines step by step based on our product development progress, which reduces cash outflow and capital expenditure requirements.

We have a vertically integrated manufacturing platform, which enables us to fully control the entire process from R&D to the distribution of our final product to the market, optimize our funds distribution, maximize the efficiency of our capital, and in return, reduce risks.

7.6.9 Risk from Sales and Purchase Concentration

There has not been such risk as of the date of the annual report since we are still at the Research and Development stage.

7.6.10 Impact and Risk from Transfer or Swap of Stocks by Tanvex's Directors or Major Shareholders with over 10% of Tanvex's Total Outstanding Shares, and Countermeasures

There have not been sales of significant numbers of shares by directors, and/or major shareholders who own 10% or more of the total outstanding shares as of the date of the annual report.

7.6.11 Impact and Risk from the Changes in Management of the Company and Countermeasures

There has not been any change in management which affects business operation as of the date of the annual report. We have established complete and effective internal control procedures and policies, which reduce the risks associated with any change in management.

7.6.12 Litigation and Non-litigation Matters

1. Any pending or settled major litigious, non-litigious or administrative disputes against the Company, director, supervisor, general manager, person in charge in substance and major shareholders who own 10% or more of total outstanding shares where it has significant effects on shareholder's interest and share price, the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of this annual report shall be disclosed: None.
2. For director, supervisor, general manager, person in charge in substance, any events as stated in article 157 of Securities and Exchange Law of Taiwan occurred in 2020, 2021 and as of the date of this annual report: None.

7.6.13 Other Important Risks

Publicly traded foreign companies' state any changes in the macroeconomic situation and economic or political environment, any foreign exchanges controls, and any laws and regulations regarding tax of both the country where the foreign company is registered and operate its main business activities. They should also provide information about other risks such as whether or not the effects of a final and binding civil judgment from the Taiwan court can be recognized by the judicial system of the aforementioned countries as well as any measures which the Company has adopted in response to the risks.

The Company was incorporated on May 8, 2013 in the Cayman Islands as an ordinary investment holding company without any substantive economic activities. Tanvex has two wholly owned and invested subsidiaries, "Tanvex BioPharma USA, Inc." located in U.S. and "Tanvex Biologics Corporation" located in Taiwan with substantial operation and defined as the important offshore subsidiaries with significant impact to Tanvex. Below is the assessment of changes in macroeconomic situation, economic and political environment, related regulations, foreign exchanges controls, and the laws and regulations regarding tax, of Cayman Islands, the country of registration, Taiwan and the U.S. where the main places of business are located, as well as other risks such as whether or not the effects of a final and binding civil judgment of a Taiwan court can be recognized by these jurisdictions.

1. The Country of Registration: British Cayman Islands

(1) Changes in Macroeconomic, Political and Economic Environment

The Cayman Islands is British overseas territories in the western Caribbean Sea, which are situated about 268 kilometers northwest of Jamaica and 700 kilometers south of Miami. The local political situation has long been stable. George Town, its capital city located on the Great Cayman Island, is the center of administration, commerce, and finance. The main sources of revenues of the Cayman Islands are the financial service industry and tourism. The Cayman Islands enjoys a reputation of being one of the global financial centers.

There are six types of registration for enterprises in the Cayman Islands: Ordinary Company, Ordinary Non-Resident Company, Exempted Company, Limited Duration Company, Foreign Company, and Limited Liability Company. Specifically, exempted companies are widely used by many enterprises and individuals for their financial planning.

In recent years, the local government has aggressively attempted to ameliorate its reputation regarding its offshore financial services by signing the Mutual Legal Assistance Treaty in 1990 with the U.S. and the UK to deter international criminal organizations from capitalizing on the Cayman Islands for any illegal transactions such as drug trafficking or money laundering. Not only have they entered into the Model 1 agreements including inter-governmental agreements and tax information exchange agreements in order to supplement the implementation of the Foreign Account Tax Compliance Act (FATCA), but the Cayman government has also signed a Multilateral Competent Authority Agreement with fifty other jurisdictions to declare its commitment to enforce the Common Reporting Standard (CRS) on October 29, 2014. When reinforcing crime prevention, the Cayman government has also committed to guarantee the confidentiality of commercial activities. Therefore, the political and economic environment is remarkably stable, and so is societal safety.

In conclusion, Tanvex has registered as an exempted company with no substantive business activities in the local markets, which insulates the Company from any material influence over its overall business functions that could arise from any political or economic changes in the macroeconomic situation.

(2) Foreign Exchanges Controls, Laws and Regulations, and Tax Risks

The Cayman government imposes no taxes upon Tanvex which would be deemed significant. The Cayman Islands has no regulations concerning foreign exchanges controls or currency controls. For an exempted company, the Cayman government does not impose taxation on an individual's or a company's profits, income, gains, appreciation other than the license tax. It also does not inflict any inheritance taxes upon the Company. The Cayman government does impose the stamp duty on any contract made or entered into by the contracting parties within the territories of the Cayman Islands. While individuals transferring the share of a Cayman company are not subject to any stamp duty, this exemption does not apply if Tanvex holds interests in land in the Cayman Islands. Below are the major laws and regulations governing an exempted company in the Cayman Islands:

- A. An exempted company shall conduct its business overseas;
- B. An exempted company must not issue a solicitation to residents of the Cayman Islands in its offer to subscribe its shares or bonds. Nor is it allowed to own any land in the Cayman Islands except with an approval of the Ministry of Finance and Economic Development of the Cayman Islands;
- C. The Cayman Company Act does not require to hold an annual shareholders' meeting, leaving it to the discretion of the Company to host a shareholders' meeting or a meeting of the Board of Directors (the "Board") according to the Memorandum and Articles of Association of the Company (the "AOA") and when such meeting is to be convened, it can take place on the Cayman Islands or elsewhere. According to the AOA, the Company should hold an annual general shareholders' meeting in Taiwan within six months after the end of a year when the Company is listed and traded on the Taiwan stock exchange ("TWSE") or Taipei Exchange ("TPEX") or is registered as emerging stock company in Taiwan. If the shareholders' meeting is to be held outside of Taiwan as approved by the Board, the Company should submit this proposal to the TPEX or TWSE within two days after the Board resolution or the shareholder submitting the proposal pursuant to Article 46 of the AOA should get the approval from the TWSE or TPEX.
- D. An exempted company is not required to provide or submit any detailed information about its shareholders to the registration office of the Cayman Islands. Yet, the AOA provides that the Board should keep a shareholders list at a stock agent in Taiwan. Shareholders may request at any time to review or transcribe the above document by providing documents proving it has interests in this matter and stating the scope of the inquiry.
- E. Shareholders' roster is not required to be available to the public.
- F. An exempted company may request the Cayman government to issue a certificate of tax exemption of the Company with a validity of twenty years. The certificate can be renewed prior to its expiration.
- G. An exempted company may request its registration be cancelled or transferred to another country of registration.
- H. An exempted company may register as a limited exempted company with not less than two shareholders as required for a valid period of not more than thirty years.

Due to the differences between the laws of the Republic of China ("ROC") and the Cayman Company Act, the Company has amended the AOA according to the Company Act and the Securities Exchange Act of the ROC to the extent the amendments are in compliance with the laws of the Cayman Islands to protect the interest of the ROC investors and shareholders.

In conclusion, there is no significant impact on the cash flow management of the Company in view that the Cayman government

implements an open policy on foreign exchange without any restriction. Meanwhile, the taxes and relevant laws and regulations of the Cayman Islands have no materials impacts on the Company's overall business functions given the fact that it is registered as a holding company without any business activities in the Cayman Islands.

(3) Recognition of a civil judgment issued by a Taiwan court

B. Litigation Risks

As the exempted Company of the Cayman Islands, the Company is not required to apply for recognition by the Ministry of Economic Affairs under Taiwan's Company Act. For a listed company in Taiwan, no provisions of the AOA of the Company should prevent any shareholder from initiating an action at a competent court to seek legal remedies against wrongful procedure to convene a shareholders' meeting or wrongful resolution at a shareholder meeting. Despite of the above, an investor may be able to secure a substantive judgment upon filing a lawsuit against the Company or its representative in a Taiwan court, although the Company has assigned a litigation or non-litigation advocate, pursuant to the rules of TWSE. However, there are uncertainties as to whether the Taiwan court has proper jurisdiction, how to conduct the service of process, and the application of foreign laws.

C. Risks of Judgment Recognition and Enforcement

Although the laws of the Cayman Islands have no statutes regarding the enforcement of a civil judgment issued by a foreign court, the principles of the Cayman Islands' common law recognize the effects of a final and conclusive civil judgment issued by a Taiwan court, provided that all of the following apply: (1) the judgment is final and conclusive; (2) the final judgment is made by a foreign court with jurisdiction; (3) the judgment held the debtor accountable for a definite liquidated sum of money; (4) the judgment is not to enforce any fines, taxes, penalties, and the likes; or the judgment is for a non-monetary relief under certain circumstance; (5) The judicial procedure or enforcement of the judgment are not contrary to the Cayman Islands public policy or natural justice. If a Cayman court does not recognize the judgment of a Taiwan court, an investor cannot enforce the judgment when obtaining a final and binding judgment against the debtor in Taiwan, meaning that an investor may not satisfy his/her claim overseas. Hence, investors should be acquainted with the legal risks regarding any securities issued by a foreign issuer which the investors intend to purchase.

2. The Principal Location of Operations: The United States

(1) The Macroeconomic and the Political Changes

The United States was the world's largest economy with the GDP of 21.48 trillion USD as of 2019, which constituted one-fifth of the world economy with the GDP per capita of 65 thousand USD, which ranked eighth in the world in 2018. The United States has the world's second-largest amount of foreign trade, is the second-largest exporter and largest importer. The United States has a mixed economy, where most of the microeconomic decisions are made by companies or private enterprises alone. The U.S. government also invests and assists in basic research, education, public health, social security, savings insurance, etc. China, Canada, Mexico, Japan, and United Kingdom are its top five business partners. The U.S. is also the third-largest oil producer and the largest producer of natural gas.

Economists predict that the global economy in 2019 has no dramatic change occurred within the U.S. market or international market, limiting negative impact on the Company's cash flow, financial conditions, competition and collaboration with other businesses.

(2) Risks of Foreign Exchanges Controls, Taxes and Regulations

Tanvex and its subsidiaries utilize the United States Dollar (USD) as the functional currency for transactions. However, for the financial reporting purpose in compliance with the IFRS recognized by the Financial Supervisory Commission in Taiwan, the consolidated financial report represents in New Taiwan Dollar (NTD). Due to the exchange rate fluctuations between USD and NTD, it may result the changes of cumulative translation adjustments reflected in the consolidated financial report.

As the most advanced currency market and the most convenient platform for international financial transactions, the United States leads as the most-developed and complete financial system, as well as a well-established management system of foreign exchange markets. Tanvex and its subsidiaries encounter at no risk on the controls of foreign exchange in the U.S. In terms of relevant laws and tax risk, Tanvex and its subsidiaries have not received any material financial impact due to any changes of relevant laws or tax regulations since Tanvex and its subsidiaries consistently comply with the U.S. Company Act and other applicable laws. Any changes in the relevant laws and tax regulation in the future may, however, affect Tanvex and its subsidiaries' operation.

(3) Recognition of a Civil Judgment Issued by a Taiwan Court

According to the currently effective Uniform Foreign Money-Judgments Recognition Act in California (CA Code of Civil Procedure sec 1713-24, hereinafter "CA Recognition Act"), if a nonmonetary judgment is consistent with the requirements of the CA Recognition Act and the definition of "foreign judgment", the non-monetary judgment in a foreign court would be deemed as a final and conclusive foreign judgment to be enforceable under the ambit of the CA Recognition Act. A foreign judgment is enforceable if all of the following apply: (1) the judgment was for a monetary claim, either to approve or deny it; (2) according to the foreign law by which the judgment was made, the judgment was a conclusive, final, and enforceable judgment but not to enforce any taxes, fines, or penalties, and not to enforce any family court judgments for divorce, alimony, and maintenance (except for the circumstances where the doctrine of international comity applies or the foreign judgment excludes the application of CA Recognition Act). The CA Recognition Act also requires the plaintiff who seek the recognition of the foreign judgment to fulfill the burden of proof regarding these abovementioned elements and provides that the request of the recognition must be made within ten years since the judgment takes effect or within the statutory period of the foreign law by which the judgment is made, whichever is shorter.

In addition, the CA Recognition Act provides that the court should not recognize a foreign judgment for any of the following occurrences: (1) the judicial system where the foreign judgment was made did not provide court with equity and fairness or the due process consistent with the California laws; (2) the foreign court had no jurisdiction over the defendant against whom the plaintiff is attempting to enforce the judgment; or (3) the foreign court had no jurisdiction over the subject matter.

Furthermore, the CA Recognition Act states that the California court should not recognize a foreign judgment for any of the following circumstance: (1) the defendant did not receive notice of the proceedings in sufficient time to enable him to defend; (2) the judgment was obtained by fraud making the plaintiff who lose the case unable to defend sufficiently; (3) the judgment, the cause of action, or the remedy was repugnant to the public policy of the U.S. or California; (4) the civil judgment conflicts with another final and conclusive judgment; (5) the proceeding in the foreign court was contrary to an agreement between the parties under which the dispute was to be settled; (6) in the case of jurisdiction based on personal service of process, the foreign court was a significantly inconvenient forum for the trial; (7) the circumstance where the foreign judgment was made caused the integrity of the rendering court to be very doubtful; (8) the judgment was not rendered under procedures compatible with the requirements of due process under the laws of California; or (9) the subject matter of the foreign judgment was a libel claim (unless the foreign court provides the same degree of constitutional protection as the case in the U.S. or in California).

3. The Principal Location of Operations: Taiwan (ROC)

(1) The Macroeconomic and the Political Changes

Taiwan ranked 13th out of 140 countries for the global competition according to the World Economic Forum ("WEF") Global Competitiveness Report 2018 issued in October 2018. Additionally, Taiwan also ranked the fourth, after Switzerland and Norway and Singapore, out of 50 countries for the best investment environment country evaluated by the famous Business Environment Risk Intelligence Company ("BERI") in the "Assessment Report of Investment Environment" issued in December of 2018. Taiwan apparently has a stable economy, great investment environment, strong adaptabilities, financial institutions with good financial conditions, and a robust foreign exchange reserve, illustrating Taiwan as a considerable investment target for foreign companies.

The 2019 Index of Economic Freedom, published jointly by The Heritage Foundation and *The Wall Street Journal*, measures the four criteria including "rule of law", "government control", "regulatory effectiveness", and "open market" to determine the degree of freedom of economies around the world. Among the 180 countries and economies in the world, Taiwan ranked 10th, in the Asia-Pacific 43 countries and economies, Taiwan ranked 5th, followed by Hong Kong, Singapore, New Zealand and Australia. The report refers to Taiwan as having "relatively well-developed commercial code and open-market policies that facilitate the flow of goods and capital (which) have made small and medium-size enterprises the backbone of Taiwan's economic expansion."

The International Monetary Fund (IMF) forecast that Taiwan's gross domestic product (GDP) will grow 2.5 percent in 2019 and 2020 in the World Economic Outlook report dated April 2019. The IMF forecast for 2019 represents an increase from the 2 percent made in April 2018 and 2.4 percent in October 2018. In December 2018, the Executive Yuan approved the 2019 National Development Plan, which included a slight increase for Taiwan's projected economic growth. The government is now anticipating a growth rate of 2.6 percent for the next year, a small increase from the previously projected rate of 2.4 percent. Factors influencing the increase growth prediction include the number of business professionals anticipated to return to Taiwan from abroad, along with investment and job creation expected to be facilitated between Taiwanese businesses partnering with

foreign companies in Taiwan, reports Radio Taiwan International.

(2) Risks of Foreign Exchange Control, Taxes, and Applicable Laws

Taiwan's foreign exchange is conducted pursuant to the market mechanism which allows a free flow of funds. For the flow of foreign currency involving exchange of funds in New Taiwan Dollar denomination, foreign exchange proceeds and payments from and for goods and services and capital transactions (including direct investments and securities investments) approved by Taiwan competent authority are subject to no restrictions, except for the requirements on dollar amount of foreign exchange settlement for transfer of short-term funds. The exchange rate of NTD is determined by supply and demand in the foreign exchange markets, except that Taiwan's Central Bank plays the role of maintaining the order of the foreign exchange markets when the regular operation of the markets is compromised by seasonable factors or under irregular circumstances. Taiwan's Central Bank also actively promotes financial liberalization and internationalization. Management of capital flows is subject to market factors and there is a free flow of funds in and out of Taiwan. Management of foreign reserve follows the fundamental principle of liquidity, security and profitability, with an emphasis on economic effects from promotion of economic development and upgrading of industries.

For tax regulations, Taiwan follows the rule of laws and the principle of taxation by law and all collections of taxes and duties shall be governed by law. The standard procedures for tax collection are based on the Tax Collection Act. The Taiwan government also follows the Administrative Procedure Act to ensure transparency of tax collection as well as acting by law to protect people's rights and interests and improve administrative efficiency. Tax denominations include "national taxes" and "local taxes", to be collected by the National Taxation Authority, and the tax collection authority at the municipal government or county/city government, as applicable. The Ministry of Finance is the highest administrative entity governing tax matters and responsible for general management of tax collection, interpretation of tax laws, and national budgeting.

In recent years, Taiwan is developing in tandem with the international society. In order to harmonize Taiwan's tax system with those in other jurisdictions, create a fair and equitable tax environment, and respond to changes in economic development and needs for cross-border investments, various revisions have been implemented to improve Taiwan's tax system. After Taiwan's accession to the World Trade Organization (WTO) in 2002, Taiwan has referred to the regulations published by the WTO in amending the applicable laws to be used as the basis of collection of customs. Taiwan has also implemented the tax system on tobacco and alcohol products to promote international trade. Taiwan has a favorable tax environment, and open and transparent collection procedures. There is smooth and fast communication channel with tax collection authority. The Taiwan government continues to take measures to improve its tax system in response to changes in economic environment. Taiwan therefore has an appealing investment environment in Asia Pacific.

In summary, despite the fact that Taiwan implements a managed floating exchange rate regime for foreign exchange control, this does not impose any material restriction on fund flows required for the Company's operation and business activities. There is no material restriction under tax and applicable laws that are expected to affect the Company's operation and business activities.

(3) Whether a Final Civil Judgment by Taiwan Court Is Recognized

As Tanvex Biologics Corporation, the Company's subsidiary in Taiwan, mainly engages its business in Taiwan, the final civil judgment by Taiwan court is always binding and enforceable. Therefore, the question that whether a final civil judgment by Taiwan court is recognized in the main place of business does not apply.

- IT safety management

Tanvex has established rules for information security inspection and control, financial and non-financial information management, asset management and personal data protection management, so company can protect information assets (including data, software, hardware equipment, etc.) from the risks of tampering, exposure, destruction or loss due to external threats or improper management or use of internal personnel.

The main procedures and processes for the information systems are as follows:

1. Update firewall and anti-virus automatically to prevent the threats from computer virus and hackers.

2. Regularly check important system resources to ensure proper operation.
3. Periodically execute disaster recovery plan and test for important systems, record test procedures and results, analyze and improve test procedures.
4. Regularly update system backup media for disaster recovery.
5. Record cause and solution in detail after an emergency and review by supervisor for the basis of process improvement and future reference.
6. Implement information security training to ensure the company colleagues have most updated security awareness and apply it in their daily works.
7. Regularly review related policy and guidelines to ensure the information security processes and measurements meet the requirements of the current laws and regulations.

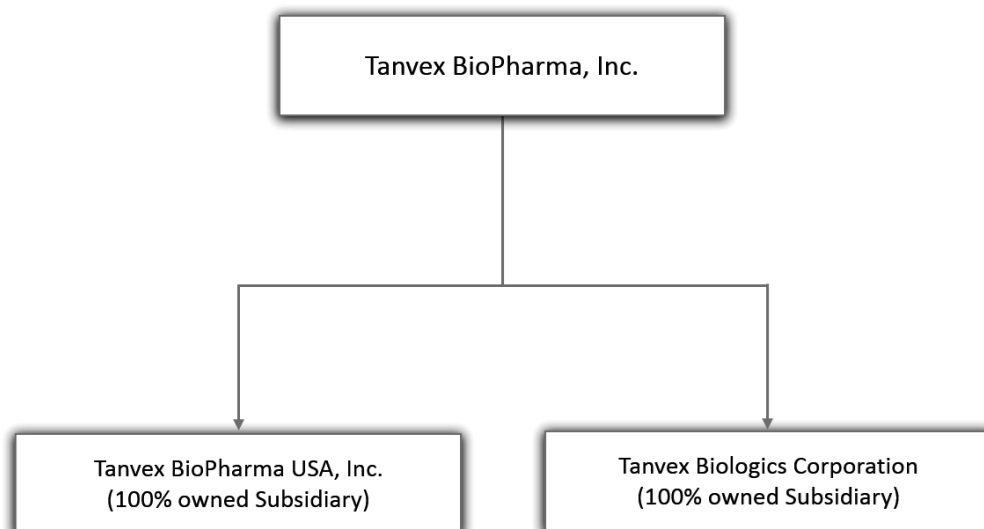
7.7 Other Important Matters

None.

8. Other Special Notes

8.1 Information on Subsidiaries

8.1.1 Subsidiaries Chart



8.1.2 Basic Information of Subsidiaries

December 31, 2021; Unit: in thousands

COMPANY	DATE OF INCORPORATION	PLACE OF REGISTRATION	PAID-IN CAPITAL	MAJOR BUSINESS
Tanvex BioPharma USA, Inc.	01/01/2011	10394 Pacific Center Court, San Diego, CA 92121, U. S. A.	US\$ 352,601	Process development and production of Biosimilar drugs and new drugs
Tanvex Biologics Corporation	04/07/2009	33F, No.99, Sec.1, Xintai No.5 Road, Xizhi District, New Taipei City, Taiwan R.O.C	NT\$ 2,211,690	Research and development of Biosimilar drugs and new drugs

8.1.3 Shareholders in Common of Tanvex and Its Subsidiaries with Deemed Control and Subordination:

None.

8.1.4 Rosters of Directors, Supervisor, Chairman and Presidents of Tanvex's Subsidiaries

December 31, 2021

COMPANY	TITLE	NAME OR THE REPRESENTATIVE	SHAREHOLDING	
			SHARE(S)	%
Tanvex BioPharma USA, Inc.	Chairman	Yen, Yun	1,000,000	100%
	CEO			
Tanvex Biologics Corporation	Chairman	Yen, Yun	221,168,960	100%
	Board Director	Allen Chao		
	Board Director	Chen, Lin-Cheng		
	Supervisor	Kuo, Yin-Yu		
	General Manager	Yen, Yun		

8.1.5 Operational Highlights of Subsidiaries

December 31, 2021; Unit: in thousands

COMPANY	PAID-IN CAPITAL	ASSETS	LIABILITIES	NET WORTH	REVENUE	OPERATING EXPENSE	NET LOSS AFTER TAXES
Tanvex BioPharma USA, Inc. (Note)	USD352,601	USD94,368	USD67,333	USD27,035	-	USD(53,396)	USD(51,653)
Tanvex Biologics Corporation	NTD2,211,690	NTD270,998	NTD39,388	NTD231,610	5,406	NTD(86,129)	NTD(83,263)

Note: This is different from the investment gains and losses recognized by the parent company due to the adjustment of the realized/unrealized gains and losses from the sidestream transactions between the subsidiaries.

8.1.6 Consolidated Financial Statements Covering the Subsidiaries:

Incorporated in the consolidated financial statements.

8.1.7 Consolidated Business Reports:

Not applicable.

8.2 Private Placement of Securities in Most Recent Year and up to the Date of this Annual Report

None.

8.3 Status of Common Stock Acquired, Disposed of, and Held by Subsidiaries in Most Recent Year and up to the Date of this Annual Report

None.

8.4 Other Necessary Supplemental Explanations (Major Differences Between the Company's Articles and in Relation to the Protection of Shareholders' Equity)

Due to the differences between the laws of Taiwan, ROC and the Cayman and Company Act, the amendment of the Shareholder Right Protection Checking List for foreign issuer amended by Taiwan Stock Exchange Corporation on December 25, 2019, may not be applicable to Tanvex. The Company's Articles differs from the rules of the ROC in relation to the protection of shareholder equity as follows:

DIFFERENCE	CAYMAN LAWS AND THE EXPLANATION	THE COMPANY'S ARTICLES AND THE EXPLANATION
A company which buys back its shares and assigns or transfers those shares to its employees may restrain such shares from being assigned or transferred to others within a specific period of time which shall in no case be longer than two years.	Treasury Shares may be disposed of by the Company on relevant terms and conditions as determined by the directors; there are no relevant provisions regarding employee incentive program under the Cayman Companies Law.	According to the Article 1 of the Memorandum and Articles of Association of the Company ("M&AA"), Treasury Shares refers to shares that were previously issued but were purchased, redeemed or otherwise acquired by the Company and have not been cancelled; as such, this provision is stipulated in Article 40D of the M&AA. However, as indicated by the Cayman lawyer, such restrictions agreed between the transferor and transferee is a contractual matter between themselves.
The following items shall be itemized in the causes or subjects to be described in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; material contents of such matters may be uploaded onto the website designated by the TWSE, TPEx or the Company with the address of website indicated in the notice: (1) Election or discharge of directors and supervisors; (2) Alteration of the Articles of Incorporation; (3) Reduction in share capital of the Company; (4) Application for de-registration as a public company; (5) Dissolution, merger, spin-off; (6) Enter into, amend, or terminate any contract for lease of the Company's business in whole, or for entrusted business, or for regular joint operation with others; (7) Transfer the whole or any essential part of its business or assets; or (8) Accept the transfer of another's whole business or assets, which has great bearing on the business operation of the Company; (9) Offering, private placement of any equity-type securities; (10) Release the prohibition on directors from participation in competitive business; (11) Pay all or partial dividends and bonuses by way of issuing new shares; (12) Distribute the legal reserve and the capital reserve that derived from the income from the issuance of new shares at a premium or the income from endowments received by the Company.	There is no special provision regarding extemporary motions under Cayman Companies Law; according to the Cayman lawyer, with respect to extemporary motions, the notice of shareholders meeting shall specify content of discussion and provide relevant information to shareholders. However, the notice of shareholders' meeting usually includes an item of "other issues;" such issues are usually informal or not material, and the chairman of the meeting shall not include any material issue in this item. All material issues shall be discussed and resolved in another meeting convened in accordance with the procedure, provided that if any urgent issue requires resolution in the meeting, it shall be raised and ratified in the next shareholders' meeting. Although Cayman law does not expressly prohibit extemporary motions, the Cayman lawyer advises that it is inappropriate to exercise extemporary motions at the shareholder's meeting.	The Cayman Companies Law has no special provisions regarding extemporary motion; as such, the Paragraph 6 is stipulated in Article 50 of M&AA. According to the Cayman lawyer, with respect to the extemporary motions, the notice of shareholders meeting shall specify content of discussion and provide relevant information to shareholders. However, the notice of shareholders' meeting usually includes an item of "other issues;" such issues are usually informal or not material, and the chairman of the meeting shall not include any material issue in this item. All material issue shall be discussed and resolved in another meeting convened in accordance with the procedure, provided that if any urgent issue requires resolution in the meeting, it shall be raised and ratified in the next shareholders' meeting.

DIFFERENCE	CAYMAN LAWS AND THE EXPLANATION	THE COMPANY'S ARTICLES AND THE EXPLANATION
<p>If the voting power at a shareholders' meeting may be exercised in writing or by way of electronic transmission, the method for exercising the voting power shall be described in the shareholders' meeting notice. A shareholder who exercises the voting power at a shareholder's meeting in writing or by way of electronic transmission shall be deemed to have attended the said shareholders' meeting in person, but shall be deemed to have waived the voting power in respect of any extemporary motion and/or the amendment to the contents of the original proposal.</p>	<p>There is no special provision regarding Paragraph 3 under Cayman Companies Law.</p>	<p>There is no special provision regarding the first paragraph of this Paragraph 3 under Cayman Companies Law; thus the first paragraph of this Paragraph 3 is stipulated in Article 68 of the M&AA. According to the Cayman lawyer, if the shareholder exercises the voting right in writing, it shall be deemed to authorize the chairman of the meeting to exercise the voting power, thus the latter paragraph of this Paragraph 3 is stipulated in Article 68 of the M&AA. (i.e., shareholders who exercise the voting power in writing or by way of electronic transmission shall be deemed to have authorized the chairman of the meeting to exercise its voting power in the meeting according to the instruction in writing or by way of electronic transmission, but shall be deemed to have waived the voting power in respect of any extemporary motion and/or the amendment to the contents of the original proposal. However, foregoing authorization shall be deemed not to constitute a provision regarding proxies under the laws and regulations in relation to TWSE/TPEx listed companies).</p>
<p>In case a shareholder who has exercised his/her/its voting power in writing or by way of electronic transmission intends to attend the shareholders' meeting in person, he/she/it shall, at least 2 days prior to the meeting date of the scheduled shareholders' meeting and in the same manner previously used in exercising his/her/its voting power, serve a separate declaration of intention to rescind his/her/its previous declaration of intention made in exercising the voting power under the preceding Paragraph. In the absence of a timely rescission of the previous declaration of intention, the voting power exercised in writing or by way of electronic transmission shall prevail.</p>	<p>There is no special provision regarding this Paragraph 5 under Cayman Companies Law.</p>	<p>There is no special provision regarding Paragraph 5 under Cayman Companies Law; as such, the first paragraph of this Paragraph 5 is stipulated in Article 70 of the M&AA. According to the comment of Cayman lawyer, under common law, a person may revoke his/her proxy by attending the meeting in person. Since shareholders who exercise the voting power in writing or by way of electronic transmission shall be deemed to have authorized the chairman of the meeting to exercise its voting power in the meeting according to the instruction in writing or by way of electronic transmission, Paragraph 5 may be not enforceable.</p>
<p>After the service of the power of attorney of a proxy to the Company, in case the shareholder issuing the said proxy intends to attend the shareholders' meeting in person, a proxy rescission notice shall be filed with the Company at least 2 days prior to the date of the shareholders' meeting as scheduled in the shareholders' meeting notice so as to rescind the proxy at issue, otherwise, the voting power exercised by the authorized proxy at the meeting shall prevail.</p>	<p>There is no special provision regarding the power of attorney of soliciting of the power of attorney under the Cayman Companies Law.</p>	<p>Since there are no special provisions regarding the power of attorney of soliciting of the power of attorney under the Cayman Companies Law, set out the content of Paragraph 4 in the Article 62B of the M&AA. According to the comment of the Cayman lawyer, under the common law, a person may revoke its proxy by attending the meeting in person, so the content of Paragraph 4 may be not enforceable.</p>
<p>The following proposals involving significant interests of shareholders shall be adopted by a majority of the shareholders present who represent two-thirds or more of the total</p>	<p>With regard to 1, 4, 5 (the split part) and 6, there is no special provision of requirement or prohibition under the Cayman Companies Law. With regard to 2 and 3, Article 24 of the</p>	<p>Article 32(h) of the M&AA is expected to be amended at the annual general meeting of shareholder in 2020 of the Company in accordance with the</p>

DIFFERENCE	CAYMAN LAWS AND THE EXPLANATION	THE COMPANY'S ARTICLES AND THE EXPLANATION
<p>number of its outstanding shares. If the total number of shares represented by the shareholders present at shareholders' meeting is not sufficient to meet the criteria specified in the preceding paragraph, it may be adopted by two thirds or more of the attending shareholders who represent a majority of the total number of its outstanding shares:</p> <ol style="list-style-type: none"> 1. Enter into, amend, or terminate any contract for lease of the Company's business in whole, or for entrusted business, or for regular joint operation with others, accept the transfer of another's whole business or assets, which has great bearing on the business operation of the Company. 2. Amend the Articles of Incorporation. 3. Any amendment to the Articles of Incorporation prejudicial to the rights of special shareholders shall be adopted by special resolution. 4. The whole or a part of the distributable dividends and bonuses may be paid in the form of shares newly issued. 5. The proposal of dissolution, consolidation or merger and split-up. 6. Share swap. 	<p>Cayman Companies Law provides that any amendment to the M&AA shall be adopted by the special resolution.</p> <p>With regard to 5 (the dissolution part), the company shall be voluntarily dissolved by the special resolution pursuant to Article 116 the Cayman Companies Law, in the case that the company is voluntarily dissolved due to inability to pay off all claims, it may be adopted by the shareholders' meeting by way of an ordinary resolution. Where there is any higher threshold provided in the Articles of Incorporation, such higher threshold shall prevail.</p> <p>In addition, with regard to 5 (the consolidation or merger part), according to the Cayman legal consultant's suggestion, the Article 233(6) of the Cayman Companies Law provides that it shall be adopted by special resolution.</p> <p>However, it should be pursuant to the M&AA in the case that there are other provisions regarding the resolutions provided in the M&AA.</p>	<p>provisions of subparagraph 6 on the left of the Shareholder Right Protection Checking List for foreign issuer.</p> <ol style="list-style-type: none"> 1. There is no special or prohibition provisions regarding subparagraphs 1, 4 the split-up part of subparagraph 5 and 6 under the Cayman Companies Law; as such subparagraphs 1, 4 the split-up part of subparagraph 5 and 6 are separately provided in Article 32(a)(b)(c)(d)(g)(h) of the M&AA that it shall be adopted by the shareholder's meeting by way of special resolution (Supermajority Resolution Type A) refers to a resolution adopted at a shareholders' meeting, by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares and exercise the voting rights in person or by a proxy (if the shareholders' meeting allows the proxy) or Supermajority Resolution Type B which means that the total number of shares represented by the shareholders present at a shareholders' meeting is less than the percentage of the total shareholdings required by the Supermajority Resolution Type A, which means that there is no resolution adopted at a shareholders' meeting by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares and exercise the voting rights in person or by proxy (if such shareholders' meeting allows the use of proxy). 2. According to Article 24 of the Cayman Companies Law, any amendments to the M&AA shall be adopted by Special Resolution at a shareholders' meeting; as such, subparagraph 2 is provided in Article 157 of the M&AA, which means that the company may at any time amend the memorandum and/or M&AA. The threshold of the number of the shareholders present is in accordance with Article 51 of Article of Incorporation (which means that the total number of shares represented by the shareholders present in person or by proxy at a shareholders' meeting is more than a majority of outstanding shares). 3. According to Article 24 of the Cayman Companies Law, any amendments to the M&AA shall be adopted by the Special Resolution at a shareholders' meeting; as such, subparagraph 3 is provided in Article 18 of M&AA, which means that any amendment to the M&AA prejudicial to the rights of special shareholders shall be adopted by special resolution at a special shareholders' meeting in addition to the Special Resolution at a shareholders' meeting. The threshold of the number of

DIFFERENCE	CAYMAN LAWS AND THE EXPLANATION	THE COMPANY'S ARTICLES AND THE EXPLANATION
		<p>the share- holders present is in accordance with Article 51 of Article of Incorporation (which means that the total number of shares represented by the shareholders present in person or by proxy at a shareholders' meeting is more than a majority of outstanding shares).</p> <p>4. With regard to subparagraph 5 (the dissolution part), the company shall be voluntarily dissolved by the special resolution pursuant to Article 116 of the Cayman Companies Law, in the case that the company is voluntarily dissolved due to inability to pay off all claims, it may be adopted by an ordinary resolution at shareholders' meeting. Where there is any higher threshold provided in the M&AA, such higher threshold shall prevail; as such, the dissolution part of subparagraph 5 is provided in Article 33 of the M&AA, if the company is voluntarily dissolved due to inability to pay off all claims on schedule, it shall be adopted by a special resolution at a shareholders' meeting (Supermajority Resolution Type A) or Supermajority Resolution Type B (Article 33(a)); if the company is voluntarily dissolved due to other causes, the company shall be dissolved voluntarily by way of a special resolution (Article 33(b)). The threshold of the number of the shareholders present is in accordance with Article 51 of Article of Incorporation (which means that the total number of shares represented by the shareholders present in person or by proxy at a shareholders' meeting is more than a majority of outstanding shares).</p> <p>5. With regard to subparagraph 5 (the consolidation or merger part), according to the Cayman legal consultant's suggestion, the Article 233(6) of the Cayman Companies Law provides that it shall be adopted by special resolution. However, it should be pursuant to the M&AA in the case that there are other provisions regarding the resolutions provided in the M&AA; as such, the consolidation or merger part of subparagraph 5 is provided in the Article 31(c) of the M&AA. The threshold of the number of the shareholders present is in accordance with Article 51 of Article of Incorporation (which means that the total number of shares represented by the shareholders present in person or by proxy at a shareholders' meeting is more than a majority of outstanding shares).</p>
Provisions regarding the supervisors.	There is no special provision regarding the supervisors under the Cayman Companies Law.	Since the Company does not set up supervisors, no amendments to the M&AA are made.
1. Shareholder(s) who has/have been	There is no special provision of requirements or prohibitions under the Cayman Companies Law.	There is no special provision of requirements or

DIFFERENCE	CAYMAN LAWS AND THE EXPLANATION	THE COMPANY'S ARTICLES AND THE EXPLANATION
<p>continuously holding 1% or more of the total number of the outstanding shares of the Company over one year may request in writing the supervisors of the Company to institute, for the Company, an action against a director of the Company, and the Taipei District Court in Taiwan shall be the competent court of the first instance.</p> <p>2. In case the supervisors fail to institute an action within 30 days after having received the request made under the preceding paragraph, then the shareholders filing such request under the preceding paragraph may institute the action for the Company; and the Taipei District Court in Taiwan shall be the competent court of the first instance.</p>	<p>According to the Law of the Cayman Islands, the circumstances in which the shareholder may institute an action for the company: (A) the act is in violation of the laws or beyond the purview of the company and cannot be ratified by the shareholders; or (B) the act constitutes fraud to the minority shareholders (that is, the instituted action requesting relief is against the major shareholders, such major shareholders may not allow the company to let the plaintiff institute the action. It is required to prove the fact of fraud and that the actor engaged in wrongdoing has the controlling power over the company.) As for the act within the purview of the company or beyond the purview of the company but can be ratified by the shareholders and is in line with the will of the majority of shareholders, the court of the Cayman Islands is inclined not to interfere in the internal act of the company. Although this Article has been incorporated into the M&AA, its enforceability in Cayman is in doubt, because the Cayman court is unlikely to recognize the enforceability of foreign non-pecuniary judgments without re-examining the reasons for the dispute.</p>	<p>prohibitions under the Cayman Companies Law, and the company sets up the audit committee rather than supervisors; referring to the provisions regarding the responsibility to replace the supervisors by independent directors of the audit committee in 27 July 2012 Letter No. Taiwan-Securities-listed 1011702189 of Taiwan Stock Exchange Corporation, thus replacing the supervisors part of the paragraph 1 and 2 by the independent directors of the audit committee provided in the Article 123 of the M&AA and may take the courts of competent jurisdiction (including Taipei District Court in Taiwan, if applicable) as the court of the jurisdiction. The Cayman lawyer further indicates that the Article 123 of the M&AA shall comply with the Cayman laws. According to the Cayman laws, the directors are not responsible to institute the action against the other directors by the request of the shareholders with 1% or more holding of the company in the case that the director considers it is not beneficial to company to institute the action.</p>
<p>1.The Directors shall exercise the fiduciary duties in performing their duties and exercise the duty of care as a good faith manager, and shall be held liable for damages resulting from violation of the above. In the event the Director has the above behavior for him/herself or another person, it may be resolved at the shareholders' meeting to deem any income from such behavior as part of the Company's income.</p> <p>2.If the Director is in violation of the law in performing business for the Company, therefore causing damage to another person, he/she shall be held jointly and severally liable for damage to such person with the Company.</p> <p>3.When performing their duties, the Company's officers and supervisors shall have the same damage liability as the Directors.</p>	<p>According to the Cayman Companies Law, the Directors have the fiduciary duties to the company and may be held liable for damages resulting from violation of the above by court decisions; in the event the Director violates the fiduciary duties and has the interest for him/herself or another person, the court may order the Director to return such interest by a court decision.</p> <p>According to the laws of the Cayman Islands, if the Director causes damage to the third party due to performing business for the company and the third party may thus claim for the damages against the company, then the company may claim for damages resulting from the third party's claim against such Director; even though the M&AA provides that the directors shall be held jointly and severally liable for damage to such person with the company, from Cayman law's point of view, the third party still cannot directly claim against the Director.</p>	<p>In light of the comments by the Cayman lawyer (please refer to the left column), set forth the content of Paragraph 1, 2 and 3 in the Article 97B of the M&AA; provided the Cayman lawyer indicates that even though the M&AA of the company provides that the directors shall be held jointly and severally liable for damage to such person with the company, from Cayman law's point of view, the third party still cannot directly claim against the Director.</p>

9.

Any Events in 2021 and up to the Date of this Annual Report that Had Significant Impact on Shareholder's Rights or Security Prices as Stated in Item 3 Paragraph 2 of Article 36 of Securities and Exchange Act of Taiwan

None.

**TANVEX BIOPHARMA, INC. AND
SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
DECEMBER 31, 2021 AND 2020**

For the convenience of readers and for information purpose only, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To Tanvex Biopharma, Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Tanvex Biopharma, Inc. and its subsidiaries (the “Group”) as at December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. Our responsibilities under those standards are further described in the *Independent auditors' responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2021 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

The key audit matter for the Group's 2021 consolidated financial statements is described below:

Impairment assessment of property, plant and equipment and right-of-use assets

Description

As of December 31, 2021, the Group's property, plant and equipment and right-of-use assets amounted to NT\$2,113,852 thousand, accounting for 45% of the consolidated total assets. Please refer to Notes 4(13) for the related accounting policy of impairment of non-financial assets, Note 6(5) for the details of property, plant and equipment and Note 6(6) for the details of right-of-use assets in the consolidated financial statements.

The Group is currently engaged in conducting research and development of biosimilar products, so the property, plant and equipment and right-of-use assets are mainly used for the purposes of research, development and further manufacturing, the usage are highly relevant to the outcome of biosimilar drugs' development. In addition, the balance of property, plant and equipment and right-of-use assets at December 31, 2021 was significant. Thus, we considered the impairment assessment of property, plant and equipment and right-of-use assets as a key audit matter.

How our audit addressed the matter

Our procedures performed in respect of the above key audit matter included:

- Reviewing the reasonableness of the assessment of impairment indicators provided by management and discussing with management and research and development supervisor as to whether:
 1. Main research and development technology has not lost competition in the market.
 2. There is no major delay in the major research and development projects.
 3. The main research and development equipment is in normal use and has not been damaged or outdated.
 4. The market value of the Group's stock is not lower than its book value at the balance sheet date.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by

Securities Issuers and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Independent auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls 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.

Yu, Shu-Fen

Liang, Hua-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

March 21, 2022

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent auditors' are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2021		December 31, 2020	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash	6(1)	\$ 2,222,977	47	\$ 2,068,608	48
1140	Contract assets - current	6(16) and 7	2,523	-	-	-
1200	Other receivables		360	-	1,909	-
130X	Inventory	6(3)	90,331	2	50,082	1
1410	Prepayments	6(4)	85,797	2	142,914	3
11XX	Total current Assets		2,401,988	51	2,263,513	52
Non-current assets						
1535	Financial assets at amortized cost - non-current	6(2) and 8	180,050	4	182,715	4
1600	Property, plant and equipment	6(5)	477,369	10	555,692	13
1755	Right-of-use assets	6(6)	1,636,483	35	1,350,585	31
1780	Intangible assets	6(7)	10,167	-	11,957	-
1920	Guarantee deposits paid		6,436	-	6,496	-
1990	Other non-current assets	6(5)	1,096	-	1,767	-
15XX	Total non-current assets		2,311,601	49	2,109,212	48
1XXX	Total assets		\$ 4,713,589	100	\$ 4,372,725	100

(Continued)

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2021		December 31, 2020			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2200	Other payables	6(8)	\$	159,768	3	\$	232,595	5
2280	Lease liabilities - current	6(6)(26)		88,746	2		65,735	2
2320	Long-term borrowings, current	6(9)						
	portion			-	-		54,769	1
21XX	Total current liabilities			248,514	5		353,099	8
Non-current liabilities								
2540	Long-term borrowings	6(9)		-	-		35,534	1
2580	Lease liabilities - non-current	6(6)(26)		1,670,280	36		1,363,377	31
25XX	Total non-current liabilities			1,670,280	36		1,398,911	32
2XXX	Total Liabilities			1,918,794	41		1,752,010	40
Equity								
	Share capital	6(12)						
3110	Common stock			3,524,547	75		3,116,067	71
	Capital surplus	6(13)						
3200	Capital surplus			10,987,806	233		9,652,911	221
	Retained earnings	6(14)						
3350	Deficit yet to be compensated		(11,327,436)	(241)	(9,784,225)	(224)
	Other equity interest	6(15)						
3400	Other equity interest		(390,122)	(8)	(364,038)	(8)
3XXX	Total equity			2,794,795	59		2,620,715	60
	Significant contingent liabilities and unrecognized contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$	4,713,589	100	\$	4,372,725	100

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

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

	Items	Notes	For the years ended December 31			
			2021		2020	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(16) and 7	\$ 5,406	100	\$ 300	100
5000	Operating costs		(1,856)	(34)	(157)	(52)
5900	Net operating margin		3,550	66	143	48
	Operating expenses	6(5)(6)(7)(10) (11)(21)(22)				
6100	Selling expenses		(42,429)	(785)	(30,077)	(10026)
6200	General and administrative expenses		(176,784)	(3270)	(209,043)	(69681)
6300	Research and development expenses		(1,383,521)	(25592)	(1,860,600)	(620200)
6000	Total operating expenses		(1,602,734)	(29647)	(2,099,720)	(699907)
6900	Operating loss		(1,599,184)	(29581)	(2,099,577)	(699859)
	Non-operating income and expenses					
7100	Interest income	6(2)(17)	3,144	58	18,655	6219
7010	Other income	6(9)(18)	92,853	1718	1,180	393
7020	Other gains and losses	6(19)	6,220	115	(5,900)	(1967)
7050	Finance costs	6(6)(9)(20)	(46,222)	(855)	(18,570)	(6190)
7000	Total non-operating income and expenses		55,995	1036	(4,635)	(1545)
7900	Loss before income tax		(1,543,189)	(28545)	(2,104,212)	(701404)
7950	Income tax expense	6(23)	(22)	-	(24)	(8)
8200	Loss for the year		(\$ 1,543,211)	(28545)	(\$ 2,104,236)	(701412)
	Other comprehensive loss					
	Components of other comprehensive loss that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(15)	(\$ 26,084)	(483)	(\$ 84,656)	(28219)
8500	Total comprehensive loss for the year		(\$ 1,569,295)	(29028)	(\$ 2,188,892)	(729631)
	Loss, attributable to:					
8610	Shareholders of the parent		(\$ 1,543,211)	(28545)	(\$ 2,104,236)	(701412)
	Comprehensive loss attributable to:					
8710	Shareholders of the parent		(\$ 1,569,295)	(29028)	(\$ 2,188,892)	(729631)
	Loss per share	6(24)				
9750	Basic loss per share		(\$ 4.74)		(\$ 7.84)	
9850	Diluted loss per share		(\$ 4.74)		(\$ 7.84)	

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

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Notes	Equity attributable to shareholders of the parent						Total
		Common shares	Share premium	Employee stock options	Others	Deficit yet to be compensated	Other equity interest	
							Financial statements translation differences of foreign operations	
For the year ended December 31, 2020								
Balance at January 1, 2020		\$ 2,642,041	\$ 7,713,233	\$ 521,052	\$ 113,916	(\$ 7,679,989)	(\$ 279,382)	\$ 3,030,871
Loss for the year		-	-	-	-	(2,104,236)	-	(2,104,236)
Other comprehensive loss for the year	6(15)	-	-	-	-	-	(84,656)	(84,656)
Total comprehensive loss for the year		-	-	-	-	(2,104,236)	(84,656)	(2,188,892)
Issuance of shares for cash	6(12)	470,000	1,217,000	-	-	-	-	1,687,000
Compensation cost of issuance of shares for cash		-	1,603	(1,603)	-	-	-	-
Compensation cost of employee stock options	6(11)(22)	-	-	80,356	-	-	-	80,356
Exercise of employee stock options	6(11)(12)	4,026	12,423	(61,693)	56,624	-	-	11,380
Balance at December 31, 2020		\$ 3,116,067	\$ 8,944,259	\$ 538,112	\$ 170,540	(\$ 9,784,225)	(\$ 364,038)	\$ 2,620,715
For the year ended December 31, 2021								
Balance at January 1, 2021		\$ 3,116,067	\$ 8,944,259	\$ 538,112	\$ 170,540	(\$ 9,784,225)	(\$ 364,038)	\$ 2,620,715
Loss for the year		-	-	-	-	(1,543,211)	-	(1,543,211)
Other comprehensive loss for the year	6(15)	-	-	-	-	-	(26,084)	(26,084)
Total comprehensive loss for the year		-	-	-	-	(1,543,211)	(26,084)	(1,569,295)
Issuance of shares for cash	6(12)	400,000	1,275,000	-	-	-	-	1,675,000
Compensation cost of issuance of shares for cash		-	279	(279)	-	-	-	-
Compensation cost of employee stock options	6(11)(22)	-	-	52,946	-	-	-	52,946
Exercise of employee stock options	6(11)(12)	8,480	14,188	(7,239)	-	-	-	15,429
Forfeite of employee stock options		-	-	(74,131)	74,131	-	-	-
Balance at December 31, 2021		\$ 3,524,547	\$ 10,233,726	\$ 509,409	\$ 244,671	(\$ 11,327,436)	(\$ 390,122)	\$ 2,794,795

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

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		For the years ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(\$ 1,543,189)	(\$ 2,104,212)
Adjustments items			
Adjustments to reconcile profit (loss)			
Depreciation	6(5)(6)(21)	241,433	215,827
Amortization	6(7)(21)	2,149	4,580
Compensation cost of employee stock options	6(11)(22)	52,946	80,356
Interest income	6(17)	(3,144)	(18,655)
Interest expense	6(6)(9)(20)	46,222	18,570
Loss on disposal of property, plant and equipment	4(19)	938	272
Government grants - project grant borrowings transferred to other income	6(18)	(90,612)	-
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Contract assets - current		(2,523)	-
Other receivables		1,549	(723)
Inventory		(40,249)	(2,121)
Prepayments		57,117	(18,884)
Changes in liabilities relating to operating activities			
Other payable		(66,969)	32,428
Cash outflow generated from operations activities		(1,344,332)	(1,788,320)
Receipt of interest		3,144	18,683
Payment of interest		(45,811)	(17,964)
Income taxes paid		(22)	(24)
Net cash flows used in operating activities		(1,387,021)	(1,787,625)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost		15,010	(193,870)
Proceeds from disposal of financial assets at amortized cost		(15,010)	-
Acquisition of property, plant and equipment	6(5)(25)	(29,824)	(66,029)
Proceeds from disposal of property, plant and equipment		6,700	170
Acquisition of intangible assets	6(7)	(522)	(1,466)
Decrease in refundable deposits		60	18,495
Increase in other non-current assets		(1,096)	(597)
Net cash flows used in investing activities		(24,682)	(243,297)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in long-term borrowings		-	94,866
Redemption of lease liabilities	6(6)(26)	(93,112)	(67,759)
Issuance of shares for cash	6(12)	1,675,000	1,692,000
Exercise of employee stock options	6(11)	15,429	11,380
Net cash flows from financing activities		1,597,317	1,730,487
Effect of exchange rate changes on cash and cash equivalents		(31,245)	(58,408)
Net increase (decrease) in cash		154,369	(358,843)
Cash at beginning of year		2,068,608	2,427,451
Cash at end of year		\$ 2,222,977	\$ 2,068,608

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

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

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

1. HISTORY AND ORGANIZATION

Tanvex Biopharma, Inc. (the “Company”) was incorporated as a company limited by shares in the Cayman Islands in May, 2013. The address of the Company’s registered office is P.O. BOX 31119, Grand Pavilion Hibiscus Way, 802 West Bay Road, KY1-1205, Cayman Islands. The Company and its subsidiaries (the “Group”) are primarily engaged in the research, development, manufacture and sales of biosimilar products. The Group is currently engaged in conducting research and development of biosimilar products, biological production procedures, and has not yet generated revenues. On October 26, 2017, the Company was listed on the Taiwan Stock Exchange (TWSE).

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 21, 2022.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018 - 2020	January 1, 2022
The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.	

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (“collectively referred herein as the IFRSs”).

(2) Basis of preparation

- A. The consolidated financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
- (b) Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- B. Subsidiaries included in the consolidated financial statements:

Name of investment company	Name of subsidiaries	Main activities	Ownership (%)	
			December 31, 2021	December 31, 2020
Tanvex Biopharma, Inc.	Tanvex Biologics, Corp. (“Tanvex Taiwan”)	Research and development of biosimilar drugs and new drugs	100%	100%
Tanvex Biopharma, Inc.	Tanvex BioPharma USA, Inc. (“Tanvex USA”)	Formulation and manufacturing of biosiomilar drugs and new drugs	100%	100%

- C. Subsidiaries not included in the consolidated financial statements: None.
- D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The Group's functional currency is United States dollars ("USD"). However, as the Group is listed in the Taiwan Stock Exchange, under the regulations of the country where the consolidated financial statements are reported to the regulatory authorities, these consolidated financial statements are presented in New Taiwan dollars ("NTD").

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.
- (c) All foreign exchange gains and losses are presented in the statement of comprehensive income within "other gains or losses".

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
- (b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period.
- (c) All resulting exchange differences are recognized in other comprehensive income.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets:

- (a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realized within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

Otherwise they are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

- (a) Liabilities that are expected to be paid off within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Otherwise they are classified as non-current liabilities.

(6) Financial assets at amortized cost

The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(7) Impairment of financial assets

For financial assets at amortized cost and accounts receivable that have a significant financing component, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(8) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(9) Inventory

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(10) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

- C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Testing equipment	3~10 years
Office equipment	3~10 years
Leasehold improvements	2~12 years
Machinery and equipment	7~10 years
Transportation equipment	5 years

(11) Leasing arrangements (lessee) - right-of-use assets / lease liabilities

- A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

- (a) Fixed payments, less any lease incentives receivable; and
- (b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date;
- (c) Any initial direct costs incurred by the lessee; and
- (d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(12) Intangible assets

A. Patents and specialized technologies

Patents and specialized technologies are stated at cost and amortized on a straight-line basis over the estimated economic life.

B. Computer software

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 years.

(13) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(14) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(15) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(16) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a deduction in the future payment.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal obligation or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(17) Employee share-based payment

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-market vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. And ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

B. The grant date of share-based payment arrangements is the date that the Group and the employees have common consensus on the terms and conditions of the agreements.

(18) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in

the year the shareholders resolve to retain the earnings.

- C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.
- D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
- E. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the unused tax credits and loss carryforward can be utilized.

(19) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(20) Revenue recognition

Commissioned service revenue

Revenue from providing commissioned services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the actual costs incurred relative to the total expected cost. If there is lack of reliable information for the percentage of completion method, but the incurred costs for satisfying the performance obligation can be recovered, under such circumstances, contract revenue is recognized only to the extent of contract costs incurred that is probable to be recovered until the performance obligation can be estimated reliably. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized. The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(21) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(22) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Critical accounting estimates and assumptions

Impairment assessment of property, plant and equipment and right-of-use assets

The Group assesses impairment based on its subjective judgement and determines the separate cash flows of a specific group of assets, useful lives of assets and the future possible income and expenses arising from the assets depending on how assets are utilised and industrial characteristics. Any changes of economic circumstances or estimates due to the change of Group strategy might cause material impairment on assets in the future.

As of December 31, 2021, the carrying amount of property, plant and equipment and right-of-use assets was \$2,113,852.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand and petty cash	\$ 145	\$ 132
Checking accounts and demand deposits	<u>2,222,832</u>	<u>2,068,476</u>
	<u>\$ 2,222,977</u>	<u>\$ 2,068,608</u>

A. The Group associates with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash pledged to others.

(2) Financial assets at amortized cost

<u>Items</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Non-current items:		
Time deposits	<u>\$ 180,050</u>	<u>\$ 182,715</u>

A. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	For the years ended December 31,	
	2021	2020
Interest income	\$ 209	\$ 92

B. As at December 31, 2021 and 2020, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Group was \$180,050 and \$182,715, respectively.

C. Details of the Group's financial assets at amortized cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk is provided in Note 12(2).

(3) Inventory

	December 31, 2021		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 90,331	\$ -	\$ 90,331

	December 31, 2020		
	Cost	Allowance for valuation loss	Book value
Raw materials	\$ 50,082	\$ -	\$ 50,082

(4) Prepayments

	December 31, 2021	December 31, 2020
Prepayments for contracted research expense	\$ 24,522	\$ 83,408
Prepayments for software maintenance fee	6,120	1,934
Excess business tax paid	24,952	23,661
Others	30,203	33,911
	<u>\$ 85,797</u>	<u>\$ 142,914</u>

(5) Property, plant and equipment

	Office equipment	Leasehold improvements	Testing equipment	Machinery equipment	Transportation equipment	Construction in progress	Total
<u>At January 1, 2021</u>							
Cost	\$ 39,327	\$ 322,420	\$ 502,448	\$ 342,649	\$ 448	\$ 48,778	\$ 1,256,070
Accumulated depreciation and impairment	(22,091)	(237,172)	(257,802)	(182,865)	(448)	-	(700,378)
	<u>\$ 17,236</u>	<u>\$ 85,248</u>	<u>\$ 244,646</u>	<u>\$ 159,784</u>	<u>\$ -</u>	<u>\$ 48,778</u>	<u>\$ 555,692</u>
<u>2021</u>							
At January 1	\$ 17,236	\$ 85,248	\$ 244,646	\$ 159,784	\$ -	\$ 48,778	\$ 555,692
Additions	1,212	486	10,721	12,209	-	11,054	35,682
Disposals	-	-	(214)	(7,424)	-	-	(7,638)
Transfers (Note)	-	-	7,230	370	-	(5,833)	1,767
Depreciation charge	(4,113)	(16,487)	(48,527)	(33,717)	-	-	(102,844)
Net exchange differences	(211)	(1,047)	(1,711)	(2,126)	-	(195)	(5,290)
At December 31	<u>\$ 14,124</u>	<u>\$ 68,200</u>	<u>\$ 212,145</u>	<u>\$ 129,096</u>	<u>\$ -</u>	<u>\$ 53,804</u>	<u>\$ 477,369</u>
<u>At December 31, 2021</u>							
Cost	\$ 39,336	\$ 318,946	\$ 514,216	\$ 335,835	\$ 441	\$ 53,804	\$ 1,262,578
Accumulated depreciation and impairment	(25,212)	(250,746)	(302,071)	(206,739)	(441)	-	(785,209)
	<u>\$ 14,124</u>	<u>\$ 68,200</u>	<u>\$ 212,145</u>	<u>\$ 129,096</u>	<u>\$ -</u>	<u>\$ 53,804</u>	<u>\$ 477,369</u>

Note: It refers to prepaid equipment (shown as “other non-current assets - other”) transferred into property, plant and equipment.

	Office equipment	Leasehold improvements	Testing equipment	Machinery equipment	Transportation equipment	Construction in progress	Total
<u>At January 1, 2020</u>							
Cost	\$ 48,445	\$ 340,538	\$ 454,798	\$ 359,753	\$ 479	\$ 49,409	\$ 1,253,422
Accumulated depreciation and impairment	(26,656)	(198,929)	(210,238)	(159,344)	(431)	-	(595,598)
	<u>\$ 21,789</u>	<u>\$ 141,609</u>	<u>\$ 244,560</u>	<u>\$ 200,409</u>	<u>\$ 48</u>	<u>\$ 49,409</u>	<u>\$ 657,824</u>
<u>2020</u>							
At January 1	\$ 21,789	\$ 141,609	\$ 244,560	\$ 200,409	\$ 48	\$ 49,409	\$ 657,824
Additions	1,844	679	36,845	593	-	26,853	66,814
Reclassifications	(889)	(5,191)	6,080	-	-	-	-
Disposals	-	-	-	(170)	-	(272)	(442)
Transfers (Note)	256	7,865	14,109	6,303	-	(26,198)	2,335
Depreciation charge	(4,618)	(53,664)	(47,813)	(35,725)	(47)	-	(141,867)
Net exchange differences	(1,146)	(6,050)	(9,135)	(11,626)	(1)	(1,014)	(28,972)
At December 31	<u>\$ 17,236</u>	<u>\$ 85,248</u>	<u>\$ 244,646</u>	<u>\$ 159,784</u>	<u>\$ -</u>	<u>\$ 48,778</u>	<u>\$ 555,692</u>
<u>At December 31, 2020</u>							
Cost	\$ 39,327	\$ 322,420	\$ 502,448	\$ 342,649	\$ 448	\$ 48,778	\$ 1,256,070
Accumulated depreciation and impairment	(22,091)	(237,172)	(257,802)	(182,865)	(448)	-	(700,378)
	<u>\$ 17,236</u>	<u>\$ 85,248</u>	<u>\$ 244,646</u>	<u>\$ 159,784</u>	<u>\$ -</u>	<u>\$ 48,778</u>	<u>\$ 555,692</u>

Note: It refers to prepaid equipment (shown as “other non-current assets - other”) transferred into property, plant and equipment.

The Group did not pledge property, plant and equipment as collateral.

(6) Leasing arrangements - lessee

- A. The Group leases various assets including offices and plants. Rental contracts are typically made for periods of 5 to 12 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. Short-term leases with a lease term of 12 months or less comprise warehouse pallets. Low-value assets comprise printers and lift.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
	<u>Carrying amount</u>	<u>Carrying amount</u>
Right-of-use-assets:		
Buildings and plants	<u>\$ 1,636,483</u>	<u>\$ 1,350,585</u>
Lease liabilities:		
Current	<u>\$ 88,746</u>	<u>\$ 65,735</u>
Non-current	<u>1,670,280</u>	<u>1,363,377</u>
	<u>\$ 1,759,026</u>	<u>\$ 1,429,112</u>
	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
	<u>Depreciation charge</u>	<u>Depreciation charge</u>
Buildings and plants	<u>\$ 138,589</u>	<u>\$ 73,960</u>

D. For the years ended December 31, 2021 and 2020, the additions to right-of-use assets were \$416,818 and \$1,230,397, respectively, and the increase in right-of-use assets arising from lease renewals amounted to \$28,766 and \$0, respectively.

E. The information on profit and loss accounts relating to lease contracts is as follows:

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 45,811</u>	<u>\$ 17,964</u>
Expense on short-term lease contracts	<u>\$ 119</u>	<u>\$ 140</u>
Expense on leases of low-value assets	<u>\$ 1,706</u>	<u>\$ 2,130</u>

F. For the years ended December 31, 2021 and 2020, the Group's total cash outflow for leases were \$140,748 and \$87,993, respectively.

G. Extension and termination options

In determining the lease term, the Group takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(7) Intangible assets

	Patent and specialized technologies	Computer software	Total
<u>At January 1, 2021</u>			
Cost	\$ 51,650	\$ 55,220	\$ 106,870
Accumulated amortization	(51,650)	(43,263)	(94,913)
	<u>\$ -</u>	<u>\$ 11,957</u>	<u>\$ 11,957</u>
<u>2021</u>			
At January 1	\$ -	\$ 11,957	\$ 11,957
Additions	-	522	522
Amortization change	-	(2,149)	(2,149)
Net exchange differences	-	(163)	(163)
At December 31	<u>\$ -</u>	<u>\$ 10,167</u>	<u>\$ 10,167</u>
<u>At December 31, 2021</u>			
Cost	\$ 51,650	\$ 55,017	\$ 106,667
Accumulated amortization	(51,650)	(44,850)	(96,500)
	<u>\$ -</u>	<u>\$ 10,167</u>	<u>\$ 10,167</u>
	Patent and specialized technologies	Computer software	Total
<u>At January 1, 2020</u>			
Cost	\$ 51,650	\$ 57,160	\$ 108,810
Accumulated amortization	(51,650)	(41,228)	(92,878)
	<u>\$ -</u>	<u>\$ 15,932</u>	<u>\$ 15,932</u>
<u>2020</u>			
At January 1	\$ -	\$ 15,932	\$ 15,932
Additions	-	1,466	1,466
Amortization charge	-	(4,580)	(4,580)
Net exchange differences	-	(861)	(861)
At December 31	<u>\$ -</u>	<u>\$ 11,957</u>	<u>\$ 11,957</u>
<u>At December 31, 2020</u>			
Cost	\$ 51,650	\$ 55,220	\$ 106,870
Accumulated amortization	(51,650)	(43,263)	(94,913)
	<u>\$ -</u>	<u>\$ 11,957</u>	<u>\$ 11,957</u>

Details of amortization on intangible assets are as follows:

	For the years ended December 31,	
	2021	2020
General and administrative expenses	\$ 365	\$ 780
Research and development expenses	1,784	3,800
	<u>\$ 2,149</u>	<u>\$ 4,580</u>

Patent and specialized technologies are essential for biological research and development and manufacturing of biopharmaceuticals.

(8) Other payables

	December 31, 2021	December 31, 2020
Wages and salaries payable	\$ 54,306	\$ 52,674
Accrued research material	28,522	9,847
Accrued research expense	45,003	126,622
Payable on equipment	10,059	4,201
Accrued service fee	9,655	21,850
Others	12,223	17,401
	<u>\$ 159,768</u>	<u>\$ 232,595</u>

(9) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate	Collateral	December 31, 2020
Project grant borrowings	Borrowing period is from May 7, 2020 to May 7, 2022	1%	None	\$ 90,303
Less: Current portion				(54,769)
				<u>\$ 35,534</u>

As at December 31, 2021, the Group has no long-term borrowings.

A. The Group's subsidiary has applied for loans under the Paycheck Protection Program of the US Small Business Administration and the major conditions of the loans are as follows:

- (a) The period from the drawdown date to documentations applied for forgiveness is the grace period wherein the borrower does not need to repay the principal and interest, but interest still needs to be accrued.
- (b) A borrower can apply for forgiveness of the loan by providing documentations for salaries, rental and utilities paid eight weeks after the drawdown date.

B. In compliance with the regulations, the Group's subsidiary has provided documentations to the lender to apply for forgiveness of the loan and interest expense, which had been approved on June 16, 2021. Accordingly, the relevant loan and interest payable amounting to \$89,629 and \$983, respectively were transferred to other income.

C. Interest expense recognized in profit or loss amounted to \$411 and \$606 for the years ended December 31, 2021 and 2020, respectively.

(10) Pensions

A. The subsidiary, Tanvex Taiwan, has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with the R.O.C. nationality. Under the New Plan, Tanvex Taiwan contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

The subsidiary, Tanvex USA, provides 401(K) retirement plan, which is a defined contribution plan. Under the plan, the employee contributes an amount based on a certain percentage of the employees’ salaries and wages or a certain amount to the employees’ individual pension accounts. Tanvex USA also contributes a certain percentage of wages and salaries of the employees to the employees’ individual pension accounts.

B. The pension costs under the above pension plans of the Group for the years ended December 31, 2021 and 2020 were \$8,236 and \$8,301, respectively.

(11) Share-based payment

A. As at December 31, 2021, the Group’s share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted (number of shares)	Contract period	Vesting conditions
Employee stock options A	2013.10	322,000	10 years	1~4 years of service
Employee stock options B	2013.10	20,000	10 years	Immediately vested and 1~2 years of service
Employee stock options D	2014.10~12	3,680,000	10 years	1~4 years of service
Employee stock options F	2015.1~6	2,272,500	10 years	1~4 years of service
Employee stock options G	2015.7	620,000	10 years	1~4 years of service
Employee stock options H	2015.12	596,000	10 years	2~4 years of service
Employee stock options I	2016.6	918,000	10 years	2~4 years of service
Employee stock options J	2016.7	3,014,000	10 years	2~4 years of service
Employee stock options K	2016.9	160,000	10 years	2~4 years of service
Employee stock options L	2016.12	686,000	10 years	2~4 years of service
Employee stock options M	2017.1	200,000	10 years	2~4 years of service
Employee stock options N	2017.3	320,000	10 years	2~4 years of service
Employee stock options O	2017.6	416,000	10 years	2~4 years of service
Employee stock options P	2017.10	3,595,300	10 years	2~4 years of service
Employee stock options Q	2017.12	359,000	10 years	2~4 years of service
Employee stock options R	2018.3	1,614,000	10 years	2~4 years of service
Employee stock options S	2018.6	1,200,000	10 years	2~4 years of service
Employee stock options T	2018.9	544,000	10 years	2~4 years of service
Employee stock options U	2018.9	2,264,200	10 years	2~4 years of service
Employee stock options W	2018.12	1,688,000	10 years	2~4 years of service
Employee stock options X	2019.4	490,000	10 years	2~4 years of service
Employee stock options Y	2019.8	4,150,900	10 years	2~4 years of service
Employee stock options Z	2019.10	408,000	10 years	2~4 years of service

Type of arrangement	Grant date	Quantity granted (number of shares)	Contract period	Vesting conditions
Employee stock options AA	2020.1	216,000	10 years	2~4 years of service
Employee stock options AB	2020.4	1,156,000	10 years	2~4 years of service
Employee stock options AC	2020.5	5,335,300	10 years	2~4 years of service
Employee stock options AD	2020.7	670,000	10 years	2~4 years of service
Employee stock options AE	2020.10	90,000	10 years	2~4 years of service
Cash capital increase reserved for employee preemption	2020.11	259,000	NA	Immediately vested
Employee stock options AF	2021.1	1,232,000	10 years	2~4 years of service
Employee stock options AG	2021.4	110,000	10 years	2~4 years of service
Employee stock options AH	2021.7	642,000	10 years	2~4 years of service
Cash capital increase reserved for employee preemption	2021.9	60,506	NA	Immediately vested
Employee stock options AI	2021.10	586,000	10 years	2~4 years of service
Employee stock options AJ	2021.12	3,508,690	10 years	2~4 years of service

Type of arrangement	Grant date	Quantity granted (number of shares)		Contract period	Vesting conditions
		Before conversion	After conversion		
Employee stock options E (Note)	2014.10	4,453,500	4,987,884	10 years	Immediately vested and 1~4 years of service

Note : The original parent company of Tanvex USA granted employee stock options and warrants to the employees of Tanvex USA during 2010 to 2014. As the Group determined to use Tanvex BioPharma, Inc. as a listing company to apply for initial public offering, the Company issued employee stock options to Tanvex USA, Inc.'s, employees to replace their original stock options. The fair value of incremental cost arising from the replacement was \$9,891.

B. Details of the share-based payment - employee stock options arrangements are as follows:

	2021		2020	
	Number of shares	Weighted- average exercise price (US\$)	Number of shares	Weighted- average exercise price (US\$)
Options outstanding at January 1	21,192,252	\$ 2.26	18,687,779	\$ 2.64
Options granted	6,078,690	2.20	7,467,300	1.27
Options forfeited	(4,664,900)	2.09	(4,560,200)	2.53
Options exercised	(848,000)	0.64	(402,627)	0.96
Options outstanding at December 31	<u>21,758,042</u>	2.29	<u>21,192,252</u>	2.26
Options exercisable at December 31	<u>8,974,202</u>		<u>8,478,977</u>	

- C. The weighted-average stock price of stock options at exercise dates for the years ended December 31, 2021 and 2020 was \$62.36 (in dollars) and \$47.42 (in dollars), respectively.
- D. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

Issuance date approved	Expiration date	December 31, 2021		December 31, 2020	
		Number of shares	Exercise Price (US\$)	Number of shares	Exercise Price (US\$)
2013.10	2023.10	-	\$ -	32,500	\$ 0.20
2014.10 (Note)	2024.10	133,152	0.40	350,652	0.40
2014.10~12	2024.10~12	529,000	0.40	953,500	0.40
2015.1~6	2025.1~6	474,500	1.50	662,000	1.50
2015.12	2025.12	140,000	4.79	240,000	4.79
2016.6	2026.6	230,000	3.96	380,000	3.96
2016.7	2026.7	994,000	4.76	1,034,000	4.76
2016.9	2026.9	20,000	5.18	40,000	5.18
2016.12	2026.12	600,000	4.57	600,000	4.57
2017.3	2027.3	90,000	4.18	130,000	4.18
2017.6	2027.6	64,000	3.89	94,000	3.89
2017.10	2027.10	2,279,300	3.21	2,453,100	3.21
2017.12	2027.12	23,000	2.51	93,000	2.51
2018.3	2028.3	400,000	3.56	836,000	3.56
2018.6	2028.6	162,000	3.44	194,000	3.44
2018.9	2028.9	205,000	2.55	238,000	2.55
2018.9	2028.9	1,435,500	2.44	1,709,500	2.44
2018.12	2028.12	821,000	2.04	950,000	2.04
2019.4	2029.4	152,000	2.38	264,000	2.38
2019.8	2029.8	2,015,500	2.14	2,680,700	2.14
2019.10	2029.10	102,000	2.07	166,000	2.07
2020.1	2030.1	174,000	1.42	186,000	1.42
2020.4	2030.4	234,000	1.07	1,076,000	1.07
2020.5	2030.5	3,863,400	1.26	5,079,300	1.26
2020.7	2030.7	612,000	1.59	660,000	1.59
2020.10	2030.10	70,000	1.40	90,000	1.40
2021.1	2031.1	1,218,000	1.31	-	-
2021.4	2031.4	34,000	3.12	-	-
2021.7	2031.7	618,000	1.77	-	-
2021.10	2031.10	556,000	1.51	-	-
2021.12	2031.12	3,508,690	2.68	-	-

Note: Please refer to the details of employee stock option E.

E. The fair value of stock options is measured using the Black-Scholes option-pricing model.

Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life (Years)	Expected dividends yield rate	Risk-free interest rate	Fair value per unit
Employee stock options A	2013.10	US\$0.20	US\$0.20	41.52%~42.09%	5.5~7	0%	1.42%~1.64%	US\$0.08~0.09
Employee stock options B	2013.10	US\$0.20	US\$0.20	40.84%~41.65%	4~5	0%	1.13%~1.33%	US\$0.07~0.08
Employee stock options D	2014.10~12	US\$0.40	US\$0.40	44.94%~50.16%	5.5~7	0%	1.68%~2.10%	US\$0.17~0.21
Employee stock options F	2015.1~6	US\$1.50	US\$1.50	47.78%~49.59%	5.5~7	0%	1.36%~1.95%	US\$0.64~0.81
Employee stock options G	2015.7	US\$1.50	US\$1.50	44.22%~51.03%	5.5~7	0%	1.74%~2.06%	US\$0.64~0.80
Employee stock options H	2015.12	US\$8.66	US\$4.79	48.60%~52.88%	6~7	0%	1.83%~2.01%	US\$5.50~5.91
Employee stock options I	2016.6	US\$4.01	US\$3.96	48.93%~52.17%	6~7	0%	1.28%~1.42%	US\$1.90~2.15
Employee stock options J	2016.7	US\$5.34	US\$4.76	49.27%~52.00%	6~7	0%	1.13%~1.26%	US\$2.69~2.98
Employee stock options K	2016.9	US\$4.92	US\$5.18	48.7%~50.83%	6~7	0%	1.35%~1.50%	US\$2.25~2.52
Employee stock options L	2016.12	US\$4.61	US\$4.57	44.71%~46.81%	6~7	0%	2.25%~2.42%	US\$2.11~2.36
Employee stock options M	2017.1	US\$4.79	US\$4.66	44.61%~46.71%	6~7	0%	2.09%~2.25%	US\$2.20~2.46
Employee stock options N	2017.3	US\$4.18	US\$4.18	44.54%~46.19%	6~7	0%	2.15%~2.30%	US\$1.89~2.10
Employee stock options O	2017.6	US\$3.80	US\$3.89	44.03%~45.22%	6~7	0%	1.88%~1.99%	US\$1.66~1.83
Employee stock options P	2017.10	US\$3.20	US\$3.21	43.79%~45.32%	6~7	0%	2.19%~2.30%	US\$1.43~1.58
Employee stock options Q	2017.12	US\$2.51	US\$2.51	42.36%~43.25%	6~7	0%	2.22%~2.28%	US\$1.10~1.22
Employee stock options R	2018.3	US\$3.57	US\$3.56	42.13%~44.04%	6~7	0%	2.70%~2.76%	US\$1.59~1.77
Employee stock options S	2018.6	US\$3.43	US\$3.44	45.97%~46.32%	6~7	0%	2.84%~2.89%	US\$1.63~1.76
Employee stock options T	2018.9	US\$2.55	US\$2.55	45.49%~46.07%	6~7	0%	2.93%~2.96%	US\$1.22~1.30
Employee stock options U	2018.9	US\$2.44	US\$2.44	45.45%~46.02%	6~7	0%	3.02%~3.06%	US\$1.17~1.25

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life (Years)	Expected dividends yield rate	Risk-free interest rate	Fair value per unit
Employee stock options W	2018.12	US\$2.04	US\$2.04	45.61%~ 46.14%	6~7	0%	2.65%~ 2.68%	US\$0.97~ 1.03
Employee stock options X	2019.4	US\$2.38	US\$2.38	46.23%~ 47.29%	6~7	0%	2.38%~ 2.42%	US\$1.14~ 1.20
Employee stock options Y	2019.8	US\$2.15	US\$2.14	44.39%~ 45.20%	6~7	0%	1.51%~ 1.54%	US\$0.96~ 1.02
Employee stock options Z	2019.10	US\$2.07	US\$2.07	44.55%~ 45.33%	6~7	0%	1.40%~ 1.45%	US\$0.92~ 0.98
Employee stock options AA	2020.1	US\$1.42	US\$1.42	42.95%~ 43.67%	6~7	0%	1.67%~ 1.72%	US\$0.62~ 0.68
Employee stock options AB	2020.4	US\$1.07	US\$1.07	44.86%~ 45.89%	6~7	0%	0.52%~ 0.59%	US\$0.47~ 0.49
Employee stock options AC	2020.5	US\$1.26	US\$1.26	44.63%~ 45.50%	6~7	0%	0.44%~ 0.52%	US\$0.54~ 0.57
Employee stock options AD	2020.7	US\$1.59	US\$1.59	45.51%~ 46.80%	6~7	0%	0.41%~ 0.51%	US\$0.70~ 0.74
Employee stock options AE	2020.10	US\$1.40	US\$1.40	45.36%~ 46.81%	6~7	0%	0.44%~ 0.55%	US\$0.62~ 0.65
Cash capital increase reserved for employee preemption	2020.11	NT\$42.1 (US\$1.49)	NT\$36 (US\$1.28)	43.04%	0.05	0%	0.34%	NT\$6.19 (US\$0.22)
Employee stock options AF	2021.1	US\$1.31	US\$1.31	45.47%~ 47.00%	6~7	0%	0.49%~ 0.64%	US\$0.58~ 0.61
Employee stock options AG	2021.4	US\$3.12	US\$3.12	46.64%~ 48.42%	6~7	0%	1.10%~ 1.33%	US\$1.45~ 1.52
Employee stock options AH	2021.7	US\$1.77	US\$1.77	47.77%~ 49.10%	6~7	0%	0.88%~ 1.03%	US\$0.83~ 0.87
Cash capital increase reserved for employee preemption	2021.9	NT\$46.50 (US\$1.67)	NT\$42.00 (US\$1.51)	35.32%	0.04	0%	0.34%	NT\$4.61 (US\$0.17)
Employee stock options AI	2021.10	US\$1.51	US\$1.51	46.33%~ 47.72%	6~7	0%	1.11%~ 1.27%	US\$0.68~ 0.75
Employee stock options AJ	2021.12	US\$2.68	US\$2.68	45.89%~ 49.05%	6~7	0%	1.31%~ 1.39%	US\$1.20~ 1.36

Information regarding Employee stock options E before and after conversion is as follows:

Before conversion:

Type of arrangement	Original grant date	Exercise price	Expected price volatility	Expected option life (Years)	Expected dividends yield rate	Risk-free interest rate	Fair value per unit
Employee stock options E	2010.6~ 2014.9	US\$0.15 ~0.40	41.37% ~42.14%	6.25	0%	1.00%~ 2.46%	US\$0.025 ~0.166

Type of arrangement	Revised date	Exercise price	Expected price volatility	Expected option life (Years)	Expected dividends yield rate	Risk-free interest rate	Fair value per unit
Employee stock options E	2014.10	US\$0.15 ~0.40	37.87% ~50.16%	3.10~ 6.67	0%	1.06%~ 2.00%	US\$0.01 ~0.04

After conversion:

Type of arrangement	Grant date	Exercise price	Expected price volatility	Expected option life (Years)	Expected dividends yield rate	Risk-free interest rate	Fair value per unit
Employee stock options E	2014.10	US\$0.4	37.87% ~50.16%	3.10~ 6.67	0%	1.06%~ 2.00%	US\$0.11 ~0.20

E. Aforementioned expenses incurred on share-based payment transactions are shown below:

	For the years ended December 31,	
	2021	2020
Equity-settled	\$ 52,946	\$ 80,356

(12) Share capital

A. As of December 31, 2021, the Company's authorized capital was \$5,000,000, and the paid-in capital was 3,524,547, consisting of \$352,454,701 shares, with a par value of NT\$10 per share.

B. Movements in the number of the Company's ordinary shares outstanding are as follows:

	2021	2020
At January 1	\$ 311,606,701	\$ 264,204,074
Employee stock options exercised	848,000	402,627
Issuance of shares for cash	40,000,000	47,000,000
At December 31	\$ 352,454,701	\$ 311,606,701

C. To strengthen working capital, on September 9, 2020, the Board of Directors adopted a resolution to increase capital by issuing 47,000,000 new shares at a premium issuance price of NT\$36 (in dollars) per share. The record date for capital increase was on December 21, 2020. The capital increase had been completed.

D. To strengthen working capital, on July 20, 2021, the Board of Directors adopted a resolution to increase capital by issuing 40,000,000 new shares at a premium issuance price of NT\$42 (in

dollars) per share. The record date for capital increase was on September 29, 2021. The capital increase had been completed.

(13) Capital surplus

- A. The Directors shall in accordance with the Companies Law of the Cayman Islands establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share.
- B. Subject to the Applicable Listing Rules and the Companies Law of the Cayman Islands, there shall be debited to any share premium account on the redemption or purchase of a Share the difference between the nominal value of such Share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Law, out of capital.

(14) Deficit yet to be compensated

- A. Under the Company's Articles of Incorporation, the Company by ordinary resolution may declare dividends and other distributions on shares in issue and authorize payment of the same out of the funds of the Company lawfully available thereof. The Company's dividend policy is based on the future capital expenses and the needs of capital, and dividends can be distributed to shareholders in cash or stock. Except for the Applicable Listing Rules, the net profits of the Company for each annual financial year shall be allocated in the following order and proposed by the Board of Directors to the Shareholders in the general meeting for approval:
 - (a) to make provision of the applicable amount of income tax pursuant to applicable tax laws regulations;
 - (b) to set off cumulative losses of previous years (if any);
 - (c) to set aside ten percent (10%) as Legal Reserve pursuant to the Applicable Listing Rules unless the accumulated amount of such Legal Reserve equals to the total paid-up capital of the Company;.
 - (d) to set aside an amount as Special Reserve pursuant to the Applicable Listing Rules and requirements of the Authority;
 - (e) with respect to the earnings available for distribution (i.e. the net profit after the deduction of the items (a) to (d) above plus any previously undistributed cumulative Retained Earnings), the Board of Directors may present a proposal to distribute to the Shareholders by way of dividends at the annual general meeting for approval pursuant to the Applicable Listing Rules. Dividends may be distributed in the form of cash dividends and/or bonus shares and subject to Cayman Islands law, the amount of dividends shall be at least ten percent (10%) of the net profit after the deduction of the items (a) to (d) above. Cash dividends shall comprise a minimum of ten percent (10%) and a maximum of one hundred percent (100%) of the total dividends allocated to Shareholders.
- B. The Company incurred operating losses for the years ended December 31, 2021 and 2020, and thus had no earnings for distribution.

(15) Other equity items

	2021	2020
	Currency Translation	
At January 1	(\$ 364,038)	(\$ 279,382)
Currency translation differences - Group	(24,510)	(84,656)
At December 31	(\$ 388,548)	(\$ 364,038)

(16) Operating revenue

	For the years ended December 31,	
	2021	2020
Commissioned service revenue	\$ 5,406	\$ 300

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of services over time in the following major product lines and geographical regions:

<u>2021</u>	Taiwan	Total
Revenue from external customer contracts	\$ 5,406	\$ 5,406
Timing of revenue recognition		
Over time	\$ 5,406	\$ 5,406
<u>2020</u>	Taiwan	Total
Revenue from external customer contracts	\$ 300	\$ 300
Timing of revenue recognition		
Over time	\$ 300	\$ 300

B. Contract assets

The Group has recognized the following revenue-related contract assets:

	December 31, 2021	December 31, 2020
Contract assets:		
Contract assets - commissioned service contract	\$ 2,523	\$ -

The Group's Subsidiary - Tanvex Taiwan signed contract development and manufacturing organization with OBI PHARMA, INC. ("OBI") on May 28, 2021. Tanvex Taiwan is commissioned by OBI to carry out the frontend work of the new drug cell line development. Under the terms of this contract, the Group will receive commissioned service revenue up to \$7,250 and related consumables and experiment expenses. As of December 31, 2021, the Group had received commissioned service revenue, related consumables and experiment expenses amounting to \$2,323.

(17) Interest income

	For the years ended December 31,	
	2021	2020
Interest income from bank deposits	\$ 2,933	\$ 18,563
Interest income from financial assets measured at amortized cost	209	92
Other interest income	2	-
	<u>\$ 3,144</u>	<u>\$ 18,655</u>

(18) Other income

	For the years ended December 31,	
	2021	2020
Government grants (Note)	\$ 90,612	\$ -
Other income	2,241	1,180
	<u>\$ 92,853</u>	<u>\$ 1,180</u>

Note: In 2021, the Group's subsidiary received government grants for the same amount quarterly.

The variances in the amounts recognized per quarter were due to the exchange rate differences.

For the details of government grants, refer to Note 6(9)B.

(19) Other gains and losses

	For the years ended December 31,	
	2021	2020
Loss on disposal of property, plant and equipment	(\$ 938)	(\$ 272)
Net currency exchange gains (losses)	7,158	(5,628)
	<u>\$ 6,220</u>	<u>(\$ 5,900)</u>

(20) Finance costs

	For the years ended December 31,	
	2021	2020
Interest expense		
Interest expense on bank borrowings	\$ 411	\$ 606
Interest expense on lease liabilities	45,811	17,964
	<u>\$ 46,222</u>	<u>\$ 18,570</u>

(21) Additional information for expenses by nature

	For the years ended December 31,	
	2021	2020
Employee benefit expense	\$ 584,450	\$ 668,191
Depreciation (Note)	\$ 241,433	\$ 215,827
Amortization	\$ 2,149	\$ 4,580

Note: Depreciation expense includes depreciation charges on property, plant and equipment and right-of-use assets.

(22) Employee benefit expense

	For the years ended December 31,	
	2021	2020
Wages and salaries	\$ 472,352	\$ 512,389
Compensation cost of share-based payments	48,336	80,356
Directors' remuneration	6,472	8,136
Labor and health insurance fees	47,392	55,933
Pension costs	8,236	8,301
Other personnel expenses	1,662	3,076
	<u>\$ 584,450</u>	<u>\$ 668,191</u>

- A. According to the Articles, a ratio of profit of the current year distributable, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 3% for directors' remuneration.
- B. The Company had accumulated deficit as of December 31, 2021 and 2020, thus, the Company did not accrue employees' compensation and directors' remuneration.
- C. Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

	For the years ended December 31,	
	2021	2020
Current tax:		
Current tax for the year	<u>\$ 22</u>	<u>\$ 24</u>

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2021	2020
Income tax calculated based on loss before tax and statutory tax rate	(\$ 446,679)	(\$ 610,247)
Expenses disallowed by tax regulation	870	2
Temporary differences not recognized as deferred tax assets	(35)	238
Taxable loss not recognized as deferred tax assets	445,844	610,007
Effect from alternative minimum tax	22	24
Income tax expense	<u>\$ 22</u>	<u>\$ 24</u>

C. Research and development investment tax credits and unrecognized deferred tax assets of Tanvex USA, the subsidiary, are as follows:

December 31, 2021				
Year incurred	Unused tax credit	Unrecognized deferred tax assets	Expiry year	
2011	\$ 3,452	\$ 3,452	2031	
2012	6,412	6,412	2032	
2013	7,833	7,833	2033	
2014	3,174	3,174	2034	
2015	15,950	15,950	2035	
2016	15,979	15,979	2036	
2017	29,258	29,258	2037	
2018	24,086	24,086	2038	
2019	39,528	39,528	2039	
2020	49,092	49,092	2040	
2021	46,413	46,413	2041	
	<u>\$ 241,177</u>	<u>\$ 241,177</u>		

December 31, 2020				
Year incurred	Unused tax credit	Unrecognized deferred tax assets	Expiry year	
2011	\$ 3,452	\$ 3,452	2031	
2012	6,412	6,412	2032	
2013	7,833	7,833	2033	
2014	3,174	3,174	2034	
2015	15,950	15,950	2035	
2016	15,979	15,979	2036	
2017	29,258	29,258	2037	
2018	24,086	24,086	2038	
2019	39,528	39,528	2039	
2020	49,092	49,092	2040	
	<u>\$ 194,764</u>	<u>\$ 194,764</u>		

D. Expiration dates of unused taxable loss and amounts of unrecognized deferred tax assets for Tanvex Taiwan, the subsidiary, are as follows:

December 31, 2021				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2012	\$ 60,554	\$ 60,554	\$ 60,554	2022
2013	211,795	211,795	211,795	2023
2014	146,854	146,854	146,854	2024
2015	204,011	204,011	204,011	2025
2016	477,953	477,953	477,953	2026
2017	349,739	349,739	349,739	2027
2018	79,339	79,339	79,339	2028
2019	112,476	112,476	112,476	2029
2020	110,788	110,788	110,788	2030
2021	79,092	79,092	79,092	2031
	<u>\$ 1,832,601</u>	<u>\$ 1,832,601</u>	<u>\$ 1,832,601</u>	
December 31, 2020				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2011	\$ 44,385	\$ 44,385	\$ 44,385	2021
2012	60,554	60,554	60,554	2022
2013	211,795	211,795	211,795	2023
2014	146,854	146,854	146,854	2024
2015	204,011	204,011	204,011	2025
2016	477,953	477,953	477,953	2026
2017	349,739	349,739	349,739	2027
2018	79,339	79,339	79,339	2028
2019	112,476	112,476	112,476	2029
2020	110,784	110,784	110,784	2030
	<u>\$ 1,797,890</u>	<u>\$ 1,797,890</u>	<u>\$ 1,797,890</u>	

E. Expiration dates of unused taxable loss and amounts of unrecognized deferred tax assets for Tanvex USA, Inc. are as follows:

December 31, 2021					
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry year (Note)	
2011	\$ 159,085	\$ 159,085	\$ 159,085	Unlimited	
2012	251,522	251,522	251,522	Unlimited	
2013	288,679	288,679	288,679	Unlimited	
2014	87,115	87,115	87,115	Unlimited	
2015	615,361	615,361	615,361	Unlimited	
2016	710,089	710,089	710,089	Unlimited	
2017	847,105	847,105	847,105	Unlimited	
2018	1,089,451	1,089,451	1,089,451	Unlimited	
2019	1,761,067	1,761,067	1,761,067	Unlimited	
2020	1,918,367	1,918,367	1,918,367	Unlimited	
2021	1,441,128	1,441,128	1,441,128	Unlimited	
	<u>\$ 9,168,969</u>	<u>\$ 9,168,969</u>	<u>\$ 9,168,969</u>		
December 31, 2020					
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry year (Note)	
2011	\$ 159,085	\$ 159,085	\$ 159,085	Unlimited	
2012	251,522	251,522	251,522	Unlimited	
2013	288,679	288,679	288,679	Unlimited	
2014	87,115	87,115	87,115	Unlimited	
2015	615,361	615,361	615,361	Unlimited	
2016	710,089	710,089	710,089	Unlimited	
2017	847,105	847,105	847,105	Unlimited	
2018	1,089,451	1,089,451	1,089,451	Unlimited	
2019	1,761,067	1,761,067	1,761,067	Unlimited	
2020	1,918,367	1,918,367	1,918,367	Unlimited	
	<u>\$ 7,727,841</u>	<u>\$ 7,727,841</u>	<u>\$ 7,727,841</u>		

Note: The year limitation on the loss carryforward was removed for the US subsidiary due to the US tax law reform in December, 2017.

F. The amounts of deductible temporary differences that were not recognized as deferred tax assets are as follows:

	December 31, 2021	December 31, 2020
Deductible temporary differences	<u>\$ 22,929</u>	<u>\$ 23,105</u>

G. Tanvex Taiwan's income tax returns through 2019 have been assessed and approved by the Tax Authority.

(24) Loss per share

For the year ended December 31, 2021			
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share (Note)</u>			
Loss attributable to the parent	(\$ 1,543,211)	325,493	(\$ 4.74)

For the year ended December 31, 2020			
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Loss per share (in dollars)
<u>Basic loss per share (Note)</u>			
Loss attributable to the parent	(\$ 2,104,236)	268,293	(\$ 7.84)

Note: Options issued to employees do not have dilutive effects, so the diluted loss per share is equal to basic loss per share.

(25) Supplemental cash flow information

A. Investing activities with partial cash payments

For the years ended December 31,		
	2021	2020
Acquisition of property, plant and equipment	\$ 35,682	\$ 66,814
Add: Opening balance of equipment payable	4,201	3,416
Less: Ending balance of equipment payable	(10,059)	(4,201)
Cash paid during the year	<u>\$ 29,824</u>	<u>\$ 66,029</u>

B. Investing activities without effect on the cash flows

For the years ended December 31,		
	2021	2020
Prepaid equipment (shown as “non-current assets - others”) transferred into property, plant and equipment	<u>\$ 1,767</u>	<u>\$ 2,335</u>

(26) Changes in liabilities from financing activities

2021			
	Long-term borrowings (Note)	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ 90,303	\$ 1,429,112	\$ 1,519,415
Payments of lease liabilities	-	(93,112)	(93,112)
Changes in other non-cash items	(89,629)	445,991	356,362
Impact of changes in foreign exchange rate	(674)	(22,965)	(23,639)
At December 31	<u>\$ -</u>	<u>\$ 1,759,026</u>	<u>\$ 1,759,026</u>
2020			
	Long-term borrowings	Lease liabilities	Liabilities from financing activities - gross
At January 1	\$ -	\$ 342,740	\$ 342,740
Payments of lease liabilities	-	(67,759)	(67,759)
Proceeds from long-term borrowings	94,866	-	94,866
Changes in other non-cash items			
Contract modification	-	1,230,397	1,230,397
Impact of changes in foreign exchange rate	(4,563)	(76,266)	(80,829)
At December 31	<u>\$ 90,303</u>	<u>\$ 1,429,112</u>	<u>\$ 1,519,415</u>

Note: For the details of changes in other non-cash items please refer to Note 6(9)B.

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company's shares are widely held, so there is no ultimate parent or controlling party.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
OBI Pharma, Inc. (OBI)	Other related parties

(3) Significant transactions with related parties

A. Commissioned service revenue

	For the years ended December 31,	
	2021	2020
OBI	<u>\$ 4,846</u>	<u>\$ -</u>

The revenue arose from commissioned agreement provided service to OBI. The transaction terms is based on the mutual agreement. Refer to Note 6(16) for the details.

B. Contract assets

	December 31, 2021	December 31, 2020
OBI	<u>\$ 2,523</u>	<u>\$ -</u>

The revenue arose from commissioned agreement provided service to OBI. The transaction

terms is based on the mutual agreement. Refer to Note 6(16) for the details.

(4) Key management compensation

	For the years ended December 31,	
	2021	2020
Salaries and other short-term employee benefits	\$ 50,398	\$ 69,775
Post-employment benefits	952	1,178
Share-based payments	33,304	24,430
	<u>\$ 84,654</u>	<u>\$ 95,383</u>

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value		Purpose
	December 31, 2021	December 31, 2020	
Financial assets at amortized cost			
- non-current			
- Time deposits	<u>\$ 180,050</u>	<u>\$ 182,715</u>	Lease credit guarantee

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) In line with the acquisition of facilities by the Group, the Group entered into contracts for the acquisition of property and equipment amounting to \$50,667 and \$12,053 which have not yet been paid as of December 31, 2021 and 2020, respectively.

(2) The Group has entered into agreements with contract service providers in performing CRO activities. As of December 31, 2021 and 2020, the services which have not yet been incurred amounted to \$90,847 and \$222,546, respectively (the reimbursement of the drugs and materials used is not included).

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

The Group signed contract development and manufacturing organization with AP Biosciences, Inc. on February 10, 2021. The Group is commissioned by AP Biosciences, Inc. to develop and produce the clinical candidate drug for the latest bispecific antibody development platform. Under the terms of this contract, the Group will receive commissioned service revenue, related consumables and experiment expenses.

12. OTHERS

(1) Capital management

The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern, to maintain an optimal capital structure to reduce the cost of capital, and to provide steady returns for shareholders after the Group turns profit in the future. In order to achieve the above

objective, the Group will maintain or adjust the capital structure using the following methods, including but not limited to: raising additional capital, short-term financing from specific persons or organizations, borrowing from the bank, issuing company bond, disposing assets in order to repay debt or replenish operational capital, issuing dividends, and reducing capital, etc. The Group uses the gearing ratio to monitor and manage capital. The gearing ratio is calculated by dividing “net liabilities” by “total equity”. “Net liabilities” is calculated by subtracting total liabilities by cash and cash equivalents. “Total equity” is the same amount as indicated in the consolidated balance sheets. The Group maintains the same strategy in 2021 as its strategy in 2020 to maintain the gearing ratio under 50%. As of December 31, 2021 and 2020, the Group’s total liabilities were lower than its cash and cash equivalents, thus the gearing ratio was 0%.

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
<u>Financial assets</u>		
Financial assets at amortized cost		
Cash	\$ 2,222,977	\$ 2,068,608
Financial assets at amortized cost	180,050	182,715
Other receivables	360	1,909
Guarantee deposits paid	6,436	6,496
	<u>\$ 2,409,823</u>	<u>\$ 2,259,728</u>
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Other payables	\$ 159,768	\$ 232,595
Long-term borrowings (including current portion)	-	90,303
	<u>\$ 159,768</u>	<u>\$ 322,898</u>
Lease liabilities	<u>\$ 1,759,026</u>	<u>\$ 1,429,112</u>

B. Financial risk management policies

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group’s overall risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial position and financial performance.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

- i. The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures. Foreign exchange risk arises from future commercial transactions, as well as recognized assets and liabilities.

- ii. The Group's businesses involve some non-functional currency operations (the Company and Tanvex USA's functional currency: USD; Tanvex Taiwan's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2021			
	Foreign currency amount (in thousands)		Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	474	27.70	\$ 13,118
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	\$	23	27.70	\$ 629
	December 31, 2020			
	Foreign currency amount (in thousands)		Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	\$	2,153	28.11	\$ 60,526
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	\$	23	28.11	\$ 638

- iii. Total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on monetary items held by the Group for the years ended December 31, 2021 and 2020 amounted to \$7,158 and (\$5,628), respectively.

iv. Analysis of foreign currency market risk arising from significant foreign exchange variation:

For the year ended December 31, 2021				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 131	\$	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 6	\$	-

For the year ended December 31, 2020				
Sensitivity analysis				
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income	
(Foreign currency: functional currency)				
<u>Financial assets</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 605	\$	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD : NTD	1%	\$ 6	\$	-

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, of the customer with same scale past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of directors. The utilisation of credit limits is regularly monitored. Credit risk arises from cash and cash equivalents and deposits

with banks and financial institutions. For banks and financial institutions, only independently rated parties with high grading are accepted.

- ii. No credit limits were exceeded during 2021 and 2020, and management does not expect any significant losses from non-performance by these counterparties.
- iii. The Group adopts the assumption under IFRS 9, that is, the default occurs when the contract payments were past due over 90 days.
- iv. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:
 - (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (ii) The disappearance of an active market for that financial asset because of financial difficulties;
 - (iii) Default or delinquency in interest or principal repayments;
 - (iv) Adverse changes in national or regional economic conditions that are expected to cause a default.
- v. For investments in debt instruments at amortized cost, the credit rating levels are presented below:

	December 31, 2021			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortized cost	<u>\$ 180,050</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 180,050</u>
	December 31, 2020			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortized cost	\$ 182,715	\$ -	\$ -	\$ 182,715

The Group's financial assets at amortized cost are all time deposits, and there is no significant abnormality in credit assessment.

(c) Liquidity risk

- i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs.

- ii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2021	Less than 1 year	Between 1 and 2 years	Over 2 years
Other payables	\$ 159,768	\$ -	\$ -
Lease liabilities	140,142	188,174	1,752,995

Non-derivative financial liabilities:

December 31, 2020	Less than 1 year	Between 1 and 2 years	Over 2 years
Other payables	\$ 232,595	\$ -	\$ -
Lease liabilities	107,393	138,659	1,470,682
Long-term borrowings (including current portion)	56,025	35,653	-

- iii. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor expect the actual cash flow amount to be significantly different.

(3) Fair value information

The carrying amounts of the Group's financial instruments not measured at fair value, including cash, financial assets at amortized cost, other receivables, guarantee deposits paid, other payables, long-term borrowings (including current portion) and lease liabilities are reasonably approximate to their fair values.

(4) Other matter

During the Covid-19 pandemic, the Group was able to maintain its normal operations amidst the various preventive measures imposed by the government. Based on the Group's assessment, the pandemic had no significant impact on its ability to continue as a going concern, impairment of assets and financing risks.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: Please refer to table 1.

- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: None.
- J. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 2.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: Please refer to table 3.

14. SEGMENT INFORMATION

(1) General information

The Group operates business in a single industry. The chief operating decision-maker who allocates resources and assesses performance of the Group as a whole, has identified the Group to be a single reportable operating segment.

(2) Measurement of segment information

The accounting policies of the operating segment are in agreement with the significant accounting policies summarized in Note 4. The Group's chief operating decision-maker uses the after-tax net income (loss) as the basis for assessing the performance of the Group's operating segments.

(3) Information about segment profit or loss, assets and liabilities

The segment information of assets, liabilities and income (loss) after tax provided to the chief operating decision-maker is measured in a manner consistent with that in the consolidated balance sheet and consolidated statements of comprehensive income and do not need to be reconciled.

(4) Geographical information

Geographical information of the Group for the years ended December 31, 2021 and 2020 is as follows (financial assets are not included in non-current assets):

	As of and for the year ended December 31, 2021		As of and for the year ended December 31, 2020	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	\$ 5,406	\$ 175,275	\$ 300	\$ 172,245
United States	-	1,949,840	-	1,747,756
	<u>\$ 5,406</u>	<u>\$ 2,125,115</u>	<u>\$ 300</u>	<u>\$ 1,920,001</u>

(5) Major customer information

Information on major customers accounting for 10% of the Group's operating revenue for the years ended December 31, 2021 and 2020 is as follows:

	For the year ended December 31, 2021			For the year ended December 31, 2020		
	Revenue	Percentage (%)	Segment	Revenue	Percentage (%)	Segment
A	\$ 560	10	Commissioned service revenue	\$ 300	100	Commissioned service revenue
B	4,846	90	Commissioned service revenue	-	-	Commissioned service revenue
	<u>\$ 5,406</u>			<u>\$ 300</u>		

Tanvex BioPharma, Inc. and Subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital
For the year ended December 31, 2021

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Balance as at January 1, 2021		Addition		Disposal		Gain (loss) on disposal	Balance as at December 31, 2021	
					Number of shares	Amount	Number of shares	Amount	Selling price	Book value		Number of shares	Amount
Tanvex BioPharma, Inc.	Tanvex BioPharma USA, Inc.	Investments accounted for under equity method	Not applicable	Subsidiary									
Tanvex BioPharma, Inc.	Tanvex Biologics, Corp.	"	"	"					"				

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Tanvex BioPharma, Inc. and Subsidiaries

Information on investees

For the year ended December 31, 2021

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2021			Net profit (loss) of the investee for the year ended December 31, 2021	Investment income (loss) recognized by the Company for the year ended December 31, 2021	Footnote
				Balance as at December 31, 2021	Balance as at December 31, 2020	Number of shares	Ownership (%)	Book value			
Tanvex BioPharma, Inc.	Tanvex Biologics, Corp.	Taiwan	Research and development of biosimilar drugs and new drugs	\$ 2,120,065	\$ 2,050,535	221,169	100%	\$ 231,611	(\$ 83,263)	82,710	Subsidiary
Tanvex BioPharma, Inc.	Tanvex BioPharma USA, Inc.	US	Formulation and manufacturing of biosimilar drugs and new drugs	8,986,282 (US\$324,415)	7,601,352 (US\$270,415)	1,000	100%	748,846	(1,441,128)	1,441,128	Subsidiary

Note: The exchange rate applied in this table for net profit (loss) is the average for the whole year (USD1:TWD27.9) ; others is based on the end date of reporting period (USD1:TWD27.7).

Tanvex BioPharma, Inc. and Subsidiaries

Major shareholders information

December 31, 2021

Table 3

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Peng Lin Investment Co., Ltd.	70,566,999	20.02%
Tanvex Biologics, Inc.	37,811,668	10.73%
Allen Chao and Lee Hwa Chao Family Trust	22,978,243	6.52%



泰福生技股份有限公司

Tanvex BioPharma, Inc.

董事長：周雲

tanvex
BioPharma, Inc.

Tanvex BioPharma, Inc.

Tel: +886-2-2701-0518

Address: 13F-1, No. 376, Sec. 4, Ren'ai Rd.,

Da'an Dist., Taipei City 106, Taiwan

E-mail: contact@tanvex.com

www.tanvex.com