tanvex
BioPharma, Inc.

Stock : 6541

2023 Annual Report

Now is The Time For Biosimilars

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http://mops.twse.com.tw
http://www.tanvex.com

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Deputy Spokesperson	Ye, Wen-Chung
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V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry

N/A.

VI. Board of Directors

Title	Name	Nationality	Experiences
Chairman & CEO	Delos Capital Fund, LP Representative: Chen, Lin-Cheng	R.O.C.	Please refer to Chapter 3.2 Information on Members of the Board of Directors of this Annual Report for details.
Director	Peng Lin Investment Co., Ltd., Representative: Chen, Chi-Chuan	R.O.C.	
Director	Peng Lin Investment Co., Ltd., Representative: Tseng, Tamon	R.O.C.	
Director	Allen Chao and Lee Hwa Chao Family Trust Representative: Allen Chao	The U.S.	
Director	Hsia Family Trust Representative: Hsia, David	The U.S.	
Independent Director	Tsai, Jin-Pau	R.O.C.	
Independent Director	Wang, Tay-Chang	R.O.C.	
Independent Director	Chang, Chun-Yen	R.O.C.	

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Name	Chen, Lin-Cheng
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Tel	+886-2-2701-0518
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VIII. Corporate Website

www.tanvex.com

Tanvex is a biotechnology enterprise that researches and develops biosimilar and new drug products. Investors should exercise prudent judgment over any investment risks as the characteristics of drug R&D has the characteristics of being time-consuming, requiring extensive funding, and needing regulatory approval from the competent authority of the target enterprise, thus, there is no guarantee of success. For relevant risks, please refer to Chapter 7.6 of this Annual Report.

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1. Letter to Shareholders

1.1 Letter from CEO

Dear Shareholders：

Tanvex has made major breakthroughs and developments in its biosimilar and CDMO businesses in 2023, with annual revenue exceeding NT$60 million, the company's best performance since its listing, and a 74% increase from the previous year. This dazzling performance is not only the hard work of the operating team and the dedicated efforts to promote various businesses, but also special thanks to all shareholders for your support along with the long journey of new drug research and development, which is also the biggest driving force for Tanvex's growth.

In the biosimilar business, TX01 in Canada completed the signing of a distribution contract with Sandoz, a major drug channel company in 2023, and had received an authorization fee of US$500,000 from Sandoz. We also gradually completed the pre-sales operations and setup in Canada. It is expected to contribute sales revenue in 2024. TX01 also resubmitted its BLA application in the United States in April, and major FDA issues had been gradually resolved. It is expected to obtain a positive response and results from the FDA in the first half year of 2024.

As for TX05, we received a complete response letter (CRL) from the FDA in the first half of 2023, the company is expected to obtain the latest experimental data in the shortest time and is expected to respond to the FDA in the first half year of 2024 for BLA approval.

The CDMO business will be the main aspect of the company's revenue contribution in 2023. In addition to the ongoing project of Taiwanese customer ABI, which contributed majority of 2023 revenue, the Tanvex USA also actively built a CDMO team starting in 2023. A dedicated CDMO support website was established, and the first project started in the fourth quarter for Tanvex USA.This project also brought breakthrough progress to the US CDMO business. Under the growing trend of the global biotech and pharmaceutical CDMO business, the government has invested heavily in the CDMO field as well. This trend also highlights that Tanvex began to deploy the new CDMO market 2 years ago and provides a one-stop service business model is precise and correct strategy.

Looking forward to the future, Tanvex core strategy of focusing on biosimilar and deploying CDMO business remains unchanged. Through long-term intensive cultivation of the technical advantages accumulated by biosimilars, in the future, we will focus more on maximizing the value of TX 01 and TX 05 after BLA approved, and at the same time expand CDMO service volume to reach a new milestone. In addition to the development of these two core businesses, in terms of improving the operational and financial structure, as the product strategy shifts, Tanvex will also actively carry out organizational adjustments, cost control and resources optimization, hoping to achieve cost saving and strengthen operational performance.

Looking forward for 2024, with the support of all shareholders and the company's readjustment of operating steps, it can successfully become the first company in Taiwan to obtain biosimilar products from the US FDA and make great progress and growth in various financial and businesses performance, then contribute to Tanvex with solid foundation for development.

Tanvex BioPharma, Inc.

Chairman/CEO

Chen, Lin-Cheng

1.2 2023 Business Report

According to research from IQVIA, the scale of the global biopharmaceutical market reached approximately US$503 billion in 2023, and it is estimated to reach US$892 billion by 2028, reaching an average compound growth rate (CAGR) of approximately 9.5% to 12.5%. This is higher than the growth rate of the global pharmaceuticals market, and will account for 39% of it. Biopharmaceutical is one of the key driving factors of the global pharmaceuticals market, and therefore, it is also propelling the growth of the biopharmaceutical manufacturers forward.

Statistics from the Industrial Economics and Knowledge Center (IEK) indicates that, as of September 2023, licenses of more than 450 biosimilar drugs were granted around the world, and there are more than 250 biosimilar products in clinical development. This indicates the market's demand for biologics, as well as the industry's optimism about its market development. Though biological drugs have high efficacy, but even a single course of treatment is expensive and relatively unaffordable to many patients. In addition, the burden of medical expenditures is continuing to increase in countries around the world. To reduce financial pressure, many governments are establishing biosimilar drug regulations in the hopes of achieving cost-effective biosimilar drugs in pace of pricey brand-name biologics. Biosimilar drugs refer to drugs in which manufacturers use biological drugs as reference standards in R&D and production. However, due to the complex and unstable molecular structure of biopharmaceuticals, the molecular characteristics of the products cannot be completely identical to those of the brand biopharmaceuticals. Thus, the term 'biosimilar' is used.

Additionally, estimates from Markets and Markets and Mordor Intelligence pointed out that the value of the global biosimilar drug market reached approximately US$29.4 billion in 2023, and the overall global biosimilar drug market is expected to reach US$35.47 billion by 2024. It is projected to grow at a CAGR of 18.32%, and will reach approximately US$82.27 billion in 2029.

Tanvex BioPharma Inc. is a biosimilar drug development company that focuses on the US market. By vertically integrating the industry chain with our development, production and commercial mass production technologies, the Company is able to control costs, maintain a flexible operating strategy, and ensure the competitiveness of products, as well as our successful entry into the U.S. market. At present, Tanvex BioPharma is focused on developing two key businesses: biosimilars and CDMO businesses, and by using diversified business strategies, we aim to expand our revenues as well as our influence in the biopharma industry.

- R&D of biosimilar drugs:

Breaking away from the traditional science-driven drug development process, Tanvex BioPharma adopts a market-driven development approach to focus on the R&D of biosimilar drugs in order to cater to the enormous market demand for these drugs. We aspire to provide patients with safe, effective, and affordable biosimilar drugs.

The core of Tanvex's competitiveness lies in our R&D technology platform and production capacity of both mammalian cell line development and microbial fermentation. From cell line development, optimized processes, legal compliance, to commercialization and mass production, our technical expertise and equipment enable us to vertically integrate the entire production process of biosimilar drugs. The main R&D and key production processes are all completed within the Company.

In 2023, Tanvex has continued to invest resources and strove for U.S. drug license approval for a series of biosimilar drugs, including TX01, TX04, TX05, TX16 and TX52. In planning of our distribution channels in Canada, we have also has signed sales contracts with major international manufacturers for TX01, for which we have already obtained a Canadian drug license.

- CDMO services:

In addition, to achieve our sustainable management and development goals, the Company has leveraged our experiences and technical capabilities in autonomous development, production and manufacturing of drugs to accelerate the penetration and expansion of our CDMO business. Through the professional division of labor and collaborations between our two subsidiaries in Taiwan and the United States, we have built a CDMO service platform by combining our R&D capability and talent advantages that we have acquired in Taiwan over many years with localized GMP production and experiences of passing strict factory inspections by the US FDA from the US subsidiary. This enabled us to offer one-stop development and manufacturing services and to offer the best CRO development and manufacturing services for biotech and pharmaceutical companies not only in Taiwan, but also worldwide.

Tanvex's Taiwan subsidiary was approved by the Industrial Bureau of the Ministry of Economic Affairs in January 2023 and officially joined the list of domestic pharmaceutical R&D service companies offering CRO services to the biotech and pharmaceutical industry. Tanvex Taiwan focuses on non-GMP pre-clinical trial and mass production development. It has accumulated solid R&D capability and practical experiences in the fields of cell line development, bioanalysis, trial production process development and more over the years, and has been commissioned with multiple CRO R&D and trial production process development projects.

Tanvex USA has also upgraded both software and hardware since the beginning of 2023. In addition to preparing the equipment for CDMO production line, it has also accelerated organizational adjustments, personnel training, and business promotions, etc. In addition, the San Diego facility has thorough and FDA-approved experiences in commercial biopharmaceutical productions. It is also one of the few GMP facilities with large-scale microbial fermentation tanks and mammalian production lines. Its product development and commercialization experiences can satisfy the diverse needs of customers, allowing us to gradually emerge in the CDMO field and gaining recognition from local biotech startups.

2023 operating results, financial performance, and budget implementations:

1. **Outcome of 2023 business plan implementation:**
   The Company's main products are still in the R&D stage and have not contributed to revenues. However, we began to undertake the CDMO project from AP Biosciences, Inc. in 2022, and have also achieved more project successes in 2023, which allowed us to recognize relevant revenues. Operating income in 2023 reached NT$61,411 thousand, representing a substantial increase of approximately 174% compared to 2022, and net loss for the current period in 2023 reached NT$2,137,101 thousand, an approximately 30% increase compared to 2022. Below is a report on the Company's operating status in 2023:

Unit: NT$ thousands; Losses per share/NT$

Items	2023	2022	Difference	Percentage of difference
Operating revenue	**61,411**	**22,404**	**39,007**	**174%**
Operating costs	**(1,710)**	**(41,752)**	**40,042**	**(96%)**
Operating expenses	**(2,160,451)**	**(1,586,169)**	**(574,282)**	**36%**
Non-operating income and expenses	**(35,923)**	**(35,590)**	**(333)**	**1%**
Income tax expenses	**(428)**	**(23)**	**(405)**	**1,761%**
Net losses for the period	**(2,137,101)**	**(1,641,130)**	**(495,971)**	**30%**
Losses per share (NT$)	**(16.58)**	**(13.95)**	**(2.63)**	**19%**

Revenue in 2023 mostly came from the Company's undertaking of the CDMO project from AP Biosciences to develop and produce clinical candidate drug for the latest bispecific antibody (BsAb) development platform. In addition, we continued to invest in R&D and commercialization strategies in 2023 to coordinate with the progress of product development, resulting in higher operating expenses. This led to a net loss after tax of NT$2,137,101 thousand in 2023, an increase of approximately NT$496,971 thousand compared with 2022. The R&D expenses in 2023 were mostly used for expenses related to the preparation of CRL (complete response letter) corrections for TX01, the plant inspection preparations for Biologics License Application (BLA) review, and the preparation of TX05 to respond to the US FDA, and its CRL-related supplementary information and other related expenses, as well as the R&D expenses for strengthening the capabilities of our CDMO team.

2. Budget implementation:

The Company's actual net loss after tax in 2023 was NT$2,137,101 thousand, which was equivalent to the budgeted 2023 net loss after tax of NT$2,021,848 thousand.

Most of the operating expenses for the current period came from investment in R&D expenses, which was approximately NT$1,706,743 thousand, accounting for approximately 79% of the operating expenses.

3. Research and development:

By adhering our commitment to shareholders and employees, Tanvex actively implements various product development progress, prepares products for commercialization, and plans sales channels. The progress of our business plans and operational implementation are as follows:

→ **Product TX01 (Brand drug: Neupogen®)**

- In April 2023, we completed submission of supplemental information to drug license review to the US FDA.
- The sales and marketing teams are ready to launch the TX01 product.
- In July 2022, the drug establishment license was approved by Health Canada. In May 2023, Tanvex signed distribution contract and received signing fee from Sandoz Group, a major international pharmaceutical sales company. Production preparation will begin in the second half of 2023, and sales are expected to begin in 2024.

→ **Product TX05 (Brand drug: Herceptin®)**

- In July 2022, we received a complete response notification from the U.S. FDA stating that the current drug license review has been completed. No major flaws were raised in the Company's plant inspections and clinical trials. However, when the product was compared with the original product, some similarities were found. Further clarification is needed. The Company has conducted a Type 1 meeting with the FDA on this project in March 2023; and we expect to resubmit supplementary information to the US FDA in the first half of 2024 to apply for a drug license.
- Prepare pre-review for drug certification.

→ **Other biosimilar drug products:**

- TX04 (brand drug: Neulasta®) is a biosimilar drug of Neulasta, which is a long-acting drug of TX01. It is currently undergoing process scale-up and preparing for Phase III clinical trials, and at the same time, its stability studies are also being conducted.
- TX52 (brand drug: Perjeta®) is a biosimilar drug of Perjeta. Perjeta is clinically used in combination with Herceptin to treat HER2-positive breast cancer. Therefore, the Company's development strategy is to wait for the completion of the development of TX05 for subsequent promotions.
- TX16 (brand drug: Avastin®) is a biosimilar drug of Avastin. It is mainly used to treat colorectal cancer and lung cancer. The first phase of human clinical trials has been completed in December 2017, and the development strategy is to conduct subsequent development operations after TX01 and TX05 begin to generate stable revenue.

→ **CDMO services**

- The Company's CDMO services recognized revenue of NT$61,411 thousand in 2023, most of which was attributable to service revenue from the CRO development and production of clinical candidate drugs undertaken by Taiwan subsidiary, and a small portion of it also came from the US subsidiary. The US subsidiary is also expected to actively develop various CRO services for CDMO-related customers starting in 2024.
- In response to the demand and booming development of the CDMO market, the Company also actively recruited relevant senior teams in 2023 to build well-rounded customer service resources and optimized production capacity planning in order to allocate part of the production capacity for CDMO production. We also gradually retired worn equipment and invested in new ones.

Management Policy and Future Outlook for 2024

Tanvex will continue to strive from R&D to development in commercialization. The Company's CDMO business development will be an important goal and progress plan in 2024. Based on the order-to-production experience and competency of the Taiwan subsidiary acquired from 2022 to 2023, as well as the professional CDMO team assembled by the US subsidiary, as well as our GMP-certified professional CRO (contract research organization) services plant in San Diego, we will be able to effectively gain customer approval, thereby gaining CDMO orders from more customers.

In addition to the CDMO business, in terms of biosimilar drugs, the Company is planning to launch product TX01 to the Canadian market in 2024. The TX01 is also expected to obtain a drug license from the US FDA in 2024, and will be marketed in the United States. TX05 is expected to receive positive feedback from the US FDA in the second half of the year after supplemental information has been received by the FDA in the first half of 2024. If we can obtain its drug license successfully, we will also actively align its marketing efforts with the sales channels for TX01 to achieve smooth sales. At the same time, the R&D of other planned biosimilar drug products will also be promoted following the successful development of TX01 and TX05.

Overall, by strengthening the CDMO's order-taking capabilities and production capacity, and supplemented by the successive promotion and commercialization of TX01 and TX05 biosimilars, the Company will be able to gradually increase revenues and strive toward sound financial operations.

Chairman	Chen, Lin-Cheng	CEO	Chen, Lin-Cheng	Chief Accounting Officer	James Williamson

1.3 Impact of the External Competition Environment, Regulations, and Overall Business Environment on the Company

1. Impact from External Competition

When products are launched in the market, the Company may face challenges from new drugs with equivalent efficacy approved by the FDA, other biosimilar drugs with the same efficacy entering the market, or insurance companies reducing or denying reimbursement. Though faced with many challenges, the Company's strong marketing team, unique marketing strategies and vertically integrated business strategies have added to our competitive edge.

2. Impact of Regulatory Changes

(1) Although the US FDA has established a review mechanism for biosimilar drugs and has approved 45 biosimilar drugs as of 2023, when reviewing each biosimilar drug, the review requirements vary from drug to drug due to the different characteristics of each biosimilar drug, and hence, there may be risks of changes in regulations.

(2) The Company adheres to important local policies and laws when conducting any business, and pays attention to the development trends of important domestic and foreign policies and changes in regulations at all times. We consult with our attorneys and certified public accountants in case of any regulatory changes, or entrust them to evaluate and relevant plan response measures.

3. Impact 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 there. The Cayman Islands government not only strengthens crime prevention, but also strives to protect the confidentiality of legitimate business activities. Therefore, the politics and economy have been very stable over the years, and the public security is also sound. The Company has two 100%-owned subsidiaries, in Taiwan and the United States, respectively. The two countries are economically and politically stable and their governments are dedicated to boosting domestic demand as well as committed to enhancing their economic structures over the long-term.

However, as the COVID-19 pandemic continued to have a serious impact on the world, the operations of various industries have been affected worldwide, such as delays in raw material supply, economic recessions, and restrictions on business travel, etc. This has also led to delays in many scheduled plant inspections from the FDA. In dealing with impacts of the pandemic, the Company continues to closely monitor and flexibly change strategies to respond to changes in the overall environment.

2. Company Overview

2.1 Company Profile

Tanvex BioPharma Inc. (Stock code: 6541) is a biotechnology company focusing on the development, manufacturing and sales of biosimilars and biopharmaceutical products, and has subsidiaries and operating sites in the United States and Taiwan respectively. The Taiwan subsidiary (Tanvex Taiwan) is responsible for initial stage cell line development and bioprocess development, while the U.S. subsidiary (Tanvex USA) is responsible for further cell line and process development, scaling up the process to achieve commercialization and mass production. Our seamless division of labor and seamless cooperation has enhanced our international competitiveness.

The Company:

- Founded in May 2013.
- Total number of employees in Taiwan and the U.S. add up to more than 180.
- Became listed on the Taiwan Stock Exchange (TWSE) in October 2017.
- Adopting a one-stop business model with vertically integrated R&D, manufacturing and sales to achieve better control over quality and cost.
- Technical expertise and equipment to develop and manufacture products using either mammalian and microbial systems and technical platform.
- Resubmitted biologics license application (BLA) for the main product TX01 (Neupogen® biosimilar) to the FDA in April 2023 and was accepted for product launch inspection and registration. Currently waiting for the FDA to issue a drug certificate. TX05 (Herceptin® biosimilar) received notification from the US FDA in July 2022 and is expected to resubmit supplementary information in the first half of 2024 to apply for a drug license. TX04 (Neulasta® biosimilar) has planned to undergo process scale-up procedures and prepare for critical clinical trials.

Production capacity

- Tanvex BioPharma USA, Inc. is an initial commercialization base located in San Diego, California, USA. It has two plants, including production facilities, laboratories, warehousing and offices, with a total area of 3,793 square feet (approximately 135,000 square feet).
- The initial commercialization equipment and factory buildings have both been expanded. The current production capacity includes a 150-liter microbial fermentation tank (which can be expanded to 300 liters in the future as needed) and four 1,000-liter mammalian cell production lines.

2.2 Market Overview:

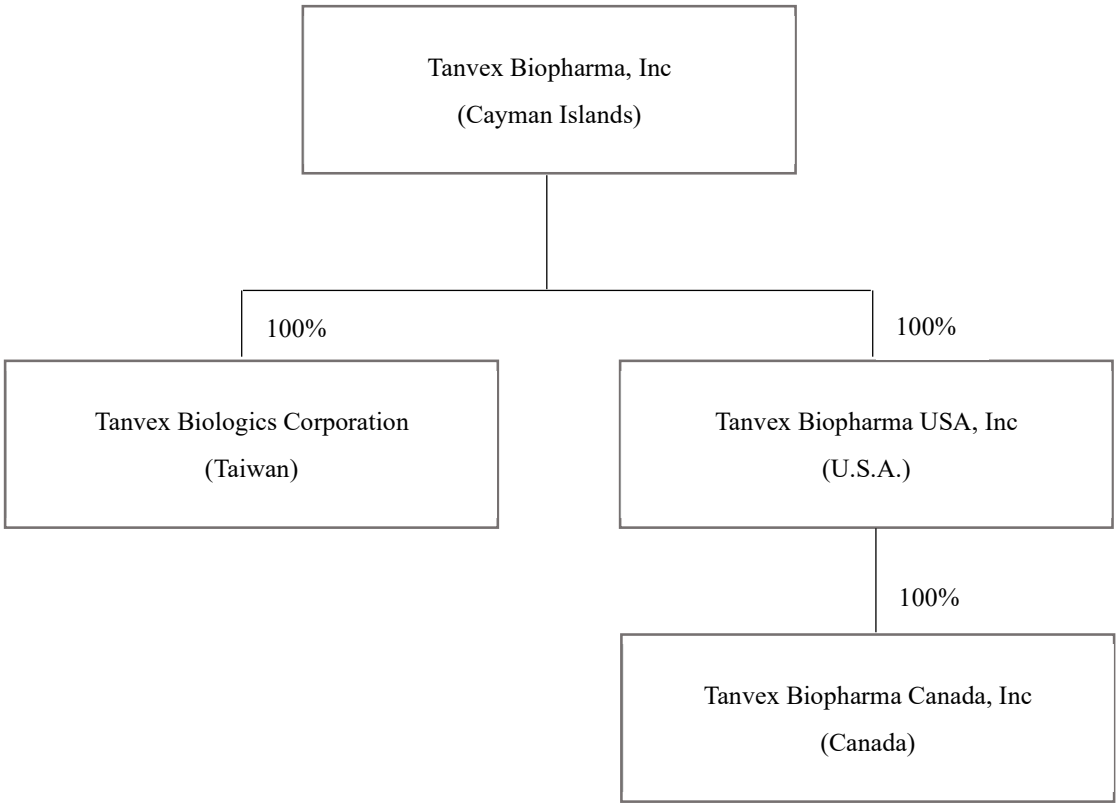
Most pharmaceutical products can be divided into two categories: small molecule drugs and large molecule drugs. Small molecule drugs are usually further classified into either organic compounds or inorganic compounds. Small molecule drugs have relatively simple molecular structures and small molecular weights. Alternatively, large molecule drugs are made from active host cells, such as human, animal, yeast and bacterial cells. Since the molecular structure of large molecule drugs is relatively complex and the molecular weight is large, biotech drugs are all large molecule drugs.

Many important therapeutic drugs today are biotech drugs, which can be used to treat a variety of diseases, such as cancers, leukemia, anemia, rheumatoid arthritis, inflammatory bowel diseases, and skin diseases such as psoriasis. According to statistics, the market value of biotech drugs exceeded US$600 billion in 2021, and it is estimated that by 2030, sales from biotech drugs will reach approximately US$700 billion.

Biosimilar drugs are highly similar to licensed and patented brand name biologics, and are part of an emerging industry. In view of the effectiveness of biotech drugs in treating diseases and market demand as well as their high drug prices, biosimilar drugs that are more affordable and have equivalent efficacy to the patented brand drugs have emerged. Their market opportunities and growth potential should not be overlooked.

The manufacturing process and production procedures of biosimilar drugs are highly technical and complex, resulting in high barriers to entry. Compared with small molecule drugs, their development costs are relatively high and competitors are limited, which has also helped to enhance the Company's competitiveness and opportunities in the biosimilar drug market. The United States is the single largest market for biosimilar drugs in the world. From the first biosimilar drug approved by the U.S. FDA in 2015, forty-five biosimilar drugs have been approved by the U.S. FDA as of 2023, which indicates the booming developing of the biosimilar drug market in the USA.

2.3 Group Structure



2.4 Company History

Year	Important Event
May, 2013	Ruenvex Biotech Inc. was registered in the Cayman Islands on May 8, 2013, with an approved share capital of US$50,000.
September, 2013	Cash capital increase of US$16,000 thousand was completed for replenishment of working capital.
September, 2013	Acquired 100% shares of Tanvex Biologics Corporation in Taiwan for obtaining cell line patent and licensing, and developing biosimilar market.
September, 2014	Ruenvex Biotech Inc. was renamed Tanvex BioPharma, Inc. as approved by the shareholders' meeting on September 30, 2014. Name in Chinese: 泰福生技股份有限公司
September, 2014	Acquired 100% shares of La Jolla Biologics Inc. for obtaining technology on process development, commercialization manufacturing and equipment, and vertically integrating the supply chain.
October, 2014	Cash capital increase of US$20,000 thousand was completed for replenishment of working capital.
March, 2015	Cash capital increase of US$50,000 thousand was completed to continue the R&D of a number of biosimilar drug products, expand factory equipment and for replenishment of working capital.
March, 2015	Par value conversion of stock options to US$ 109
April, 2015	Par value conversion of stock options to US$ 125
May, 2015	On May 15, 2015, upon resolution from the Board of Directors, conversion of stock par value to NT$10 and capital reserve was converted into capital. After the conversion, the paid-in capital was NT$1,656,650 thousand.
July, 2015	Approved by Taipei Exchange as public listed company in Taiwan
August, 2015	Approved by Taipei Exchange as an emerging stock company on Emerging Stock Board.
February, 2016	Cash capital increase by issuing 26,000 thousand new ordinary shares, raising funds of NT$3,328,000 thousand. Each share was issued at a premium of NT$128. After the capital increase, the paid-in capital of the ordinary shares was NT$1,924,445 thousand.
March, 2016	The second phase of expansion of the LJB production plant was completed.
October, 2016	(1) The biosimilar drug TX01 (reference brand drug Neupogen®) has entered the third phase of human clinical trials. (2) Completed expansion of Tanvex Taiwan's laboratory. (3) Completed reconstruction of LJB Plant II.
November, 2016	(1) Obtained the approval letter for high-tech enterprise application from the Industrial Development Administratio MOEA. (2) Filed application for IPO on the Taiwan Stock Exchange.
January, 2017	The biosimilar drug TX16 (reference brand drug Avastin®) has entered the first phase of human clinical trials.
May, 2017	Obtained approval from the Taiwan Stock Exchange to approve the Company's IPO.
July and October, 2017	Obtained approval from the Taiwan Stock Exchange to conduct the cash capital increase and issuance of new shares before IPO.
August, 2017	The biosimilar drug TX01 (Neupogen® biosimilar) has completed the third phase of human clinical trials, and the experimental results have met the evaluation indicators of this trial statistics and statistical data.
October, 2017	The biosimilar drug TX05 (Herceptin® biosimilar) has entered the third phase of human clinical trials.
December, 2017	The biosimilar drug TX16 (Avastin® biosimilar) completed the first phase of human clinical trials.
January, 2018	The U.S. subsidiary, La Jolla Biologics, Inc. (LJB) has changed its name to Tanvex BioPharma USA, Inc.
August, 2018	The Taiwan subsidiary expanded its laboratory to improve its process scale-up business.
September, 2018	Cash capital increase of NT$2,125,000 thousand was completed to continue the R&D of multiple biosimilar drug products and for replenishment of working capital.
September, 2018	Submitted the BLA application for product marketing inspection and registration of biosimilar drug product TX-01 (Neupogen® biosimilar).

Year	Important Event
November, 2018	The U.S. FDA has officially accepted the biosimilar drug TX01 (Neupogen® biosimilar) for biologics license applications (BLA) process.
January, 2019	Submitted a New Drug Submission application to Health Canada for biosimilar drug product TX01 (Neupogen® biosimilar).
December, 2019	Cash capital increase of NT$960 million was completed to continue the R&D of biosimilar drug products and for replenishment of working capital.
December, 2019	Amgen and the Company have both withdrawn their lawsuit against U.S. Patent #9,856,287 for the Company's biosimilar product TX01 (Neupogen® biosimilar).
March, 2020	The Phase III clinical trial of biosimilar drug product TX05 (Herceptin® biosimilar) has completed subject enrollment.
October, 2020	The Phase III clinical trial of biosimilar drug product TX05 (Herceptin® biosimilar) has completed drug administration.
November, 2020	Completed the Canadian drug license application supplement for biosimilar drug product TX01 (Neupogen® biosimilar).
November, 2020	Completed the U.S. Drug License application supplement for biosimilar drug product TX01 (Neupogen® biosimilar).
November, 2020	The subjects in the Phase III clinical trial of biosimilar drug product TX05 (Herceptin® biosimilar) completed the surgery.
December, 2020	Signed the major clauses in the sales agreement with the Canadian business partner.
December, 2020	Completed a cash capital increase of NT$1.7 billion.
February 2021	The phase III clinical trial of biosimilar drug product TX05 (Herceptin® biosimilar) was successfully unblinded.
March 2021	Signed a Canadian patent agreement with Amgen Inc. for the Company's product TX01.
May 2021	The U.S. FDA has completed the current drug license review of the biosimilar drug TX01 (Neupogen® biosimilar).
August 2021	Submitted the BLA application for biosimilar drug product TX05 (Herceptin® biosimilar).
September 2021	Cash capital increase of NT$1,680,000 thousand was completed to continue the R&D of multiple biosimilar drug products and for replenishment of working capital.
October, 2021	The BLA application has been formally accepted by the U.S. FDA for the biosimilar drug TX05 (Herceptin® biosimilar).
October, 2021	Health Canada granted license to the drug TX01 (Neupogen® biosimilar), developed by the Company, for product launch.
February 2022	Signed a contract with AP Biosciences, Inc. to develop and produce clinical candidate drugs for the latest bispecific antibody development platform.
May 2022	The U.S. FDA has officially approved the patent name of the biosimilar drug TX05 (Herceptin® biosimilar) as "Valheric".
June 2022	Collaborated with TaiMed Biologics on development and production of Antibody-Drug Conjugates (ADC) and Bispecific antibodies (BsAb).
July 2022	The biosimilar drug TX01 (Neupogen® biosimilar) has been granted a drug establishment license by Health Canada.

Year	Important Event
August 2022	The biosimilar drug TX01 (Neupogen® biosimilar) re-submitted a Biologics License Application (BLA) to the U.S. FDA.
March 2023	Capital reduction was conducted and 235,072,734 shares have been written off to improve the financial structure and make up for the accumulated losses.
April 2023	Cash capital increase of NT$1,200,000 thousand was completed to continue R&D of multiple biosimilar drug products and for replenishment of working capital.
May 2023	TX01 (Neupogen® biosimilar) signed a Canadian regional distribution licensing agreement with Sandoz.
May 2023	The BLA application has been formally accepted by the U.S. FDA for the biosimilar drug TX01 (Neupogen® biosimilar).

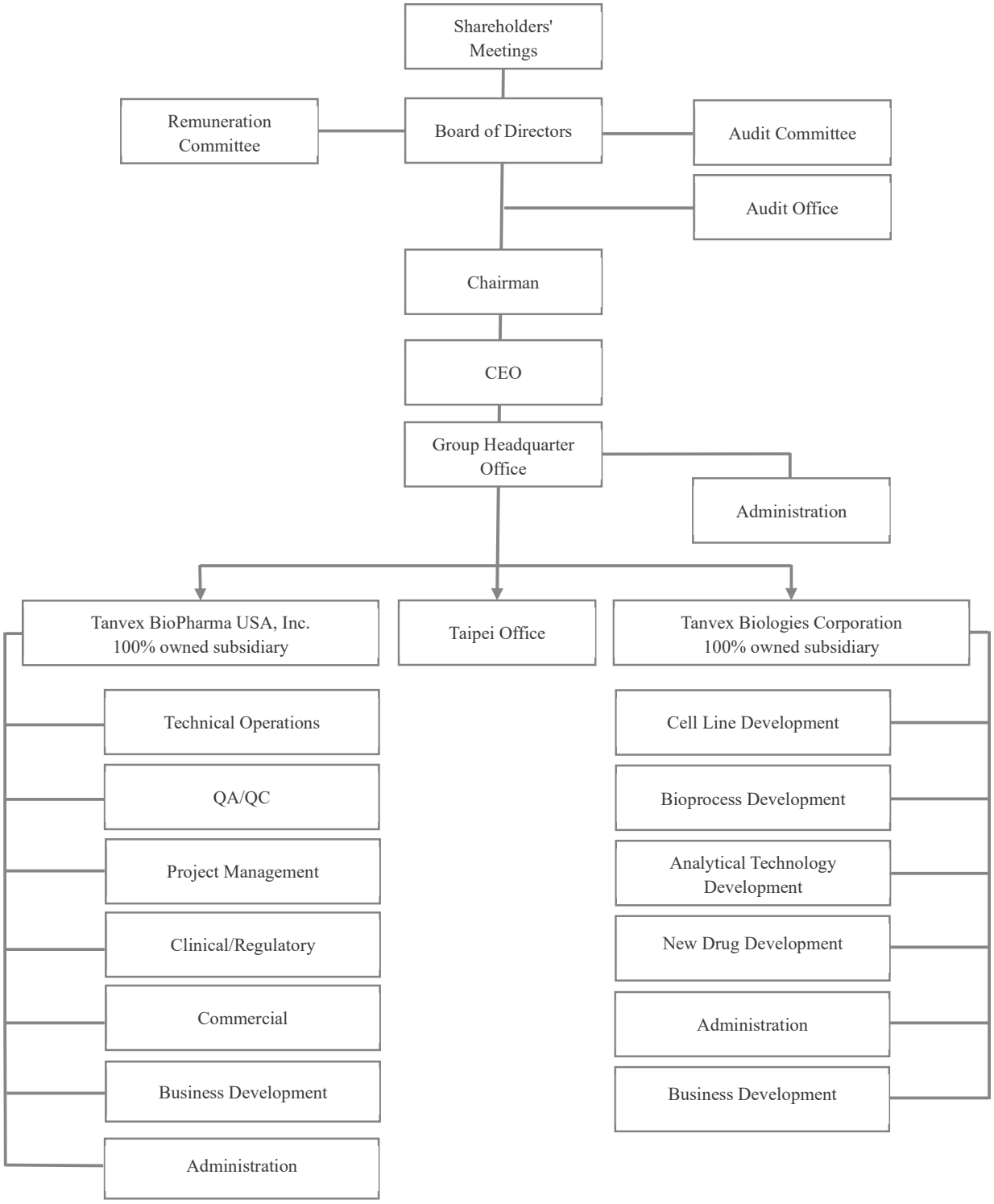
2.5 Risks

Please refer to Chapter 7 "Review, Analysis, and Risks of Financial Conditions and Performance" in this Annual Report.

3. Corporate Governance Report

3.1 Company Organization

3.1.1 Organizational Structure



3.1.2 Major Corporate Functions

Department	Functions
Board of Directors	Formulate policies, instructions, and sets goals and objectives for Tanvex BioPharma's business operations.
Audit Committee	Supervise the financial and business standing of Tanvex BioPharma, and the proper presentation of financial statements and the effective implementation of internal controls.
Remuneration Committee	Establish and conduct regular reviews of the policies, systems, standards, and structures for performance appraisal and remuneration of the Company's directors and managers.
Chairman	(1) Formulate Company-wide or overall business strategies and adjust business performance. (2) Plan and implement Board resolutions and report operating results to the Board of Directors.
CEO	(1) Formulate, plan and supervise the Company's operating plans, goals and quality policies. (2) Formulate Company-wide or overall business strategies and adjust business performance. (3) Plan and implement Board resolutions and report operating results to the Board of Directors.
Audit Office	(1) Review and evaluate the soundness, reasonableness, effectiveness and implementation of the internal control system for each department. (2) Execute annual audit plan. (3) Draft audit reports and assess improvements and conducts self-evaluation of internal control systems. (4) Other tasks as required by laws and regulations.
Administration	(1) Convene and assist in discussions of the Compensation Committee, Audit Committee, Board of Directors and Shareholders' Meeting. (2) HR, general procurement, and administrative related matters. (3) Handle accounting and tax related matters. (4) Finance and fund utilization management. (5) Stock affairs and employee stock option system management. (6) Computer software and hardware maintenance and management. (7) Set up and manage security of information systems. (8) Manage properties, inventories, and materials.
Business Development	(1) Formulate the Company's product development strategy, planning, execution, management, and coordination. (2) Product marketing collaboration, promotion, and execution.
Technical Operations	(1) The cell culture team is responsible for developing upstream cell line culture and scale-up technologies. (2) The protein purification team is responsible for the development, process improvement and scale-up of protein purification methods. (3) The analytical science team is responsible for setting and developing analytical methods, formulating various testing procedures in accordance with FDA regulations, and conducting data analysis and stability studies on various experimental samples. (4) The formulation team is responsible for the design and development of different drug formulation of each product. (5) Responsible for the scale-up, improvement and mass production technology development of upstream and downstream commercialization processes for various biosimilar drugs. (6) Product development and production operations such as cell culture and purification under GMP standards. (7) Initial commercial production.
Cell Line Development	(1) Cell line development is responsible for the design, cell line construction, and screening of biosimilar drug product cell line development platforms to establish stable and high-quality cell lines. (2) Provide CDMO services.
Bioprocess Development	(1) The initial process development team is responsible for the development and scale-up of the upstream and downstream initial processes for microbial fermentation and mammalian cell products. Including upstream cell culture and downstream protein purification process development. (2) Provide CDMO services.
Analytical Technology Development	(1) The analytical technology team is responsible for analysis of biosimilar drug characteristics, experimental data analysis, and development and research of analytical methods, etc. (2) Provide CDMO services.
New Drug Development	(1) Develop antibody drug complexes (ADC). (2) Pre-project evaluation of new drug development collaboration projects.
Clinical/Regulatory	The clinical team is responsible for supporting the planning and document preparation of various preclinical and clinical trials, execution of various contract research organization (CRO) trials, communication with regulatory authorities, and clinical licensing and drug license applications.
QA/QC	(1) The quality control team is responsible for sample analysis, stability testing and environmental monitoring of GMP mass production.

Department	Functions
	(2) The quality assurance team is responsible for the establishment, verification and execution of various product analysis and process documents, as well as the review of various product processes and documents.
Project Management	(1) Responsible for project management and progress monitoring. (2) Draft progress of various plans for the year. (3) Assist in the formulation, execution and management of various preclinical and clinical trial projects. (4) Communicate and coordinate among various project execution units.
Commercial	(1) Prepare for commercialization. (2) Marketing and promote brand awareness.

3.2 Members of the Board of Directors

3.2.1 Summary on Board Members

April 21, 2024

Title	Nationality/Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding (Note 3)		Current shares held by spouse and underage children		Shares held in the name of other persons		Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	Cayman Islands	Delos Capital Fund, LP		08/27/2021	3 years	05/15/2015	14,400,000	4.61%	4,803,510	2.93%	-	-	-	-	-	-	-	-	-	
	R.O.C.	Representative: Chen, Lin-Cheng	Male 51-60	12/29/2023	3 years	05/15/2015	-	-	-	-	-	-	-	-	J.D., Harvard University Founder and Partner, Delos Capital Fund, LP Partner and Co-Head of Asia, Permira Managing Director, Goldman Sachs Asia Corporate finance lawyer, Davis Polk, USA New York State Attorney	Chairman, Tanvex Biologies Corporation Chairman, Tanvex Biopharma USA, Inc. Chairman, Tanvex BioPharma Canada, Inc. Founder and Partner, Delos Capital Fund, LP	-	-	-	Note 1 and 2
Director (Delete segment)	R.O.C.	Peng Lin Investment Co., Ltd.		08/27/2021	3 years	06/10/2013	70,566,999	22.59 %	23,539,537	14.35%	-	-	-	-	-	-	-	-	-	
	R.O.C.	Representative: Chen, Chi-Chuan	Male 61-70	08/27/2021	3 years	06/10/2013	-	-	16,360	0.01%	-	-	-	-	MBA, College of Management, National Taiwan University Vice President and Special Assistant to CEO, Investment Management Office, Ruentex Group	Corporate Director Representative of Nan Shan Life Insurance Company, Ltd. Corporate Director Representative of Mirror Vision Inc Corporate Director Representative of Miho International Cosmetic Co., Ltd. Corporate Director Representative of Mega Growth Venture Capital Co., Ltd. Corporate Director Representative of Brogent Technologies Inc. Corporate Director Representative of Theragent Inc. GP Partner and Director of Delos Capital Holdings Limited Corporate Director Representative of RenBio, Inc. Corporate Director Representative of RenBio Holding Ltd. (Cayman Island) Corporate Director Representative of Cotton Field Organic Co., Ltd. Corporate Director Representative (Chairman) of Obigen Pharma Inc. Corporate Director Representative of Amaran Biotechnology Inc. Corporate Director Representative of Mithra Chemical Analysis Laboratory Inc. Corporate Director Representative of Do-Intelligent Consulting Inc. Corporate Director Representative of Mass Solutions Technology Co., Ltd. Corporate Director Representative of Mithra Biotechnology Inc.	-	-	-	

Title	Nationality/Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding (Note 3)		Current shares held by spouse and underage children		Shares held in the name of other persons		Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
																Corporate Director representative (Chairman) AP Biosciences Inc. CFO of OBI Pharma Inc. Corporate Director Representative of OBI Pharma Inc. Corporate Director Representative of TaiMed Biologics Inc. Corporate Director Representative of Tanvex Biologics Inc.				
	R.O.C.	Representative: Tseng, Tamon	Male 61-70	08/27/2021	3 years	10/06/2013	-	-	-	-	-	-	-	-	LL.M., University College London Supervisor, SinoPac Financial Holdings Company Limited	Corporate Director Representative of OBI Pharma Inc. Corporate Director Representative of Amaran Biotechnology Inc. Corporate Director Representative of Mithra Biotechnology Inc. Corporate Director Representative, Ruenhui Biopharmaceuticals Corporate Director Representative, Ruen Chen Investment Holding. Co., Ltd. Corporate Director Representative, Sunny Friend Environmental Technology Co., Ltd. Corporate Supervisor Representative, Yi Tai Investment Co., Ltd. Corporate Director Representative, Sheng Cheng Investment Co., Ltd. Corporate Director Representative, Ruentex Group Construction & Development Chairman, Taiwan Transport Insurance Services Co., Ltd. Director, China Marine Surveyors Director, Mr. Hsun-Ruo Yin Educational Foundation Corporate Director Representative, Haoke Investment Holding Ltd. Corporate Director Representative, TaiMed Biologics, Inc. Corporate Director Representative, Nan Shan Life Insurance Co., Ltd	-	-	-	
Director (Delete segment)	The U.S.	Allen Chao and Lee Hwa Chao Family Trust		08/27/2021	3 years	05/15/2015	22,978,243	7.35%	8,498,839	5.18%	-	-	-	-	-	-	-	-	-	
	The U.S.	Representative: Allen Chao	Male 71-80	08/27/2021	3 years	06/10/2013	2,633,766	0.84%	1,244,741	0.76%	185,132	0.11%	-	-	Ph.D., College of Pharmacy, Purdue University Founder and CEO, Watson Pharmaceuticals	Director, Tanvex Biologies Corporation Director, Tanvex BioPharma USA, Inc. Director, Tanvex Biologics, Inc. Director, Ansun BioPharma, Inc. Director, Mithra Biotechnology Inc. Director, Taipei Medical University Independent Director, Mycenax Biotech Inc.	Director	Hsia, David	Second degree of kinship	

Title	Nationality/Place of Incorporation	Name	Gender Age	Date Elected	Term (Years)	Date First Elected	Shareholding When Elected		Current Shareholding (Note 3)		Current shares held by spouse and underage children		Shares held in the name of other persons		Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	The U.S.	Hsia Family Trust		08/27/2021	3 years	05/15/2015	2,590,270	0.83%	864,054	0..53%	-	-	-	-	-	-	-	-	-	
	The U.S.	Representative: Hsia, David	Male 71-80	08/27/2021	3 years	05/15/2015	-	-	-	-	-	-	-	-	Ph.D., College of Pharmacy, Purdue University Senior Vice President, R&D, Watson Pharmaceuticals Manager, Pharmaceutical Technology R&D Director, American Hospital Supply Corp.	Director, Tanvex Biologics Inc. Member of Advisory Committee, Allianz Pharmascience Ltd.	Director	Allen Chao	Second degree of kinship	
Independent Director	R.O.C.	Tsai, Jin-Pau	Male 61-70	08/27/2021	3 years	05/15/2015	-	-	-	-	-	-	-	-	Master in Accounting, Graduate Institute of Accounting, National Chengchi University Master in Law, College of Law, National Chengchi University Department of Accounting, National Chengchi University Deputy CEO, CEO and Deputy Chairman, PwC Taiwan President, PricewaterhouseCoopers Management Consulting Company Ltd. Vice Chairman, Fuh Hwa Securities Investment Trust Co., Ltd. Managing Director, Accounting Research and Development Foundation and Chairman, Auditing Standards Committee Director and Managing Director, Taiwan Corporate Governance Association Consultant, Public Service Pension Fund Supervisory Board	Chairman, Jia Guang Development Industry Co., Ltd. Chairman, Wanshida Development, Ltd. Director, Global Life Insurance Co. Ltd. Director, Oriental Recreation and Development Corp. Director, Tuntex Incorporation Director, FCB Leasing Co., Ltd. Director, FCB International Leasing Co., Ltd. Director, Hsing Tian Kong Medical Foundation Director, Yung Tai Charity Foundation Independent Board Director, Chien Kuo Construction Co. Ltd. Independent Board Director, KD Holding Corporation	-	-	-	
Independent Director	R.O.C.	Wang, Tay-Chang	Male 61-70	08/27/2021	3 years	08/27/2021	-	-	-	-	-	-	-	-	Ph.D. in Finance, University of Pennsylvania Professor, Department of Accounting, National Taiwan University	Distinguished Professor of Accounting, National Taiwan University Technical Consultant, Taiwan Economic Journal Independent Director, Ruentex Industries Limited Independent Director, Chin Hsin Environ Engineering Co., Ltd.	-	-	-	
Independent Director	R.O.C.	Chang, Chun-Yen	Male 61-70	06/17/2022	3 years	06/17/2022	-	-	-	-	-	-	-	-	Doctor of Medicine, National Defense Medical Center Distinguished Research Fellow and Director for Institute of Biotechnology and Pharmaceutical Research, National Health Research Institutes Convener of Medicine and National Biotechnology - Cancer Group President of College of Medicine, National Cheng Kung University	Consultant of Precision Biotech Corp. Technical Consultant of TaiRx, Inc. Independent Director, ScinoPharm Taiwan, Ltd.				

Note 1: The Company has set up three seats of Independent Directors, and more than half of the directors do not concurrently serve as an employee or manager of the Company.
Note 2: Delos Capital Fund, LP changed its representative on December 29, 2023, and elected Mr. Chen, Lin-Cheng as Chairman through a resolution of the Board of Directors.
Note 3: The change in the number of shares held is attributable to the capital reduction implemented in 2023 to make up for losses as well as the cash capital increase.
Note 4: The Company received Dr. Yen, Yun's resignation letter on December 21, 2023, who resigned as Chairman and Director, effective on December 29, 2023.

3.2.2 Major Shareholders

December 31, 2023

Name of Institutional Shareholder	Major Shareholders
Peng Lin Investment Co., Ltd.	Chong-Yao Yin (99.98%), Ying Chia Investment Co., Ltd. (0.01%), Sheng Cheng Investment Co., Ltd. (0.01%)
Delos Capital Fund, LP	Peng Lin Investment Co., Ltd. (38.46%), Alpha Corporate Holdings Limited (Cayman Island) (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%)
Ying Chia Investment Co., Ltd.	Chang Chun Investment Co., Ltd. (75.86%), Ruen Hua Dyeing & Weaving Co., Ltd. (24.14%)
Huei Hong Investment Co., Ltd.	Ruen Hua Dyeing & Weaving Co., Ltd. (63.53%), Ruentex Xing Co. Ltd. (19.93%), Yi Tai Investment Co., Ltd. (16.54%)
Yi Tai Investment Co., Ltd.	Ren Ying Industrial Co., Ltd. (85.10%), Ruentex Xing Co. Ltd. (14.90%)
Ruentex Industries Ltd.	Ruentex Development Co., Ltd. (14.28%), Chang Quan Investment Co., Ltd. (4.55%), Ruentex Engineering & Construction Co., Ltd. (4.55%), Yi Tai Investment Co., Ltd. (4.24%), Huei Hong Investment Co., Ltd. (4.02%)
Sheng Cheng Investment Co., Ltd.	Ruen Hua Dyeing & Weaving Co., Ltd (48.98%), Ren Ying industrial Co., Ltd. (23.81%), Ying Chia Investment Co., Ltd. (17.31%), Huei Hong Investment Co., Ltd. (9.9%)
Chang Quan Investment Co., Ltd.	Huei Hong Investment Co., Ltd. (48.00%), Ruen Hua Dyeing & Weaving Co., Ltd. (33.00%), Ruentex Xing Co. Ltd. (19.00%)

3.2.3 Major Shareholders of Institutional Shareholders with Representation on the Board

December 31, 2023

Name of Institutional Shareholder	Major Shareholders
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 Financial Holding Co., Ltd. (100%)
E Sun Venture Capital Co. Ltd.	E.SUN Financial Holding Co., Ltd. (100%)
Ruen Hua Dyeing & Weaving Co., Ltd.	Ruentex Xing Co. Ltd. (19.55%), Ren Ying Industrial Co., Ltd. (19.14%), Chang Quan Investment Co., Ltd. (18.44%), Huei Hong Investment Co., Ltd. (17.96%), Yen-Liang Yin (13.70%), Yee-Fan Wong (6.55%)
Ren Ying Industrial Co., Ltd.	Yen-Liang Yin (92.86%), Yee-Fan Wong (7.14%)
Ruentex Xing Co. Ltd.	Yen-Liang Yin (99.997%), Yee-Fan Wong (0.003%)
Ruentex Development Co., Ltd.	Ruentex Industries Ltd. (25.70%), Huei Hong Investment Co., Ltd. (6.72%), Yi Tai Investment Co., Ltd. (4.36%), Chang Quan Investment Co., Ltd. (3.97%), Ruen Hua Dyeing & Weaving Co., Ltd. (1.51%)
Ruentex Engineering & Construction Co., Ltd.	Ruentex Development Co., Ltd. (39.14%), Ruentex Industries Ltd. (9.10%), Yi Tai Investment Co., Ltd. (7.12%), Ying Chia Investment Co., Ltd. (6.25%), Ruentex Xing Co. Ltd. (3.10%)

3.2.4 Professional qualifications held by directors, and the status of independence of Independent Directors:

December 31, 2023

Criteria / Name	Professional Qualifications and Experiences	Independence	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Peng Lin Investment Co., Ltd. Representative: Chen, Chi-Chuan	For the professional qualifications and experience of directors, please refer to "3.2.1 Summary on Board Members" of this Annual Report. For all directors, there is no incident of any of the conditions stated in Article 30 of the Company Act. (Note 1)	All directors comply with the requirements of Article 27 of the Company Act.	-
Peng Lin Investment Co., Ltd. Representative: Tseng, Tamon			-
Delos Capital Fund, LP Representative: Chen, Lin-Cheng			-
Allen Chao and Lee Hwa Chao Family Trust Representative: Allen Chao			1
Hsia Family Trust Representative: Hsia, David			-
Tsai, Jin-Pau		All Independent Directors meet the criteria specified below: 1. Compliance with related regulations set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies (Note 2). 2. Independent Director (or nominee arrangement) as well as his/her spouse and minor children do not hold any shares in the Company. 3. They did not receive remuneration from providing business, legal, financial, or accounting service to the Company or any of its affiliates in the last two years.	2
Wang, Tay-Chang			2
Chang, Chun-Yen			1

Note 1: A person who is under any of the following circumstances shall not act as a managerial officer of a company. If he has been appointed as such, he shall be dismissed ipso facto:

1. Having committed an offense as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
2. Having committed the offense in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
3. Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
4. Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
5. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
6. Having no or only limited disposing capacity;
7. Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

Note 2:
1. Not a government agency, juristic person or representative as required under Article 27 of the Company Act.
2. No independent director of the Company may concurrently serve as an independent director of more than three other public companies.
3. During the two years before the election or during the term of office, they have not had been any of the following:
   (1) Not an employee of the Company or any of its affiliates.
   (2) A director or supervisor of the company or any of its affiliates.
   (3) A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an

aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings.

(4) A spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of managerial personnel under subparagraph (1) or any of the persons in subparagraphs (2) and (3).

(5) 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 of the Company Act.

(6) The majority of the Company's director seats or voting shares and those of any other company are controlled by the same person, who is a director, supervisor, or employee of that other company.

(7) The 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) A director, supervisor, manager, or a shareholder holding more than 5% of the outstanding shares, of a certain company or organization that has a financial or business relationship with the Company.

(9) 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 two years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. 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 Security and Exchange Act or to the Business Mergers and Acquisitions Act or relevant laws or regulations.

(10) Does have a marital relationship with or is not a relative within the second degree of kinship to any other director of the company.

3.2.5 Board Diversity and Independence

I. Diversity policy:

Article 20 of the Company's "Corporate Governance Best Practice Principles" stipulates that in order to strengthen the structure and functions of the Board of Directors, diversity shall be considered in the composition of Board members. Directors who are also managers in the Company may not take up more than one-third of all seats. In addition, appropriate diversity policies shall be stipulated reflective of the Company's operation status, operational pattern, and developmental needs, which shall include, without limitation, the following two major aspects:

1. Basic criteria and values: Gender, age, nationality and culture, etc.
2. Professional knowledge and expertise: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

II. Specific management goals:

The board of directors shall provide guidance on the Company's strategies, supervise the management, be responsible for the Company and its shareholders, and shall ensure that it exercises its functions following the requirements of applicable laws and regulations and the Articles of Incorporation or decisions made during shareholders' meetings with regard to the respective operations and arrangements of the corporate governance system. The Board of Directors should have sufficient professional knowledge and skills, and its members' professional backgrounds cover law, accounting, industry-specific knowledge, and financing.

III. Information on the diversity of the Board of Directors is as follows:

As of the publication date of this Annual Report, the current Board of Directors of the Company is composed of 8 directors (including 3 Independent Directors). The current general directors are mainly composed of a JD from Harvard University, an MBA from National Taiwan University, a LL.M. from the University of London, and a Ph.D. In Pharmacy from Purdue University. The Independent Directors are composed of a Ph.D. in finance from the University of Pennsylvania, a master's degree from the Graduate Institute of Accounting of National Chengchi University, and a doctorate in medicine from the National Defense Medical Center. Members have rich experience and expertise in various fields including finance, business, law and the Company's industry. Currently, the Company's directors who concurrently serve as Company managers account for approximately 13%, and Independent Directors account for approximately 38%. One Independent Director has a tenure seniority of less than 7-9 years, and two independent directors have a tenure seniority of below 3 years. Two directors are aged above 70, five are between 61 and 70 years old, and one is between 51 and 60 years old. In addition to directors who are Taiwanese nationals, there are two directors residing in the United States, with multi-nationality and cultural backgrounds. The progress is detailed in the table below:

	Gender	Age	Capability of operational judgment	Accounting and financial analysis ability	Business management ability	Crisis management ability	Knowledge of the industry	International market perspective	Leadership ability.	Decision-making ability	Legal
Chairman Chen, Lin-Cheng	Male	51-60	v	v	v	v		v	v	v	v
Director Chen, Chi-Chuan	Male	61-70	v	v	v	v		v	v	v	
Director Tseng, Tamon	Male	61-70	v		v	v		v	v	v	v
Director Allen Chao	Male	71-80	v		v	v	v	v	v	v	
Director Hsia, David	Male	71-80	v		v	v	v	v	v	v	
Independent Director Tsai, Jin-Pau	Male	61-70	v	v	v	v		v	v	v	
Independent Director Wang, Tay-Chang	Male	61-70	v	v	v	v		v	v	v	
Independent Director Chang, Chun-Yen	Male	61-70	v		v	v	v	v	v	v	

IV. Board independence: The Company currently has 8 members on the Board of Directors. The Independent Directors all comply with the regulations set forth in the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies, and there are no violations of Article 26-3, Items 3 and 4 of the Securities and Exchange Act between the directors and independent directors. For status of independence of the Board of Directors, please refer to "3.2.4 Professional qualifications held by directors, and the status of independence of Independent Directors". For information on each director's education, gender, work experience and whether there are spouses and relation within the second degree of kinship among the directors, please refer to "3.2.1 Summary on Board Members".

3.2.6 Remuneration

(1) 2023 Directors' remuneration (including independent directors)

December 31, 2023; Unit: NT$ thousands

Title	Name	Remuneration								Ratio of total compensation (A+B+C+D) and to net profit after tax (%) (Note 7)		Relevant Remuneration Received by Directors Who are Also Employees								Total remuneration (A+B+C+D+E+F+G) as a percentage of net income after tax (Note 7)		Remuneration from reinvestments other than subsidiaries or the parent company
		Remuneration (A) (Note 1)		Severance pay and pension (B)		Director's remuneration (C) (Note 2)		Business expenses (D) (Note 3)				Salary, bonuses, and allowances (E) (Note 4)		Severance pay and pension (F)		Remuneration to employees (G) (Note 5)						
		The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company		All Companies in the Financial Statements (Note 6)		The Company	All Companies in the Financial Statements (Note 6)	
																Cash	Stock	Cash	Stock			
Chairman	Delos Capital Fund, LP Representative: Chen, Lin-Cheng (Note 8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Chairman	Yen, Yun (Note 9)	-	-	-	-	-	-	30	30	30 (0.001)	30 (0.001)	5,139	5,139	-	-	-	-	-	-	5,169 (0.242)	5,169 (0.242)	-
Director	Peng Lin Investment Co., Ltd. Representative: Chen, Chi-Chuan	-	-	-	-	-	-	25	25	25 (0.001)	25 (0.001)	-	-	-	-	-	-	-	-	25 (0.001)	25 (0.001)	-
Director	Peng Lin Investment Co., Ltd. Representative: Tseng, Tamon	-	-	-	-	-	-	25	25	25 (0.001)	25 (0.001)	-	-	-	-	-	-	-	-	25 (0.001)	25 (0.001)	-
Director	Delos Capital Fund, LP Representative: Ula Xue (Note 8)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Title	Name	Remuneration								Ratio of total compensation (A+B+C+D) and to net profit after tax (%) (Note 7)		Relevant Remuneration Received by Directors Who are Also Employees								Total remuneration (A+B+C+D+E+F+G) as a percentage of net income after tax (Note 7)		Remuneration from reinvestments other than subsidiaries or the parent company
		Remuneration (A) (Note 1)		Severance pay and pension (B)		Director's remuneration (C) (Note 2)		Business expenses (D) (Note 3)				Salary, bonuses, and allowances (E) (Note 4)		Severance pay and pension (F)		Remuneration to employees (G) (Note 5)						
																The Company		All Companies in the Financial Statements				
																Cash	Stock	Cash	Stock			
		The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)	The Company	All Companies in the Financial Statements (Note 6)					The Company	All Companies in the Financial Statements (Note 6)	
Director	Allen Chao and Lee Hwa Chao Family Trust Representative: Allen Chao	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Director	Hsia Family Trust Representative: Hsia, David	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Independent Director	Tsai, Jin-Pau	612	612	-	-	-	-	70	70	682 (0.032)	682 (0.032)	-	-	-	-	-	-	-	-	682 (0.032)	682 (0.032)	-
Independent Director	Wang, Tay-Chang	612	612	-	-	-	-	75	75	687 (0.032)	687 (0.032)	-	-	-	-	-	-	-	-	687 (0.032)	687 (0.032)	-
Independent Director	Chang, Chun-Yen	612	612	-	-	-	-	10	10	622 (0.029)	622 (0.029)	-	-	-	-	-	-	-	-	622 (0.029)	622 (0.029)	-

1. The policy, system, standards and structure of the remuneration packages of the Independent Directors and explain the relevance of the amount of remuneration paid to them based on factors such as responsibility, risk and time commitment:
   According to Tanvex's Articles of Incorporation, if the Company makes a profit during the year, the Board of Directors may decide through a resolution to allocate no more than 3% of the preceding profits as remunerations for directors. The ratio of remuneration to directors shall be determined by the majority of the Directors in a Board of Directors meeting attended by two-thirds or more of all directors, and shall be reported to the shareholders' meeting. However, an amount shall be set aside in advance to compensate for cumulative losses, if any, before directors' remunerations may be distributed in accordance with the aforementioned ratio.
   The Company did not appropriate directors' remuneration in 2023. Alternatively, independent directors received fixed remuneration for business execution based on their responsibilities, risks, and time investment. The preceding matters have all been reviewed by the Company's Compensation Committee and approved by the Board of Directors.
2. Remuneration received by directors in the latest year for services (e.g., acting as a non-employee consultant of the parent company/any company in the financial statements/investee) provided by the Directors: None.

Note 1: Remuneration of directors for the most recent year (including director salary, additional duty payments, severance pay, various bonuses, or incentive payments).

Note 2: This is the amount of directors' remuneration appropriated by the Board of Directors in the most recent year.

Note 3: These are business expenses of directors in the most recent year (including transportation allowance, special allowance, stipends, lodging, and vehicle, among other supplies in kind). In case of housing, vehicle, and other transportation or exclusive individual expenditures, the nature and costs, actual rents or those calculated based on fair market prices, gas fees, and other payments of the assets provided must be disclosed. If a chauffeur is provided, please note the

relevant compensation paid by the Company, but exclude the remuneration.

Note 4: All payments to directors who are also employees of the Company (including the position of President, Vice President, other manager, and staff), including salary, additional pay, severance pay, bonuses, rewards, transportation allowance, special allowance, stipends, lodging, and vehicle. In case of housing, vehicle, and other transportation or exclusive individual expenditures, the nature and costs, actual rents or those calculated based on fair market prices, gas fees, and other payments of the assets provided must be disclosed. If a chauffeur is provided, please note the relevant compensation paid by the Company, but exclude the remuneration. Salary expenses recognized in accordance with IFRS 2 Share-based Payment shall also include employee stock option certificates, restricted stock awards, and share subscription in capital increase by cash.

Note 5: For directors who serve as concurrent employees (including concurrent President, Vice Presidents, other managers and employees) who received employee remuneration (including shares and cash) in the most recent year, the amount of employee remuneration approved by the Board of Directors in the most recent year should be disclosed.

Note 6: The total pay to the directors from all companies in the consolidated statements (including the Company).

Note 7: Net profit after tax refers to the net profit after tax from the most recent Consolidated Financial Statement.

Note 8: Delos Capital Fund, LP changed its representative on December 29, 2023, and elected Mr. Chen, Lin-Cheng as Chairman through a resolution of the Board of Directors.

Note 9: The Company received Dr. Yen, Yun's resignation letter on December 21, 2023, who resigned as Chairman and Director, effective on December 29, 2023.

∗ The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

Range of Remuneration

Range of Remuneration Paid to Directors	Name of Director			
	Total (A+B+C+D)		Total (A+B+C+D+E+F+G)	
	The Company (Note 1)	All Companies in the Financial Statements (Note 2) H	The Company (Note 1)	All Companies in the Financial Statements (Note 2) I
Less than NT$1,000,000	Delos Capital Fund, LP Chen, Lin-Cheng, Yen, Yun, Peng Lin Investment Co., Ltd. representative Chen, Chi-Chuan, Peng Lin Investment Co., Ltd. representative Tseng, Tamon, Delos Capital Fund, LP Ula Xue, Allen Chao and Lee Hwa Chao Family Trust representative Allen Chao, Hsia Family Trust representatives Hsia, David, Tsai, Jin-Pau, Wang, Tay-Chang and Chang, Chun-Yen	Delos Capital Fund, LP Chen, Lin-Cheng, Yen, Yun, Peng Lin Investment Co., Ltd. representative Chen, Chi-Chuan, Peng Lin Investment Co., Ltd. representative Tseng, Tamon, Delos Capital Fund, LP Ula Xue, Allen Chao and Lee Hwa Chao Family Trust representative Allen Chao, Hsia Family Trust representatives Hsia, David, Tsai, Jin-Pau, Wang, Tay-Chang and Chang, Chun-Yen	Delos Capital Fund, LP Chen, Lin-Cheng, Peng Lin Investment Co., Ltd. representative Chen, Chi-Chuan, Peng Lin Investment Co., Ltd. representative Tseng, Tamon, Delos Capital Fund, LP Ula Xue, Allen Chao and Lee Hwa Chao Family Trust representative Allen Chao, Hsia Family Trust representatives Hsia, David, Tsai, Jin-Pau, Wang, Tay-Chang and Chang, Chun-Yen	Delos Capital Fund, LP Chen, Lin-Cheng, Peng Lin Investment Co., Ltd. representative Chen, Chi-Chuan, Peng Lin Investment Co., Ltd. representative Tseng, Tamon, Delos Capital Fund, LP Ula Xue, Allen Chao and Lee Hwa Chao Family Trust representative Allen Chao, Hsia Family Trust representatives Hsia, David, Tsai, Jin-Pau, Wang, Tay-Chang and Chang, Chun-Yen
NT$1,000,000 (included) – NT$2,000,000 (excluded)	-	-	-	-
NT$2,000,000 (included) –NT$3,500,000 (excluded)	-	-	-	-
NT$3,500,000 (included) –NT$5,000,000 (excluded)	-	-	-	-
NT$5,000,000 (included) – NT$10,000,000 (excluded)	-	-	Yen, Yun	Yen, Yun
NT$10,000,000 (included) –NT$15,000,000 (excluded)	-	-	-	-
NT$15,000,000 (included) –NT$30,000,000 (excluded)	-	-	-	-
NT$30,000,000 (included) –NT$50,000,000 (excluded)	-	-	-	-
NT$50,000,000 (included) –NT$100,000,000 (excluded)	-	-	-	-
Greater Than or Equal to NT$100,000,000	-	-	-	-
Total	10 persons	10 persons	10 persons	10 persons

Note 1: Total remuneration paid to each director by the Company.
Note 2: Total remuneration paid to each director by all companies in the consolidated statements (including the Company).
* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

(2) The remuneration paid to the Supervisor in the most recent year (2023): Not applicable as the Company has established an Audit Committee.

3.3 Key Managerial Officers

3.3.1 Information on key managers

December 31, 2023

Title	Name	Nationality	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
					Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
Chairman & CEO	Chen, Lin-Cheng	R.O.C.	Male	02/06/2024	-	-	-	-	-	-	J.D., Harvard University Founder and Partner, Delos Capital Fund, LP Partner and Co-Head of Asia, Permira Managing Director, Goldman Sachs Asia Corporate finance lawyer, Davis Polk, USA New York State Attorney	Chairman, Tanvex Biologies Corporation Chairman, Tanvex Biopharma USA, Inc. Chairman, Tanvex BioPharma Canada, Inc. Founder and Partner, Delos Capital Fund, LP	-	-	-	Note 1, 2, and 3
Chairman & CEO	Yen, Yun	R.O.C.	Male	10/31/2021	122,830	0.07%	-	-	-	-	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 University Ph.D. in Pathology and Cell Biology, Thomas Jefferson University M.D., Taipei Medical College	Chair Professor for Doctorate curriculum of Cancer Biology and Drug Research, Taipei Medical University Distinguished Professor, Tzu-Chi University Consultant, Cell Therapy Center, Tzu-Chi Hospital (Hualien) Voluntary Chairman, Sino American Cancer Foundation Chief Scientific Adviser, Stembios Director, Calgent Biotechnology Co. Ltd. Director, Lixte Biotech USA Adjunct Professor, California Institute of Technology Adjunct Research Fellow, Institute of Biological Chemistry, Academia Sinica Chairman, Theragent Inc. Director, Nano Targeting & Therapy Biopharma Inc. Corporate Director Representative, Obigen Pharma Inc. Director, National Institutes of Health	-	-	-	Note 4
CFO	Ye, Wen-Chung	R.O.C.	Male	11/13/2023	-	-	-	-	-	-	Graduated from School of Management, Boston University Vice President, CFO and Spokesperson, Catcher Technology Co., Ltd. Associate Manager and Spokesperson, Financial Management Center, TECO Electric Corp.	Deputy Spokesperson, Tanvex Biologies Corporation Corporate Controller, Tanvex Biologies Corporation	-	-	-	Note 5
CFO	Peter Lin	The U.S.	Male	2/18/2022	-	-	-	-	-	-	MBA, Marshall School of Business, USC CFO, MEBO GROUP/MEBO INTERNATIONAL	None	-	-	-	Note 6
Corporate Governance Officer	Li, Xian-Chang	R.O.C.	Male	12/21/2023	-	-	-	-	-	-	George Washington University, Master of Engineer Management Master's degree in Finance, Graduate School of International Business, Soochow University Department of Financial Management, National Sun Yat-sen University Chief Financial Advisor, Executive Assistant to the Chairman, and Supervisor, Tymphany Acoustic Technology Limited	None	-	-	-	Note 7

Title	Name	Nationality	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
					Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
Corporate Governance Officer	Tsai, Pei-Yong	R.O.C.	Female	2/20/2023	-	-	-	-	-	-	Department of Accounting, Fu Jen Catholic University Cardiff University(UK) MBA Associate Accounting Manager/Chief Financial Officer, Advagene Biopharma Co. Ltd.	None	-	-	-	Note 8
Chief Accounting Officer	Ken Huang	The U.S.	Male	2/20/2023	-	-	-	-	-	-	Master's degree in Taxation, San Jose State University Ernst & Young LLP	None	-	-	-	Note 9
COO, Tanvex USA	John Mosack	The U.S.	Male	2023/02/13	-	-	-	-	-	-	Mechanical Engineering Department, University of Massachusetts President, BioPark President/Vice President, Lonza, Inc.	None	-	-	-	-
Vice President PPD, Tanvex USA	Jennifer Hopp	The U.S.	Female	9/24/2018	-	-	-	-	-	-	Master's degree in Chemical Engineering, University of Arizona R&D Director, Genetech R&D Director, Biogen	None	-	-	-	Note 10
Vice President, Business Development Division, Tanvex USA	Matthew Unkrich	The U.S.	Male	10/5/2020	-	-	-	-	-	-	Bachelor of Business Administration, California State University at Long Beach Financial Director, Allergan Australia	None	-	-	-	-

Title	Name	Nationality	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
					Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
VP Project Management, Tanvex USA	Qi Liu	The U.S.	Female	9/24/2018	-	-	-	-	-	-	R&D Director, Novaris R&D Director, Watson	None	-	-	-	Note 11
Vice President, Business Development Division, Tanvex USA	Sylvia Hinds	China	Female	2023/05/15	-	-	-	-	-	-	Masters, Business Administration, Marketing & Ops. Management Business Development Director, Avid Bioservices Business Development Director of CDMO services, Nitto Denko Avecia Business Development Director, Brammer Bio	None	-	-	-	-
Vice President, Technical Department, Tanvex USA	Weifeng Zhang	China	Male	2023/06/05	-	-	-	-	-	-	Master's degree in Engineering, Villanova University VP in U.S. GMP, GenScript MSAT Director, LakePharma Process Development and Technical Services Director, Shire	None	-	-	-	-
Vice President, HR, Tanvex USA	Norma Braun	The U.S.	Female	2023/10/19	-	-	-	-	-	-	California State University Fullerton Vice President, Tri-City Healthcare District Vice President, Cha Hollywood Presbyterian Medical Center	None	-	-	-	-

Title	Name	Nationality	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience (Education)	Other Position Concurrently Held at the Company or Other Companies	Executives, Directors or Supervisors Who are Spouses or Within the Second Degree of Kinship			Remark
					Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)			Title	Name	Relation	
Vice President in Quality Control, Tanvex USA	Barry Conner	The U.S.	Male	2023/07/10	-	-	-	-	-	-	MBA, Belhaven University Vice President of Quality Control, Matica Biotech Quality Assurance Director, Cognate BioServices	None	-	-	-	-
Vice President in Strategy, Tanvex USA	Chao Chin Yuan	R.O.C.	Female	2023/09/18	-	-	-	-	-	-	LL.M., Soochow University MBA, National Taiwan University Director of Public Affairs Office, Sanofi Co. Deputy Director, Biotechnology and Pharmaceutical Industries Promotion Office, MOEA	None	-	-	-	-
Vice President of R&D (Protein Purification), Tanvex USA	Miguel Carrion	Ecuador	Male	2023/11/13	-	-	-	-	-	-	Master of Science in Chemistry from Eastern Illinois University President, Microbial Manufacturing Services, Thermo Fisher Director, Cell and Gene Therapy, Catalent Pharma Solutions	None	-	-	-	-

Note 1: The Company has set up three seats of Independent Directors, and more than half of the directors do not concurrently serve as an employee or manager of the Company.
Note 2: Delos Capital Fund, LP changed its representative on December 29, 2023, and elected Mr. Chen, Lin-Cheng as Chairman through a resolution of the Board of Directors.
Note 3: Chairman Mr. Chen, Lin-Cheng was appointed as the Company's CEO by the Board of Directors on February 6, 2024.
Note 4: The Company received Dr. Yen, Yun's resignation letter on December 21, 2023, who resigned as Chairman and Director, effective on December 29, 2023.
Note 5: Chief Financial Officer Mr. Ye, Wen-Chung was appointed by the Board of Directors on November 13, 2023.
Note 6: Chief Financial Officer Mr. Peter Lin resigned on January 12, 2024.
Note 7: Corporate Governance Officer, Mr. Li, Xian-Chang, was appointed by the Board of Directors on December 21, 2023.
Note 8: Corporate Governance Officer, Ms. Tsai, Pei-Yong, resigned on November 30, 2023.
Note 9: Corporate Controller, Mr. Ken Huang resigned on January 5, 2024.
Note 10: Ms. Jennifer Hopp, Vice President of R&D (Protein Purification), Tanvex USA, resigned on October 27, 2023.
Note 11: Ms. Qi Liu, Vice President of R&D (Protein Purification), Tanvex USA, resigned on January 3, 2024.

3.3.2 Remuneration Paid to President and Vice President in the Most Recent Year (2023)

Unit: NT$ thousands

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Amount of employee remuneration (D)				Ratio of total compensation (A+B+C+D) and to net profit after tax (%) (Note 1)		Remuneration from reinvestments other than subsidiaries or the parent company
		The Company	All Companies in the Financial Statements (Note 2)	The Company	All Companies in the Financial Statements (Note 2)	The Company	All Companies in the Financial Statements (Note 2)	The Company		All Companies in the Financial Statements (Note 2)		The Company	All Companies in the Financial Statements (Note 2)	
								Cash	Stock	Cash	Stock			
Chairman & CEO	Chen, Lin-Cheng	5,773	95,739	122	6,676	2,235	21,052	-	-	4,530	-	8,220 (0.38)	127,997 (5.99)	-
Chairman & CEO	Yen, Yun (Note 3)													
CFO	Ye, Wen-Chung													
CFO	Peter Lin (Note 4)													
Corporate Governance Officer	Li, Xian-Chang													
Corporate Governance Officer	Tsai, Pei-Yong (Note 5)													
Chief Accounting Officer	Ken Huang (Note 6)													
Vice President PPD, Tanvex USA	Jennifer Hopp													
COO, Tanvex USA	John Mosack													
Vice President, Business Development Division, Tanvex USA	Matthew Unkrich													
VP Project Management, Tanvex USA	Qi Liu													
Vice President, Business Development Division, Tanvex USA	Sylvia Hinds													
Vice President, Technical Department, Tanvex USA	Weifeng Zhang													
Vice President, HR, Tanvex USA	Norma Braun													
Vice President in Quality Control, Tanvex USA	Barry Conner													
Vice President in Strategy, Tanvex USA	Chao Chin Yuan													
Vice President of R&D (Protein Purification), Tanvex USA	Miguel Carrion													

Range of Remuneration

Range of Remuneration Paid to the General Manager and Deputy General Managers	Name of the General Manager and Deputy General Managers	
	The Company	All Companies in the Financial Statements (Note 2)
Less than NT$1,000,000	Chen, Lin-Cheng, Ye, Wen-Chung, Li, Xian-Chang	Chen, Lin-Cheng, Ye, Wen-Chung, Li, Xian-Chang
NT$1,000,000 (included) – NT$2,000,000 (excluded)	-	Chao Chin Yuan, Miguel Carrion,
NT$2,000,000 (included) –NT$3,500,000 (excluded)	Tsai, Pei-Yong	Tsai, Pei-Yong
NT$3,500,000 (included) –NT$5,000,000 (excluded)	-	-
NT$5,000,000 (included) – NT$10,000,000 (excluded)	Yen, Yun	Yen, Yun, Weifeng Zhang, Barry Conner, Sylvia Hinds, Norma Braun, Ken Huang
NT$10,000,000 (included) –NT$15,000,000 (excluded)	-	Matthew Unkrich, Qi Liu, Peter Lin
NT$15,000,000 (included) –NT$30,000,000 (excluded)	-	Jennifer Hopp, John Mosack
NT$30,000,000 (included) –NT$50,000,000 (excluded)	-	-
NT$50,000,000 (included) –NT$100,000,000 (excluded)	-	-
Greater Than or Equal to NT$100,000,000	-	-
Total	5 persons	17 persons

Note 1: Net profit after tax refers to the net profit after tax from the most recent Consolidated Financial Statement.

Note 2: The total remuneration paid to the President and Vice Presidents from all companies in the consolidated financial statements (including the Company).

Note 3: Chairman Dr. Yen, Yun resigned on December 29, 2023.

Note 4: CFO Peter Lin resigned on January 12, 2024.

Note 5: Corporate Governance Officer, Ms. Tsai, Pei-Yong, resigned on November 30, 2023.

Note 6: Corporate Controller, Mr. Ken Huang resigned on January 5, 2024.

*** The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.**

3.3.3 Individual remuneration paid to each of the Company's top five management personnel in the most recent year (2023)

Unit: NT$ thousands

Title	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Amount of employee remuneration (D)				Ratio of total compensation (A+B+C+D) and to net profit after tax (%) (Note 2)		Remuneration from reinvestments other than subsidiaries or the parent company
		The Company	All Companies in the Financial Statements (Note 1)	The Company	All Companies in the Financial Statements (Note 1)	The Company	All Companies in the Financial Statements (Note 1)	The Company		All Companies in the Financial Statements (Note 1)		The Company	All Companies in the Financial Statements (Note 1)	
								Cash	Stock	Cash	Stock			
Vice President PPD, Tanvex USA	Jennifer Hopp	-	13,253	-	5,209	-	1,885	-	-	4,530	-	-	24,877 (1.16)	-
COO, Tanvex USA	John Mosack	-	12,939	-	142	-	5,861	-	-	-	-	-	18,942 (0.89)	-
Vice President, Business Development Division, Tanvex USA	Matthew Unkrich	-	11,711	-	249	-	1,889	-	-	-	-	-	13,849 (0.65)	-
VP Project Management, Tanvex USA	Qi Liu	-	9,933	-	227	-	1,958	-	-	-	-	-	12,118 (0.57)	-
CFO	Peter Lin	-	9,289	-	187	-	1,285	-	-	-	-	-	10,761 (0.50)	-

Note 1: The total remunerations paid to the top five highest paid managers from all companies in the consolidated statements (including the Company).

Note 2: Net profit after tax refers to the net profit after tax from the most recent Consolidated Financial Statement.

* The remuneration disclosed in the table is different from income as defined in the Income Tax Act. This table is therefore provided for disclosure only and is not used for taxation purposes.

3.3.4 Remunerations to Directors, Supervisors, President, and Vice Presidents as a percentage of net profit after tax in the last two years by the Company and all companies in the consolidated financial statements, and description of the policy, standards and packages of remunerations, procedure for making such decision and their correlations to business performance and future risks:

Remunerations to Directors, Supervisors, President, and Vice Presidents as a percentage of net profit after tax in the last two years:

Unit: NT$ thousands; %

Items / Title	2023				2022			
	Total remuneration		Percentage of total remunerations to net profit after tax (%)		Total remuneration		Percentage of total remunerations to net profit after tax (%)	
	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements	The Company	All companies included in the consolidated statements
Director	7,210	7,210	(0.34)	(0.34)	6,444	6,444	(0.39)	(0.39)
President and Vice Presidents	8,220	127,997	(0.38)	(5.99)	4,046	78,616	(0.25)	(4.79)

Remuneration policies, standards, and packages for Directors, Supervisors, the Company President, and Vice Presidents, the procedures for determining remuneration, and the relationship between the remuneration provided and business performance and future risks:

1. The Company has established a Compensation Committee that formulates and regularly reviews the annual and long-term performance targets for directors and managers and the remuneration policies, systems, standards, and structures.
2. Director: The relevant earnings distribution is clearly stipulated in the Company's Articles of Incorporation, and the payment of remuneration to directors and supervisors must be handled in accordance with the Company's Articles of Incorporation. The remuneration paid to directors by the Company in 2023 consisted of fixed remunerations such as travel expenses or attendance fees. There is no remuneration from earnings distribution. These remunerations are determined based on their duties and responsibilities as well as their level of contribution to the Company, with reference to industry standards.
3. President and Vice Presidents: The remuneration of the President and Vice Presidents shall be considered and paid in accordance with the principles of the Company's ranking-based evaluation. In addition, bonuses are appropriately adjusted based on operating performance and future risks; hence, the risk from remunerations should be limited.

3.4 Implementation of Corporate Governance

3.4.1 Board of Directors

3.4.1.1 The Board of Directors convened 8 meetings in 2023. The details of attendance from directors and independent directors are as follows:

Title	Name	Attendance in Person	By Proxy	Actual attendance rate (%)	Remark
Chairman	Delos Capital Fund, LP. Representative: Chen, Lin-Cheng	1	0	100%	Note 1 and 2
Chairman	Yen, Yun	7	0	100%	Note 3
Director	Peng Lin Investment Co., Ltd. Representative: Chen, Chi-Chuan	8	0	100%	-
Director	Peng Lin Investment Co., Ltd. Representative: Tseng, Tamon	7	0	88 %	-
Director	Allen Chao and Lee Hwa Chao Family Trust Representative: Allen Chao	8	0	100%	-
Director	Hsia Family Trust Representative: Hsia, David	6	0	75%	-
Director	Delos Capital Fund, LP. Representative: Ula Xue	7	0	100%	Note 1
Independent Director	Tsai, Jin-Pau	8	0	100%	-
Independent Director	Wang, Tay-Chang	8	0	100 %	-
Independent Director	Chang, Chun-Yen	6	0	75 %	-

Note 1: Delos Capital Fund, LP changed its representative on December 29, 2023.

Note 2: Mr. Chen, Lin-Cheng was elected as Chairman by resolution of the Board of Directors on December 29, 2023.

Note 3: The Company received Dr. Yen, Yun's resignation letter on December 21, 2023, who resigned as Chairman and Director, effective on December 29, 2023.

Other matters:

1. With regard to the operations of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions, and the Company's response shall be specified:

   (1) Matters referred to in Article 14-3 of the Securities and Exchange Act: Not applicable, please refer to 3.4.12 "Important resolutions of the shareholders' meeting and Board of Directors in the most recent year and up to the publication date of this Annual Report".

   (2) Any recorded or written Board resolutions to which independent directors have dissenting or qualified opinions to be noted in addition to the above: None.

2. For recusal of directors due to conflict of interests, the name of the directors, the content of the proposals, reasons for recusal, and participation in voting shall be stated:

Name of Director	Meeting date	Contents of Motions	Reasons for recusal	Participation in voting
Director Yen, Yun	2023/01/09	Proposal to lift the prohibition on the Company's managers from participating in competitive businesses	Director Yen, Yun was a stakeholder in the relevant proposal.	Director Yan Yun recused himself during the discussion and voting of the proposal because he had an interest in the case. Mr. Wang, Tay-Chang, an independent director, was appointed the acting chairman, where the proposal was unanimously approved without objections.
Directors Yen, Yun and Chen, Chi-Chuan	2023/03/03	Proposal to lift the prohibition on the Company's directors from participating in competitive businesses	Directors Yen, Yun and Chen, Chi-Chuan were stakeholders in the relevant proposal.	Directors Yan Yun and Chen, Chi-Chuan recused themselves during the discussion and voting of the proposal because they had an interest in the case. Mr. Wang, Tay-Chang, an independent director, was

				appointed the acting chairman, where the proposal was unanimously approved without objections.
Director Yen, Yun	2023/05/12	List of employees eligible for issuance of employee RSU (restricted stock units) in 2022.	Director Yen, Yun was a stakeholder in the relevant proposal.	Director Yan Yun recused himself during the discussion and voting of the proposal because he had an interest in the case. Mr. Wang, Tay-Chang, an independent director, was appointed the acting chairman, and the remaining directors present decided to postpone the proposal.
Independent Directors Tsai, Jin-Pau, Wang, Tay-Chang, and Chang, Chun-Yen	2023/12/21	Proposal to adjust the salaries for independent directors	Independent Directors Tsai, Jin-Pau, Wang, Tay-Chang, and Chang, Chun-Yen were stakeholders in the relevant proposal.	Independent directors Tsai, Jin-Pau, Wang, Tay-Chang, and Chang, Chun-Yen recused himself during the discussion and voting of the proposal because they had an interest in the case, and the remaining directors present decided to postpone the proposal.
Director Tseng, Tamon	2024/02/06	Proposal for short-term financing from shareholder	Director Tseng, Tamon was a stakeholder in the relevant proposal.	Director Tseng, Tamon recused himself during the discussion and voting of the proposal because he had an interest in the case.
Director Chen, Lin-Cheng	2024/02/06	The appointment, salary, and benefits of the Company's CEO	Director Lin-Cheng was a stakeholder in the relevant proposal.	Director Lin-Cheng recused himself during the discussion and voting of the proposal because he had an interest in the case. Mr. Wang, Tay-Chang, an independent director, was appointed the acting chairman, where the proposal was unanimously approved without objections.
Director Chen, Lin-Cheng	2024/02/06	Proposal to lift the prohibition on the Company's directors and managers from participating in competitive businesses	Director Lin-Cheng was a stakeholder in the relevant proposal.	Director Lin-Cheng recused himself during the discussion and voting of the proposal because he had an interest in the case. Mr. Tsai, Jin-Pau, an independent director, was appointed the acting chairman, where the proposal was unanimously approved without objections.

3.4.1.2 Implementation Status of the Evaluation of the Board of Directors

Frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once every year	2023	The evaluation scope of the Company's Board of Directors includes performance evaluation of the overall Board of Directors and individual Board members.	The Company has formulated the performance evaluation method of the Board of Directors on November 14, 2017, and amended the method on August 12, 2020. The Company conducts a self-evaluation by all Board members in regards to their performance every year, and the corporate governance unit also conducts a self-evaluation of the overall performance of the Board of Directors.	The criteria for evaluating the performance of the Board of Directors includes the following five major aspects: I. Participation in the Company's operations II. Improvement of the quality of the Board of Directors' decision making III. Board composition and structure IV. Election and continuing education of the directors V. Internal control The self-evaluation result of the Board of Directors was 92%, and the 2023 annual evaluation results were reported to the Board meeting convened on February 6, 2024. The criteria for evaluating the Board members' self-performance evaluation includes the following six aspects: I. Familiarity with the goals and missions of the Company II. Understanding of director's responsibilities III. Participation in the Company's operations IV. Internal relationship management and communication V. Profession and continuing education of directors VI. Internal control The self-evaluation result of the Board members was 96%, and the 2023 annual evaluation results were reported to the Board meeting convened on February 6, 2024.

3.4.2 Audit Committee

In 2023, the Audit Committee convened 6 meetings. The details of the attendance from the Independent Directors are as follows:

Title	Name	Attendance in Person	By Proxy	Actual attendance rate (%)	Remark
Convener	Tsai, Jin-Pau	6	0	100%	
Committee Member	Wang, Tay-Chang	6	0	100%	
Committee Member	Chang, Chun-Yen	5	0	83.3%	

Other matters:

1. The date of the Audit Committee meeting, the term, contents of the proposals, dissenting or qualified opinions given by independent directors or contents of major proposed items, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting:
   (1) Matters referred to in Article 14-5 of the Securities and Exchange Act: Please refer to "3.4.2.1 Important resolutions of the Audit Committee".
   (2) Other matters that were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.
2. When there are recusals of Independent Directors due to conflicts of interests, names of the Independent Directors, contents of resolutions, reasons of recusal, and voting participation should be stated: None.
3. Communications between the independent directors, the Company's chief internal auditor, and CPAs (shall include the material items, methods and results of audits of corporate finance or operations, etc.).
   (1) **Key communications between Independent Directors and chief internal auditors are summarized as the following:** The chief internal auditor usually communicates with the Independent Directors through emails or in-person meetings, and reports the audit results to the Audit Committee, which convenes every quarter. The Audit Committee has had no objections to the audit matters. In case of extenuating circumstances, the chief internal auditor will also report immediately to the Audit Committee in a timely basis.

Date	Meeting	Main points of communication
2023/03/03	The 12th meeting of the 3rd term of Audit Committee	● Audit report for Q4 2022. ● 2022 Statement on Internal Control.
2023/05/12	The 13th meeting of the 3rd term of Audit Committee	● Internal audit result in Q1 2023.
2023/08/09	The 14th meeting of the 3rd term of Audit Committee	● Internal audit result in Q2 2023.
2023/11/13	The 15th meeting of the 3rd term of Audit Committee	● Internal audit result in Q3 2023.
2023/12/21	The 16th meeting of the 3rd term of Audit Committee	● The 2024 Annual Audit Plan.

   (2) **The Audit Committee regularly reviews the Company's financial reports, and certified public accountants (CPAs) also attend the Audit Committee to explain the review status. The Audit Committee has had no objections to financial matters. Key communications between Independent Directors and CPAs are summarized as the following:**

Date	Meeting	Main points of communication
2023/03/03	The 12th meeting of the 3rd term of Audit Committee	● Description of review on the 2022 Consolidated Financial Report, financial statements, and Business Report.
2023/05/12	The 13th meeting of the 3rd term of Audit Committee	● Description of review on the Consolidated Financial Report for Q1 2023.
2023/08/09	The 14th meeting of the 3rd term of Audit Committee	● Description of review on the Consolidated Financial Report for Q2 2023.
2023/11/13	The 15th meeting of the 3rd term of Audit Committee	● Description of review on the Consolidated Financial Report for Q3 2023.
2023/12/21	The 16th meeting of the 3rd term of Audit Committee	● Evaluation of independence and competency of the CPA. ● Appointment of CPA for auditing the 2024 Consolidated Financial Statements.

3.4.2.1 Important resolutions of the Audit Committee

Date of Meeting	Major Resolutions	The Company's response to Audit Committee's opinions
2023/02/20 (11th meeting of the 3rd term of Audit Committee)	● Appointment of the Company's Corporate Controller ● The Company's cash capital increase of up to US$56 million in its U.S. subsidiary Tanvex BioPharma USA, Inc. (hereinafter referred to as "Tanvex USA") in 2023 ● The Company's cash capital increase of up to US$7 million in Taiwan subsidiary Tanvex Biologies Corporation (hereinafter referred to as "Tanvex Taiwan") in 2023	● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution.
2023/03/03 (12th meeting of the 3rd term of Audit Committee)	● Appointment of a proxy Corporate Controller. ● The Company's Consolidated Financial Report and Business Report for 2022 ● The Company's proposal for 2022 deficit compensation ● The Company's 2022 Statement on Internal Control	● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution.
2023/05/12 (13th meeting of the 3rd term of Audit Committee)	● Approval of the Consolidated Financial Report of the Company for Q1 2023 ● Amendment of the Company's "Articles of Incorporation" ● Amendment to the Company's "Rules of Procedure for Shareholders' Meetings" ● Amendment to the Company's "Sustainable Development Best Practice Principles". ● Amendment to the Company's "Corporate Governance Best Practice Principles". ● Proposal to formulate a policy for the Company's CPAs, their firms and firms' affiliated companies to provide non-assurance services to the Company and its subsidiaries ● Revision to the 2021 fundraising plan	● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution.
2023/08/09 (14th meeting of the 3rd term of Audit Committee)	● Approval of the Consolidated Financial Report of the Company for Q2 2023 ● Amendment to the Company's "Procedures for Handling Material Internal Information"	● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution.
2023/11/13 (15th meeting of the 3rd term of Audit Committee)	● Approval of the Consolidated Financial Report of the Company for Q3 2023 ● Appointment of the Company's CFO ● Execute the 2023 cash capital increase and issuance of new shares and the amendment to the sound operating plan	● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution.
2023/12/21 (16th meeting of the 3rd term of Audit Committee)	● The Company's 2024 Business Plan and Budget Plan ● The Company's 2024 Annual Audit Plan ● Evaluation of independence and competency of the CPA ● Appointment of the CPA to audit the 2024 Consolidated Financial Report.	● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Members present requested to increase ESG-related operations in the audit plan; in addition to the above-mentioned addition to the audit plan, this proposal was approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. ● Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution.

3.4.2.2 Key responsibilities and functions of the Audit Committee

The Company's Audit Committee is formed by all Independent Directors, one of whom is the convener. The operation of the Audit Committee is to supervise the proper presentation of the Company's financial statements, the selection (dismissal) and independence and performance of certified public accountants, and the effective implementation of the Company's internal control, as well as ensuring the Company's compliance with relevant laws and rules, and the management of the Company's existing or potential risks.

(1) Preparation or revision of the internal control system as required by Article 14-1 of the Securities and Exchange Act.
(2) Evaluation of the effectiveness of the internal control system.
(3) Adoption or revision, pursuant to Article 36-1 of the Securities and Exchange Act, of any handling procedures for material financial or business transactions, such as the acquisition or disposal of assets, derivatives trading, loans of funds to others, and endorsements or guarantees for others.
(4) Matters involving directors' own interests.
(5) Asset transactions or derivatives trading of a material nature.
(6) Material loans, endorsements, or provision of guarantees.
(7) The offering, issuance, or private placement of equity-type securities.
(8) The appointment, dismissal of CPAs, or their compensations.
(9) The appointment or dismissal of a financial, accounting, or internal audit officer.
(10) Annual financial statements that are required to be signed or sealed by the Chairman, manager, and Corporate Controller, and Q2 financial statements that are audited and certified by CPAs.
(11) Other major matters stipulated by the company or the competent authority.

3.4.2.3 Implementation status of the evaluation of the Audit Committee

Frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once every year	2023	The scope of Audit Committee evaluation includes the performance evaluation of the Audit Committee and individual members of the Audit Committee.	The Company has formulated the performance evaluation method of the Board of Directors on November 14, 2017, and amended the method on August 12, 2020. The Company conducts a self-performance evaluation by all members of the Audit Committee every year, and the corporate governance unit conducts a self-evaluation of the overall performance of the Audit Committee.	1. The self-evaluation result of the Audit Committee members was 100%, and the board of directors reported the 2023 evaluation results on February 6, 2024. 2. The overall result of the Audit Committee's self-evaluation was 95%, and the 2023 annual evaluation results were reported to the Board meeting convened on February 6, 2024.

3.4.3The state of implementation of corporate governance and deviations from Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description	
I. Has the company defined and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has formulated the "Corporate Governance Best Practice Principles" in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and actively implements corporate governance matters in accordance with the Principles, as well as discloses it on the Company's website under the Corporate Governance section.	No material deviation.
II. Shareholding structure & shareholders' rights				
(I) Does the Company establish internal operating procedures to deal with shareholders' suggestions, doubts, disputes, and litigations, and implement based on the procedures?	✓		(I) To protect the interest of shareholders, the Company has appointed a spokesperson and deputy spokesperson to properly handle shareholder proposals or disputes.	No material deviation.
(II) Does the Company possess a list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders?	✓		(II) The Company's stock affairs are entrusted to Share Transfer Department of CTBC Bank. The Company regularly uses the shareholder list provided by CTBC Bank's Share Transfer Department on the Company's book closure date to understand the major shareholders who actually control the Company, and disclose insider reporting matters on a regular and on an ad-hoc basis.	No material deviation.
(III) Has the Company established, and does it execute, a risk management and firewall system within its affiliated companies?	✓		(III) The Company has formulated relevant internal regulations on the supervision and management of subsidiaries, endorsement and guarantee management, fund lending and management, and procedures for acquiring and disposing of assets to clearly regulate the management of personnel, assets, etc. with affiliated companies. In addition, we also implement effective risk control through internal control and the internal audit systems.	No material deviation.
(IV) Has the Company established internal rules against insiders trading with undisclosed information?	✓		(IV) The Company has formulated "Procedures for Handling Material Inside Information" and "Management Procedures to Prevent Insider Trading" to regulate all employees, managers, directors and anyone who has access to the Company's information based on professional or controlling relationships, and prohibits any actions that may involve Insider trading conduct.	No material deviation.
III. Composition and responsibilities of the Board of Directors				

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description	
(I) Has the Board of Directors devised and implemented a plan for a more diverse composition of the Board with specific management goals?	✓		(I) Pursuant to Article 20 of the Company's Corporate Governance Best Practice Principles, in order to strengthen the structure and functions of the Board of Directors, diversity shall be considered in the composition of Board members. Directors who are also managers in the Company may not take up more than one-third of all directorial seats. In addition, appropriate diversity policies shall be stipulated reflective of the Company's operation status, operational pattern, and developmental needs, which shall include, without limitation, the following two major aspects: 1. Basic criteria and values: Gender, age, nationality and culture, etc. 2. Professional knowledge and expertise: A professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience. Please refer to "3.2.5 Board Diversity and Independence" of this Annual Report for the Board's member diversity policy, specific management objectives and implementation status, and they are also disclosed on the Company's website under the Corporate Governance section.	No material deviation.
(II) Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?		✓	(II) The Company has established a Compensation Committee and an Audit Committee in accordance with the law, but currently does not have any other functional committees. They may be established in the future based on actual needs.	The Company has established a Compensation Committee and an Audit Committee in accordance with the law, but currently does not have any other functional committees.
(III) Has the Company established standards to measure the performance of the Board, and does the Company implement such annually, and report the results of evaluations to the Board, and use them as a reference for individual directors' remuneration and nomination and renewal?	✓		(III) The Company has formulated the "Regulations Governing Board Performance Evaluation" and has issued a performance self-evaluation questionnaire to all Board members every December since 2017. In addition to evaluating the overall operation of the Board of Directors, it also conducts self-evaluation of the individual Directors. The results of the performance evaluation results are regularly reported to the latest Board of Directors meeting in the following year.	No material deviation.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description	
(IV) Does the Company regularly evaluate the independence of the CPAs?	✓		(IV) The Company's accounting and finance unit evaluates the independence and competency of the certified public accountants (CPAs) every year, focusing on whether the accounting firm holds shares in the Company, whether it has direct or material indirect financial interests with the Company and its related parties, and whether there have been cases of the accounting firm or the CPAs accepting gifts of significant value from the Company's related parties or its directors and managers, etc. The evaluation results are submitted to the Audit Committee and the Board of Directors for resolution. The latest evaluation results were announced at the 16th meeting of the third term of the Audit Committee on December 21, 2023, and approved through resolution from the 20th meeting of the fifth term of the Board of Directors.	No material deviation.
IV. Does the Company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and supervisors with compliance, handling work related to meetings of the Board of Directors and the shareholders' meetings, and producing minutes of Board meetings and shareholders' meetings)?	✓		The Company has appointed a Corporate Governance Officer to be responsible for corporate governance-related matters. The main responsibilities of the Corporate Governance Officer include the following: 1. Assist directors with matters such as appointment, compliance with laws and continuing education, and provide directors with the information they need to perform their business. 2. Responsible for convening the Board of Directors and shareholders' meetings and arranging related agendas. 3. Prepare meeting minutes and disclose necessary information. The Company's Corporate Governance Officer has continued his studies and disclosed the relevant status and details on the Company's website.	No material deviation.
V. Has the Company established communication channels and built a dedicated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers) to respond to material corporate social responsibility issues in a proper manner?	✓		The Company attaches great importance to the rights and interests of all stakeholders, and various departments assist in communicating with relevant stakeholders. (I) Shareholders/Investors: The Company holds annual general shareholders' meetings and prepares Annual Reports. It also holds investor conferences from time to time and regularly/irregularly discloses Company-related information on the Market Observation Post System (MOPS) or the Company's website in accordance with relevant laws and regulations. (II) Employees: Employee-management meetings	No material deviation.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description	
			are held regularly, staff meetings and education training are also held from time to time. In addition, the Company also provides annual health examinations, performance evaluations, and provides communication channels. (III) Suppliers: Conduct relevant supplier evaluations and interviews with suppliers, and have dedicated personnel collect opinions on suppliers to ensure that suppliers comply with the legal requirements of the location where the Company operates, and that there are no major legal violations. The Company has also set up a spokesperson and deputy spokesperson, and established a Stakeholder section on the Company's website to respond to the opinions of relevant stakeholders.	
VI. Has the Company appointed a professional shareholder service agency to deal with shareholder affairs?	✓		The Company has entrusted Share Transfer Department of CTBC Bank, a professional share transfer agency, to handle matters related to shareholders' meeting.	No material deviation.
VII. Information disclosure				
(I) Does the Company have a corporate website to disclose both the Company's financial standings and corporate governance status?	✓		(I) The Company has set up a corporate website http://www.tanvex.com/index-c.php to disclose relevant corporate governance and financial business information, and discloses relevant information on the MOPS regularly and from time to time in accordance with legal regulations.	
(II) Does the Company have other information disclosure channels (e.g., setting up an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, and webcasting investor conferences)?	✓		(II) The Company has set up dedicated personnel to be responsible for collecting and disclosing Company information, and has set up both Chinese and English web pages to promptly disclose information that affects the decision-making of shareholders and stakeholders. The Company has also designated a spokesperson and a deputy spokesperson as the Company's external channel to the public in accordance with regulations. In case of an investor conference, the information will be disclosed on the Market Observation Post System (MOPS).	
(III) Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report the financial statements of the first three quarters, as well as monthly operation results, before the prescribed time limit?		✓	(III) The Company publishes and reports the financial reports for Q1, Q2, and Q3, annual financial reports and operating conditions of each month in accordance with the time prescribed by the laws. However, the annual financial report has not been announced within two months in advance.	The Company publishes and files financial reports in accordance with legal requirements, but has not filed the annual financial reports within two months after the end of the fiscal year.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description	
VIII. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, stakeholder rights, directors' and supervisors' training records, implementation of risk management policies and risk evaluation measures, implementation of customer policies, and participation in liability insurance by directors and supervisors)?	✓		(I) Employee rights and employee care: In addition to complying with the relevant regulations of the local government where it operates, the Company has also established various employee welfare systems and activities, implemented a pension system, encouraged employees to participate in education and training, and provided labor insurance and health insurance in addition to group insurance. Please refer to "Employee-Management Relations" in this Annual Report. (II) Investor relations: To protect the rights and interests of investors, the Company has designated a spokesperson and a deputy spokesperson to speak on the Company's operating conditions, and regularly discloses the Company's financial and business information in accordance with relevant laws and regulations. (III) Supplier relationship: The Company regularly evaluates major suppliers and maintains unimpeded communication channels with suppliers to maintain an equal and positive relationship. (IV) Rights and interests of stakeholders: The Company adheres to the principle of integrity, and has formulated smooth, unimpeded channels of communication with stakeholders. Stakeholders can communicate with and make suggestions to the Company to safeguard their legal rights and interests. (V) Continuing education of Directors and Supervisors: The Company organizes continuing studies for directors every year in accordance with relevant laws and regulations, and discloses such information on the MOPS. (VI) The implementation of the risk management policy and assessment standards: The Company has established an internal control system and related management measures in accordance with relevant laws and regulations, and the internal audit unit performs inspections both regularly and from time to time as needed. (VII) Implementation of the customer policy: The Company's products are still in the research and development stage, and relevant customer policies will be formulated based on actual needs in the future. (VIII) Liability insurance purchased by the Company for directors: The Company purchases liability insurance for directors every year, and regularly evaluates the insurance coverage and reports to the Board of Directors.	No material deviation.

Evaluation Item	Implementation Status (Note)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description	
IX. Please explain the improvements made in accordance with the Corporate Governance Evaluation results released by the Taiwan Stock Exchange's Corporate Governance Center, and provide the priorities and plans for improvement with items yet to be improved. (I) Items that have been improved: 1. More than half of the Company's directors and the convener of the Audit Committee have attended the general shareholders' meeting in person, and the list of attendance has been disclosed in the meeting minutes. 2. The Company adheres to the Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities, and has not suffered any penalties from violations. 3. Individual remuneration of directors has been disclosed in the Company's Annual Report. (II) In the future, priority should be given to improving the following items: 1. The Company's Board of Directors will conduct an external evaluation at least once every three years. 2. The Company will voluntarily set up more independent director seats than required by law. 3. The Company shall set up functional committees other than the statutory ones.				

3.4.4 Composition, Duties, and Operations of the Compensation Committee:

3.4.4.1 Information on Members of the Compensation Committee

Criteria / Name / Position		Professional Qualifications and Experiences	Independence	Number of Other Public Companies Where the Individual Concurrently Serves as a Remuneration Committee Member
Independent Director (Convener)	Wang, Tay-Chang	The members of the Compensation Committee are Independent Director of the Company. For their professional qualifications and experiences, please refer to "3.2.4 Professional qualifications held by directors, and the status of independence of Independent Directors" in this Annual Report.	The members of the Compensation Committee are Independent Director of the Company. Please refer to "3.2.4 Professional qualifications held by directors, and the status of independence of Independent Directors" in this Annual Report for information on independence.	2
Independent Director	Tsai, Jin-Pau			2
Independent Director	Chang, Chun-Yen			1

3.4.4.2 Operations of the Compensation Committee

(1) The current Compensation Committee has 3 members.

(2) The current term of office: August 27, 2021 to August 26, 2024.

The Compensation Committee has convened 4 meetings in 2023. The qualifications and attendance of the members are as follows:

Title	Name	Attendance in Person	By Proxy	Actual attendance rate (%)	Remark
Convener	Wang, Tay-Chang	4	0	100%	
Committee Member	Tsai, Jin-Pau	4	0	100%	
Committee Member	Chang, Chun-Yen	4	0	100%	

Other matters:

1. If the Board meeting does not adopt or revise the Compensation Committee's proposals, the Board meeting's date, period, motion contents, and resolution decisions as well as the method in which the Company handles the Compensation Committee's opinions shall be disclosed in detail (e.g. if the salary rate adopted by the Board is superior to that proposed by the Compensation Committee, the differences and reasons shall be explained): None.
2. If there were resolutions by the Remuneration Committee to which members have dissenting or qualified opinions, and for which there is a record or declaration in writing, the date of the meeting, session, contents of the motions, all members' opinions, and the response to members' opinions shall be specified: Please refer to 3.4.4.4 Important resolutions from the Compensation Committee for details.

3.4.4.3 Roles and Responsibilities of the Compensation Committee

This Committee shall perform relevant duties and powers in accordance with the provisions of relevant laws and regulations, and review the salary and remuneration policies (including but not limited to salary, stock options and other measures with substantial incentives) and systems of the Company's directors and managers in a professional and objective position. It should also evaluate and pay due attention to the Company's remuneration system and submit recommendations to the Board of Directors for reference in its decision-making.

3.4.4.4 Important resolutions from the Compensation Committee

Date of Compensation Committee Meeting	Major Resolutions	The Company's handling of the opinions of the Compensation Committee
2023/02/20 (4th meeting of the 3rd term of the Compensation Committee)	● Review the salary and benefits for the Company's Corporate Controller ● Review of salary and benefits case for COO of U.S. subsidiary	Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution. Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution.
2023/05/12 (5th meeting of the 3rd term of the Compensation Committee)	● Review the adjustment of the salary and benefits for the Company's Corporate Controller ● Review the adjustment of the salary and benefits for the Company's CFO ● Review the list of employees eligible for issuance of employee RSU (restricted stock units) in 2022. ● The issuance of 2023 employee stock option plan	The case is deferred. The case is deferred. The case is deferred. Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution.
2023/11/13 (6th meeting of the 3rd term of the Compensation Committee)	● Review the salary and benefits for the Company's CFO	Proposal approved as proposed by all members in attendance, and submitted to the Board for resolution.
2023/12/21 (7th meeting of the 3rd term of the Compensation Committee)	● Proposal to adjust the salaries for independent directors ● Review the adjustment of the salary and benefits for the Company's Corporate Controller	Since the three Independent Directors had an interest in the proposal, the case was submitted to the Board of Directors for resolution. The case is deferred.

3.4.4.5 Implementation status of the evaluation of the Compensation Committee

Frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Once every year	2023	The evaluation scope of the Compensation Committee includes the performance evaluation of the Compensation Committee and individual members of the Compensation Committee.	The Company has formulated the performance evaluation method of the Board of Directors on November 14, 2017, and amended the method on August 12, 2020. The Company conducts a self-performance evaluation by all members of the Compensation Committee every year, and the corporate governance unit conducts a self-evaluation of the overall performance of the Compensation Committee.	1. The self-evaluation result of the Compensation Committee members was 100%, and the board of directors reported the 2023 evaluation results on February 6, 2024. 2. The overall result of the Compensation Committee's self-evaluation was 100%, and the 2023 annual evaluation results were reported to the Board meeting convened on February 6, 2024.

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

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
I. Has the Company established a governance framework to promote sustainable development and a dedicated department (or a concurrent department) for fulfilling sustainable development, with the board of directors authorizing high-level managers to handle such efforts, and having relevant progress be supervised by the board of directors?	✓		(I) Currently, the Company's concurrent unit that promotes sustainable development is the CEO's Office, which actively promotes the implementation of corporate social responsibilities in each division. (II) It reports the status of sustainable development planning to the Board of Directors at least once a year. And the Board of Directors oversees whether goal formulation, management policies, and strategies are appropriate.	No material deviation.
II. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish relevant risk management policies or strategies?	✓		The Company has passed a resolution of the Board of Directors on May 12, 2023 to amend the "Sustainable Development Best Practice Principles", and continues to carry out internal advocacy and active implementation. Currently, the Company has not had any impact on the environment or anything that is not in the public interest.	No material deviation.
III. Environmental issues				
(I) Has the Company established environmental management systems based on its industry's characteristics?	✓		(I) Tanvex is a biopharmaceutical company, and we have formulated a toxicology team based on the characteristics of the industry to receive education and training related to toxicology. We have entrusted government-certified suppliers to assist in the disposal of laboratory-related waste to avoid environmental pollution. The Company's interior decoration and fixtures have also obtained fire protection certification approved by the government, as well as having complied with the environmental protection, health and fire protection regulations of each operating location.	No material deviation.
(II) Is the Company committed to achieving efficient use of resources, and using renewable materials that produce less impact on the environment?	✓		(II)The Company is committed to reducing the impact of daily operations on the environment. On top of recycling and reusing reusable supplies, including classifying waste for resource cycling and encouraging double-sided printing and reusing papers, we also actively promote paperless operations to reduce paper use. In addition, we also properly dispose of R&D waste.	No material deviation.
(III) Does the Company assess the potential risks and opportunities of climate change for its current and future operations and undertake response measures for	✓		(III)The Company encourages employees to recycle resources, turn off lights, and reduce the use of paper to reduce the risks of climate change.	No material deviation.

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
related issues?				
(IV) Does the Company take inventory of its greenhouse gas emissions, water consumption, and the amount of waste it has produced in the past two years, and has it implemented policies to reduce energy and water consumption, carbon and greenhouse gas emissions, and the amount of waste produced?	✓		(IV) The Company has collected statistics on greenhouse gas emissions, water consumption and total waste volume between 2020-2022, and has uploaded a Sustainability Report to the MOPS and the Company's website to describe its relevant policies.	No material deviation.
IV. Social Issues				
(I) Has the Company formulated appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(I) The Company's operating sites all comply with local regulations such as Labor Standards Act and respect the Universal Declaration of Human Rights. Relevant employee appointments, dismissals, and remuneration are handled in accordance with the Company's Work Rules and relevant personnel regulations to protect the relevant rights and interests of employees.	No material deviation.
(II) Does the Company formulate and implement reasonable employee benefit measures (including remuneration, leave, and other benefits) and appropriately employee compensation based on operating performance or results?	✓		(II) The Company has formulated Work Rules and relevant personnel regulations, and salaries, leaves, and benefits are all handled in accordance with relevant regulations. In addition, the Company also regularly performs performance evaluations, which are linked to employee compensations.	No material deviation.
(III) Does the Company provide a healthy and safe work environment, and does it organize health and safety training for its employees on a regular basis?	✓		(III) The Company's work environment has received fire protection certification, and the disposal of laboratory-related waste has been entrusted to government-certified suppliers. It also provides benefits in the form of employee health examinations every year, and strives to cultivate employees' emergency response capabilities and safety awareness through ad-hoc publicity and education training. These efforts are all made to provide a safe and healthy work environment for employees. There were no occupational accidents or fires during the year.	No material deviation.
(IV) Has the Company established effective career development and training plans for its employees?	✓		(IV) The Company regularly discusses and sets goals with its employees, provides training allowances for employees to receive professional education and training, and holds employee education and training from time to time to encourage employees to continue their studies as well as to train their professional competencies.	No material deviation.
(V) Do the Company's products and	✓		(V) The Company has complied with relevant laws and	No material

Implementation items	Implementation status			Deviations from Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons
	Yes	No	Description	
services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection or customer rights protection and grievance procedure policies implemented?			international standards, formulated relevant measures, and uploaded a Sustainability Report to the MOPS and the Company's website to describe relevant contents and actions.	deviation.
(VI) Does the Company formulate supplier management policies that require suppliers to follow relevant regulations on issues, such as environmental protection, occupational safety and health, or labor rights?	✓		(VI) The Company's supply chain quality management ensures that the suppliers' quality, business, and legal compliance policies and procedures meet the Company's requirements, and also requests suppliers to comply with relevant regulations on environmental protection, occupational safety and health, and labor rights as well as to report on relevant implementations.	No material deviation.
V. Does the Company prepare Sustainability Reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Are the reports certified or assured by a third-party accreditation body?		✓	The Company prepares the Sustainability Reports in accordance with the internationally accepted GRI Standards and has disclosed the Sustainability Reports on the MOPS and the Company's website. Nevertheless, the report has not obtained verification from a third-party accreditation body.	A Sustainability Report has been prepared but has not been verified by a third party accreditation body.

VI. Describe the deviations, if any, between actual practice and the sustainable development regulations, if the company has formulated such principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies:

The Company has formulated the Sustainable Development Best Practice Principles in accordance with the relevant regulations of the competent authority, and follows the relevant local laws and regulations of each place of operation to conduct corporate governance and related social responsibilities. It has been assessed that there is no significant difference between the Company's sustainable development and the relevant Best Practice Principles.

VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development:

(I) Human rights: The Company's human resources utilization policy is free of differential treatments because of gender, ethnicity, socioeconomic status, age, marriage, and family condition, and realizes equality and fairness of employment, hiring conditions, compensation, welfare, training, rating, and promotion opportunities.

(II) Other social responsibility activities: The Company aims to provide high-quality and affordable biosimilar drugs, hoping to reduce drug prices and benefit the society.

3.4.6 Implementation of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description	
I. Establishment of ethical corporate management policies and programs				
(I) Does the Company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and senior management towards implementation of such policy?	✓		(I) The Company has formulated the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct in accordance with relevant laws and regulations. The Board of Directors and management have also fulfilled their obligations as managers, supervising the implementation of relevant ethical corporate management policies, and discloses them on the Company's website.	No material deviation.
(II) Does the Company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risks of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct accordingly and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		(II) The Company has formulated the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, which cover the preventive measures for the behaviors in Paragraph 2 of Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies. The Board of Directors and management have also fulfilled their obligations as managers, supervising the implementation of relevant ethical corporate management policies. In addition, the audit unit also conducts relevant audits from time to time.	No material deviation.
(III) Does the Company define the operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the Company enforce the programs effectively and perform regular reviews and amendments?	✓		(III) The Company has formulated the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, which cover operating procedures and conduct guidelines, disciplinary and grievance systems, and regularly conducts anti-bribery related advocacy to Directors and employees to prevent them from engaging in unethical conduct.	No material deviation.
II. Fulfillment of ethical corporate management				
(I) Does the Company evaluate the integrity of all counterparties it has business relationships with? Are there any integrity clauses in the agreements it signs with business partners?	✓		(I) The Company's Procedures for Ethical Management and Guidelines for Conduct clearly stipulates that when signing a contract with others, the Company shall fully understand the counterparty's ethical business management status and to incorporate compliance with the Company's ethical business management policy into the terms of the contract. In addition, the Company shall evaluate the counterparty's legality before engaging in business activities with them, as well as to regularly establish an evaluation mechanism for suppliers to reduce the Company's operational risks.	No material deviation.
(II) Does the Company have a unit	✓		(II) The Company has an Audit Office, which is supervised by	No material

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description	
responsible for ethical corporate management on a full-time basis under the Board of Directors that reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?			the Board of Directors and conducts audits from time to time to supervise the implementation of the Company's ethical business management operations. It also reports the implementation status to the Board of Directors on a regular basis.	deviation.
(III) Does the Company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	✓		(III) The Company has formulated the Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, and the contents of which clearly state terms to prevent conflicts of interest and recusal. In addition, proper reporting channels have also been set up. In addition, the Company has established Procedures for Handling Material Inside Information and Management Procedures to Prevent Insider Trading. Relevant personnel are prohibited from leaking the Company's undisclosed information. The Company also strengthens relevant advocacy through staff meetings and other means to ensure the implementation of relevant systems.	No material deviation.
(IV) Does the Company have effective accounting and internal control systems in place to implement ethical corporate management? Does the internal audit unit devise audit plans based on the results of unethical conduct risk assessments and audit the systems accordingly to prevent unethical conduct, or hire external CPAs to perform the audits?	✓		(IV) For business activities with higher risks of unethical conduct, the Company has established effective accounting systems and internal control system in accordance with relevant laws and regulations, and reviews them at any time to ensure that the design and execution of the systems continue to be effective. Moreover, internal auditors regularly verify compliance with the audit plan or on an ad-hoc basis, and complete the audit report. They also report the results of the internal control self-assessment to the Audit Committee and the Board of Directors.	No material deviation.
(V) Does the Company regularly hold internal and external educational trainings on ethical corporate management?	✓		(V) The Company has disclosed its Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct on the Company's website, and promotes ethical business management-related matters through staff meetings and managerial meetings, so that employees can understand and follow them in practice.	No material deviation.
III. Operation of the whistle-blowing system				
(I) Has the Company established both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party for the follow-up?	✓		(I) The Company's Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct clearly specify a substantial reporting system that encourages reporting of dishonest or inappropriate behavior. If our employees encounter others engaging in dishonest behavior, they can report the incident through the Stakeholder section of the Company's website, and rewards will be issued based on the severity of the incident. The supervisor of the relevant department will immediately investigate the incident and notify the whistleblower of the handling situation. The	No material deviation.

Evaluation Item	Implementation Status (Note)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Description	
			entire process is based on the principle of confidentiality and protection of the whistleblower.	
(II) Does the Company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓		(II) The Company has established standard operating procedures for dealing with dishonest behavior by Company personnel in the Ethical Corporate Management Best Practice Principles, Procedures for Ethical Management and Guidelines for Conduct, and Code of Ethical Conduct. If our employees encounter others engaging in dishonest behavior, they can report the incident through the Stakeholder section of the Company's website. The entire process is based on the principle of confidentiality and protection of the whistleblower, so that employees may securely relay the information.	No material deviation.
(III) Does the Company provide proper whistleblower protection?	✓		(III) The Company is committed to implementing measures to protect the whistleblower to ensure that whistleblowers are not subjected to inappropriate actions.	No material deviation.
IV. Strengthening information disclosure				
Does the Company disclose its ethical corporate management policies and the results of its implementation on the Company's website and MOPS?	✓		The Company has disclosed its Ethical Corporate Management Best Practice Principles on the Company's website.	No material deviation.
V. If the Company has established its own ethical corporate management principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe the implementation and any deviations from the Principles: The Company has formulated the Ethical Corporate Management Best Practice Principles and has indeed complied with and implemented the ethical corporate management principles. After evaluation, there are no major differences with the relevant business management principles.				
VI. Other key information useful for understanding the Company's implementation of ethical corporate management: The Company has formulated an Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct, and is always paying close attention to the development of domestic and foreign standards related to ethical corporate management to formulate or revise the Company's ethical corporate management policy and to promote it accordingly. This also serves to enhance the effectiveness of the Company's ethical corporate management.				

3.4.7 If the Company has established Corporate Governance Best Practice Principles and the related regulations, disclose how these are to be searched

The Company has formulated Corporate Governance Best Practice Principles and related regulations, which are disclosed in the Corporate Governance section of the Company's website. The Company also reports various financial and business information on the MOPS on a regular and ad-hoc basis.

3.4.8 Other useful information for understanding the Company's corporate governance practices

Please refer to the Corporate Governance section of the Company's website (http://www.tanvex.com).

3.4.9 Status of Implementation of the Internal Control System

Statement on Internal Control

Tanvex BioPharma, Inc.

Statement on Internal Control

Date: March 14, 2024

The Company's 2023 Statement on Internal Control, based on the results of self-assessment, is as follows:

I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and managerial officers, and the Company has established an internal control system. The internal control system is designed to provide reasonable assurance for the effectiveness and efficiency of the operations (including profitability, performance, and protection of assets), reliability, timeliness, and transparency of reporting, and compliance with applicable laws and regulations.

II. The internal control system has innate limitations. No matter how robust and effective the internal control system is, it can only provide reasonable assurance of the achievement of the foregoing three goals; in addition, the effectiveness of the internal control system may vary due to changes in the environment and conditions. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.

III. The Company uses the assessment items specified in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations") to determine whether the design and implementation of the internal control system are effective. Based on the process of control, the assessment items specified in the Regulations divide the internal control system into five constituent elements: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Monitoring operations. Each constituent element includes a certain number of items. For more information on such items, refer to the Regulations.

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

V. Based on the aforementioned evaluation results, the Company believes that the design and execution of its December 31, 2023 internal control system (including those adopted for supervision and management of subsidiary branches) are effective in terms of understanding of operational effectiveness, level of efficiency fulfillment, financial reporting reliability, timeliness, transparency, and regulatory compliance-related internal control system items; and that the Company can reasonably achieve the aforementioned goals.

VI. This statement will constitute the main content of the Company's annual report and the prospectus and will be disclosed to the public. Any falsehood or concealment with regard to the above contents will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was approved unanimously by all Directors present at the meeting of the Board on March 14, 2024, where none of the 8 Directors in attendance expressed dissenting opinions, and all approved the content expressed in this statement.

Tanvex BioPharma, Inc.

Chairman Chen, Lin-Cheng

CEO Chen, Lin-Cheng

3.4.10 Disciplinary actions imposed by law on the Company or its employees, disciplinary actions imposed by the Company on its employees for violation of internal control regulations, and deficiencies and improvements in the most recent year and up to the publication date of this Annual Report:

None.

3.4.11 Important resolutions of the shareholders' meeting and Board of Directors in the most recent year and up to the publication date of this Annual Report

Meeting date	Category	Major Resolutions	Implementation status
2023/06/28	Shareholders' Meetings	1. 2022 Business Report & Consolidated Financial Statements 2. 2022 Loss Compensation Plan 3. Revision to the 2021 fundraising plan 4. Amendment of the Company's Articles of Incorporation 5. Release of directors from the prohibition on participation in competitive business 6. Amendment to the Rules of Procedure for Shareholders' Meetings	1. This case was approved by shareholders by voting. 2. This case was approved by shareholders by voting. 3. This case was approved by shareholders by voting. 4. This case was approved by shareholders by voting. 5. This case was approved by shareholders by voting. 6. This case was approved by shareholders by voting.

3.4.12 Important resolutions of the Board of Directors meeting in the most recent year and up to the publication date of this Annual Report:

Meeting date	Category	Major Resolutions	Objection or qualified opinion from Independent Directors
2023/01/09	Board of Directors	● Proposal to release the Company's manager from participating in competitive business.	● N/A.
2023/02/20	Board of Directors	● Appointment of the Company's Corporate Controller and his salary and benefits. ● Salary and benefits case for COO of U.S. subsidiary. ● The Company's cash capital increase of up to US$56 million in its U.S. subsidiary Tanvex BioPharma USA, Inc. in 2023 ● The Company's cash capital increase of up to US$7 million in Taiwan subsidiary Tanvex Biologies Corporation in 2023. ● Appointment of Corporate Governance Officer and Deputy Spokesperson.	● N/A. ● N/A. ● N/A. ● N/A. ● N/A.
2023/03/03	Board of Directors	● Appointment of a proxy Corporate Controller. ● The Company's Consolidated Financial Report, financial statements, and Business Report for 2022. ● The Company's proposal for 2022 deficit compensation. ● Proposal to lift the prohibition on the Company's directors from participating in competitive businesses. ● The Company's 2022 Statement on Internal Control. ● Establish the date, location and other relevant matters of the 2023 annual general shareholders' meeting.	● N/A. ● N/A. ● N/A. ● N/A. ● N/A. ● N/A.
2023/05/12	Board of Directors	● Amendment of the Company's "Articles of Incorporation" ● Amendment to the Company's "Rules of Procedure for Shareholders' Meetings" ● Amendment to the Company's "Sustainable Development Best Practice Principles".	● N/A. ● N/A. ● N/A.

Meeting date	Category	Major Resolutions	Objection or qualified opinion from Independent Directors
		● Amendment to the Company's "Corporate Governance Best Practice Principles".	● N/A.
		● Proposal to formulate a policy for the Company's CPAs, their firms and firms' affiliated companies to provide non-assurance services to the Company and its subsidiaries (approved without objection)	● N/A.
		● Revision to the 2021 fundraising plan	● N/A.
		● Adjustment of the salary and benefits for the Company's Corporate Controller	● The case is deferred.
		● Adjustment of the salary and benefits for the Company's CFO	● The case is deferred.
		● Formulate the additional reports and matters to be discussed at the 2023 annual general shareholders' meeting	● N/A.
		● List of employees eligible for issuance of employee RSU (restricted stock units) in 2022.	● The case is deferred.
		● Proposal for issuance of 2023 employee stock warrants	● N/A.
		● Matters related to the issuance of 2021 employee stock warrants	● N/A.
2023/08/09	Board of Directors	● The proposal for the Company's Consolidated Financial Report for Q2 2023.	● N/A.
		● Amendment to the Company's "Procedures for Handling Material Internal Information"	● N/A.
2023/11/13	Board of Directors	● The appointment, salary, and benefits of the Company's CFO	● N/A.
		● Execution of the 2023 cash capital increase and issuance of new shares and the amendment to the sound operating plan	● N/A.
2023/12/21	Board of Directors	● The Company's 2024 Business Plan and Budget Plan	● N/A.
		● The Company's 2024 Annual Audit Plan	● N/A.
		● Evaluation of independence and competency of the CPA	● N/A.
		● Appointment of the CPA to audit the 2024 Consolidated Financial Report	● N/A.
		● Proposal to adjust the salaries for independent directors	● The case is deferred.
		● Appointment of a Deputy Spokesperson.	● N/A.
		● Appointment of a Corporate Governance Officer.	● N/A.
		● Review the adjustment of the salary and benefits for the Company's Corporate Controller	● The case is deferred.
2023/12/29	Board of Directors	● Election of Chairman	● N/A.
2024/02/06	Board of Directors	● Proposal for short-term financing from shareholder	● N/A.
		● Proposal for submission of the list of employees eligible for cash capital increase through 2023 employee stock subscription and number of shares for subscription	● N/A.
		● The appointment, salary, and benefits of the Company's CEO	● N/A.
		● Appointment of the Company's Corporate Controller and his salary and benefits	● N/A.
		● Proposal to lift the prohibition on the Company's directors and managers from participating in competitive businesses	● N/A.
		● The Company's cash capital increase of up to US$50 million in its U.S. subsidiary Tanvex BioPharma USA Inc. (hereinafter referred to as "Tanvex USA") in 2024	● N/A.
		● The Company's cash capital increase of up to US$5	● N/A.

Meeting date	Category	Major Resolutions	Objection or qualified opinion from Independent Directors
		million in Taiwan subsidiary Tanvex Biologies Corporation (hereinafter referred to as "Tanvex Taiwan") in 2024	
2024/03/14	Board of Directors	● The Company's Consolidated Financial Report, financial statements, and Business Report for 2023. ● The Company's 2023 deficit compensation. ● The Company's 2023 Statement on Internal Control. ● Amendment to the Rules of Procedure for Board of Directors' Meetings. ● Amend the list of employees eligible for cash capital increase through 2023 employee stock subscription and number of shares for subscription. ● Proposal for the full re-election of directors of the Company。 ● Acceptance of list of director candidate nomination, review standards, and operating procedures. ● Establish the date, location and other relevant matters of the 2024 annual general shareholders' meeting.	● N/A. ● N/A. ● N/A. ● N/A. ● N/A. ● N/A. ● N/A. ● N/A.
2024/04/11	Board of Directors	● 2024 financial and business optimization plan. Please proceed to discuss. ● List of Director of the Board candidates, including Independent Director of the Board candidates, to be nominated by the Board of Directors. ● Release the prohibition on non-competition of Directors of the Board.	● N/A. ● N/A. ● N/A.

3.4.13 Main content of dissenting opinions from Directors or Supervisors on record or stated in a written statement, with respect to a material resolution passed by the Board of Directors in the most recent year and up to the date of publication of the Annual Report:

None.

3.4.14 Resignation or dismissal of Company Chairman, President, Corporate Controller, Finance Director, Chief Internal Auditor, Corporate Governance Officer and Head of Research and Development in the most recent fiscal year up to the publication date of this Annual Report:

Title	Name	Date of appointment	Date of dismissal	Reason for resignation or dismissal
Corporate Governance Officer	You, Zhao-Bei	2022/07/15	2023/02/20	Reassignment
Chief Accounting Officer	Peter Lin	2022/02/18	2023/02/20	Reassignment
CFO	Peter Lin	2022/02/18	2023/11/01	Reassignment
Corporate Governance Officer	Tsai, Pei-Yong	2023/02/20	2023/11/30	Resigned
Chairman	Yen, Yun	2021/08/27	2023/12/29	Resigned
CEO	Yen, Yun	2022/02/18	2023/12/29	Resigned
Chief Accounting Officer	Ken Huang	2023/02/20	2024/01/05	Resigned

3.5 Information on CPA Professional Fees

3.5.1 Audit fees and non-audit fees paid to the certified public accountants, their affiliated firms, and their affiliates

Unit: NT$ thousands

Accounting Firm	Name of CPA	Audit Fee	Non-audit Fee					Audit Period	Remark
			System of Design	Company Registration	Human Resources	Others	Subtotal		
PwC Taiwan	Yu, Shu-Fen Liang, Hua-Ling	2,598	-	-	-	152	2,750	2023	Financial and tax review services
PwC Taiwan	Huang, Wen-Li	-	-	124	-	-	124	2023	Change of registration service
PwC Taiwan	Li, Yi-Hua	-	-	-	-	3,970	3,970	2023	ESG consulting services

3.5.2 If the accounting firm has been changed, and the annual audit fees were lower for the year of the firm change compared to that of the previous year:

None.

3.5.3 If the audit fees have decreased by more than 10% compared to the previous year:

None.

3.6 Information on Replacement of CPAs

None.

3.7 The Chairman, President, and Financial or Chief Finance or Accounting Officer of the Company who had worked for the CPA's accounting firm or its affiliate in the past year:

None.

3.8 Share transfers and share pledging by Directors, Supervisors, managers and shareholders holding more than 10% equity in the past year and up to the publication date of this Annual Report

3.8.1 Change in share equity among Directors, Supervisors, managers, and major shareholders

Title	Name	2023		April 21, 2024	
		Shareholding Increase (Decrease) (Note 1)	Pledged Shareholding Increase (Decrease)	Shareholding Increase (Decrease)	Pledged Shareholding Increase (Decrease)
Chairman & CEO	Delos Capital Fund, LP	(9,596,490)	-	-	-
	Representative: Chen, Lin-Cheng	-	-	-	-
Director and major shareholder	Peng Lin Investment Co., Ltd.	(47,027,462)	-	-	-
	Representative: Chen, Chi-Chuan	-	-	-	-
Director and major shareholder	Peng Lin Investment Co., Ltd.	(47,027,462)	-	-	-
	Representative: Tseng, Tamon	-	-	-	-
Director	Allen Chao and Lee Hwa Chao Family Trust	833,823 (15,313,227)	-	-	-
	Representative: Allen Chao	-	-	-	-
Director	Hsia Family Trust	(1,726,216)	-	-	-
	Representative: Hsia, David	-	-	-	-
Independent Director	Tsai, Jin-Pau	-	-	-	-
Independent Director	Wang, Tay-Chang	-	-	-	-
Independent Director	Chang, Chun-Yen	-	-	-	-
CFO	Ye, Wen-Chung (Note 3)	-	-	-	-
Corporate Governance Officer	Li, Xian-Chang (Note 4)	-	-	-	-
Major Shareholder	Tanvex Biologics, Inc. (Note 2)	(25,198,560)	-	-	-

Note 1: The change in the number of shares held is attributable to the capital reduction implemented in 2023 to make up for losses as well as the cash capital increase.

Note 2: Tanvex Biologics, Inc. was dismissed on April 17, 2023.

Note 3: Mr. Ye, Wen-Chung was appointed as the CFO by the Board of Directors on November 13, 2023

Note 4: Mr. Li, Xian-Chang, was appointed as the Corporate Governance Officer by the Board of Directors on December 21, 2023.

3.8.2 Information on where the counterparties of equity pledges are related parties

None.

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

April 21, 2024; Unit: Share; %

Name (Note)	Current Shareholding		Spouse & Minor Shareholding		Total Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within the Second Degree of Kinship		Remark
	Shares	%	Shares	%	Shares	%	Name	Relation	
Peng Lin Investment Co., Ltd.	23,539,537	14.35	-	-	-	-	-	-	
Representative: Li, Tian-Jie	-	-	-	-	-	-	-	-	
Tanvex Biologics, Inc.	12,613,108	7.69	-	-	-	-	-	-	
Representative: Allen Chao	1,244,741	0.76	185,132	0.11	-	-	-	-	
Allen Chao and Lee Hwa Chao Family Trust	8,498,839	5.18	-	-	-	-	-	-	
Representative: Allen Chao	1,244,741	0.76	185,132	0.11	-	-	-	-	
Yingjia Investment Co., Ltd.	7,410,889	4.52	-	-	-	-	-	-	
Representative: Kun-Lung Chang	6,671	0.00	-	-	-	-	-	-	
Huei Hong Investment Co., Ltd.	6,162,074	3.76	-	-	-	-	-	-	
Representative: Yen-Liang Yin	-	-	-	-	-	-	-	-	
Yi Tai Investment Co., Ltd.	6,035,930	3.68	-	-	-	-	-	-	
Representative: Kun-Lung Chang	6,671	0.00	-	-	-	-	-	-	
Ruentex Industries Limited	5,767,039	3.52	-	-	-	-	-	-	
Representative: Hsu, Sheng-Yu	-	-	-	-	-	-	-	-	
Sheng Cheng Investment Co., Ltd.	5,221,418	3.18	-	-	-	-	-	-	
Representative: Kun-Lung Chang	6,671	0.00							
Chang Quan Investment Co., Ltd.	5,089,494	3.10	-	-	-	-	-	-	
Representative: Yen-Liang Yin	-	-	-	-	-	-	-	-	
Delos Capital Fund, LP	4,803,510	2.93	-	-	-	-	-	-	
Representative: Chen, Lin-Cheng	-	-	-	-	-	-	-	-	

3.10 The number of shares held by the Company, the Company's directors, supervisors, managerial personnel, and the number of shares invested in a single company which are held by the entities directly or indirectly controlled by the company, and the consolidated shareholding percentage

Unit: Thousand shares: %

Affiliated Enterprises (Note)	Ownership by the Company		Direct or Indirect Ownership by Directors/Supervisors/Managers		Total Ownership	
	Shares	Shareholding (%)	Shares	Shareholding (%)	Shares	Shareholding (%)
Tanvex Biologies Corporation	247,946	100%	-	-	247,946	100%
Tanvex BioPharma USA, Inc.	1,000	100%	-	-	1,000	100%
Tanvex BioPharma Canada, Inc.	-	100%	-	-	-	100%

Note: The Company's investment recognized using the equity method.

4. Capital Overview

4.1 Capital and Shares

4.1.1 Sources of Capital

1. Changes in the share capital in the most recent year and as of the printing date of the Annual Report

April 21, 2024

Month/Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares (thousand shares)	Amount (NT$ thousands unless stated in U.S. dollars)	Shares (thousand shares)	Amount (NT$ unless stated in U.S. dollars)	Sources of Capital (NT$ thousands unless stated in U.S. dollars)	Capital Increase by Assets Other than Cash	Others
May, 2013	US$0.0001	500,000	US$50,000	0.001	US$0.0001	Share capital established	None	
September, 2013	-	-	-	-	-	Bought back and written off	None	
September, 2013	US$0.2	500,000	US$50,000	80,000	US$8,000	Cash capital increase of US$8,000	None	
October, 2014	US$0.4	500,000	US$50,000	130,000	US$13,000	Cash capital increase of US$5,000	None	
March, 2015	US$1.5	500,000	US$50,000	163,333	US$16,333	Cash capital increase of US$3,333	None	
March, 2015	US$1.5	500,000	US$50,000	164,418	US$16,642	Stock option certificate conversion, par value of US$109	None	
April, 2015	US$1.5	500,000	US$50,000	165,665	US$16,567	Stock option conversion, par value of US$125	None	
May, 2015	NT$10	500,000	5,000,000	165,665	NT$1,656,651 thousand	Share capital conversion of NT$518,540	None	Note 2
						Capital reserve converted into equity capital NT$1,656,131,960		Note 3
June, 2015	US$0.2-0.4	500,000	5,000,000	166,408	NT$1,664,084 thousand	The face amount of the stock option conversion is NT$7,434 thousand	None	
February, 2016	NT$128	500,000	5,000,000	192,408	NT$1,924,084 thousand	Cash capital increase NT$3,328 thousand	None	Note 4
February to December, 2016	US$0.2-1.5	500,000	5,000,000	192,993	NT$1,929,927 thousand	Stock option certificate conversion of NT$5,843 thousand	None	
January to September, 2017	US$0.2-1.5	500,000	5,000,000	193,543	NT$1,935,432 thousand	Stock option certificate conversion of NT$5,506 thousand	None	
October, 2017	NT$72	500,000	5,000,000	216,543	NT$2,165,432 thousand	Cash capital increase of NT$230,000 thousand	None	Note 5
November to December, 2017	US$0.2-1.5	500,000	5,000,000	216,636	NT$2,166,364 thousand	Stock option certificate conversion of NT$93 thousand	None	
January to August, 2018	US$0.2-1.5	500,000	5,000,000	217,338	NT$2,173,384 thousand	Stock option certificate conversion of NT$7,020 thousand	None	
August, 2018	NT$85	500,000	5,000,000	242,338	NT$2,423,384 thousand	Cash capital increase of NT$250,000 thousand	None	Note 6
September to December, 2018	US$0.2-1.5	500,000	5,000,000	243,068	NT$2,430,678 thousand	Stock option certificate conversion of NT$7,294 thousand	None	
January to November, 2019	US$0.2-1.5	500,000	5,000,000	244,052	NT$2,440,521 thousand	Stock option certificate conversion of NT$9,843 thousand	None	
December, 2019	NT$48	500,000	5,000,000	264,052	NT$2,640,521 thousand	Cash capital increase of NT$200,000 thousand	None	Note 7
December, 2019	US$0.2-1.5	500,000	5,000,000	264,204	NT$2,642,041 thousand	Stock option certificate conversion of NT$1,520 thousand	None	

Month/Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares (thousand shares)	Amount (NT$ thousands unless stated in U.S. dollars)	Shares (thousand shares)	Amount (NT$ unless stated in U.S. dollars)	Sources of Capital (NT$ thousands unless stated in U.S. dollars)	Capital Increase by Assets Other than Cash	Others
						thousand		
January to July 2021	US$0.2-2.52	500,000	5,000,000	312,425	NT$3,124,247 thousand	Stock option certificate conversion of NT$8,180 thousand	None	
September, 2021	NT$42	500,000	5,000,000	352,425	NT$3,524,247 thousand	Cash capital increase of NT$400,000 thousand	None	Note 9
October to December, 2021	US$0.4	500,000	5,000,000	352,455	NT$3,524,547 thousand	Stock option certificate conversion of NT$300 thousand	None	
January to October, 2022	US$0.4-2.05	500,000	5,000,000	352,660	NT$3,526,606 thousand	Stock option certificate conversion of NT$2,059 thousand	None	
January, 2023	US$0.4	500,000	5,000,000	352,738	NT$3,527,381 thousand	Stock option certificate conversion of NT$775 thousand	None	
April, 2023	-	500,000	5,000,000	117,665	NT$1,176,654 thousand	Capital reduction to make up for losses of NT$2,350,727 thousand	None	Note 10
April, 2023	NT$75	500,000	5,000,000	133,665	NT$1,336,654 thousand	Cash capital increase of NT$160,000 thousand	None	Note 11
September, 2023	US$ 1.2	500,000	5,000,000	133,865	NT$1,338,654 thousand	Stock option certificate conversion of NT$2,000 thousand	None	
December, 2023	US$ 1.2	500,000	5,000,000	133,963	NT$1,339,629 thousand	Stock option certificate conversion of NT$975 thousand	None	
March, 2024	US$ 1.2	500,000	5,000,000	134,027	NT$1,340,269 thousand	Stock option certificate conversion of NT$640 thousand	None	
April, 2024	NT$48	500,000	5,000,000	164,027	NT$1,640,269 thousand	Cash capital increase of NT$300,000 thousand	None	Note 12

Note 1: As of the publication date of the Annual Report, the Consolidated Company's share capital has not been offset by assets other than cash.
Note 2: In order to apply for the public listing of the Company's shares in the TWSE (and TPEx) in Taiwan, Tanvex has approved of a revision to its capital at the shareholders' meeting on May 15, 2015, converting US$0.0001 per share and paid-in capital of US$16,566.51 into NT$10 per share and the paid-in share capital is NT$518,540. The conversion is calculated based on the Bank of Taiwan's average spot exchange rate of US dollars to New Taiwan Dollars of 31.30 on March 31 and a conversion ratio of 1:1.
Note 3: Tanvex has approved of the transfer of capital reserve to ordinary shares worth NT$1,656,131,960 through a resolution of the shareholders' meeting on May 15, 2015.
Note 4: Approval date for cash capital increase: January 7, 2016, approval number: Jin-Guan-Zheng-Fa-Zi No. 1040053944.
Note 5: Approval date for cash capital increase: October 3, 2017, approval number: Taiwan Securities Shang-Er-Fa-Zi No. 1060018129.
Note 6: Approval date for cash capital increase: June 22, 2018, approval number: Jin-Guan-Zheng-Fa-Zi No. 1070321886.
Note 7: Approval date for cash capital increase: October 3, 2019, approval number: Jin-Guan-Zheng-Fa-Zi No. 1080331833.
Note 8: Approval date for cash capital increase: October 15, 2020, approval number: Jin-Guan-Zheng-Fa-Zi No. 1090359228.
Note 9: Approval date for cash capital increase: August 19, 2021, approval number: Jin-Guan-Zheng-Fa-Zi No. 1100352407.
Note 10: Approval date for capital reduction to make up for losses: January 17, 2023, approval number: Jin-Guan-Zheng-Fa-Zi No. 1110368083.
Note 11: Approval date for cash capital increase: February 10, 2023, approval number: Jin-Guan-Zheng-Fa-Zi No. 1110368084.
Note 12: Approval date for cash capital increase: March 5, 2024, approval number: Jin-Guan-Zheng-Fa-Zi No. 1120366384.

2. Type of shares in the most recent year and as of the printing date of the Annual Report:

April 21, 2024; Unit: Share(s)

Share Type	Authorized Capital			Remark
	Issued Shares	Un-issued Shares	Total	
Common stock	164,026,867	335,973,133	500,000,000	Listed shares

4.1.2 Shareholder Structure

April 21, 2024

Shareholder Structure / Item	Government Agencies	Financial Institutions	Other Institutional Shareholders	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	-	4	62	15,985	46	16,097
Shareholding	-	272,398	66,913,025	62,580,793	34,260,651	164,026,867
Shareholding ratio	-	0.17%	40.79%	38.15%	20.89%	100.00%

4.1.3 Shareholding Distribution Status

April 21, 2024; Unit: Share(s)

Range of Shareholding	Number of Shareholders	Shares held (number of shares)	Shareholding (%)
1 - 999	6,249	2,328,575	1.42%
1,000 - 5,000	7,779	12,969,558	7.91%
5,001 - 10,000	928	6,652,327	4.06%
10,001 - 15,000	362	4,481,197	2.73%
15,001 - 20,000	180	3,161,381	1.93%
20,001 - 30,000	201	4,862,082	2.96%
30,001 - 40,000	103	3,628,783	2.21%
40,001 - 50,000	79	3,528,417	2.15%
50,001 - 100,000	117	8,095,436	4.94%
100,001 - 200,000	53	7,640,766	4.66%
200,001 - 400,000	18	5,037,072	3.07%
400,001 - 600,000	9	4,356,608	2.66%
600,001 - 800,000	1	742,338	0.45%
800,001 - 1,000,000	3	2,641,635	1.61%
1,000,001 or more	15	93,900,692	57.24%
Total	16,097	164,026,867	100.00%

4.1.4 List of Major Shareholders

April 21, 2024

Shareholding / List of Major Shareholders	Shareholding	Shareholding (%)
Peng Lin Investment Co., Ltd.	23,539,537	14.35%
Tanvex Biologics, Inc.	12,613,108	7.69%
Allen Chao and Lee Hwa Chao Family Trust	8,498,839	5.18%
Yingjia Investment Co., Ltd.	7,410,889	4.52%
Huei Hong Investment Co., Ltd.	6,162,074	3.76%
Yi Tai Investment Co., Ltd.	6,035,930	3.68%
Ruentex Industries Limited	5,767,039	3.52%
Sheng Cheng Investment Co., Ltd.	5,221,418	3.18%
Chang Quan Investment Co., Ltd.	5,089,494	3.10%
Delos Capital Fund, LP	4,803,510	2.93%

4.1.5 Market Price, Net Worth, Earnings, and Dividends, and Related Information per Share for the Past Two Fiscal Years

Unit: NT$

Items	Year		2022 (Note 1)	2023 (Note 1)	As of March 31, 2024 (Note 2)
Market Price per Share	Highest		73.30	100.50	66.50
	Lowest		27.00	35.15	48.05
	Average		51.61	67.76	59.54
Net Worth per Share	Before Distribution		3.95	6.13	3.03
	After Distribution		3.95	6.13	3.03
Earnings per Share	Weighted average number of shares (thousand shares)		352,556 shares	128,893 shares	133,985 仟股
	Earnings per Share		(4.65)	(16.58)	(3.12)
Dividends per Share	Cash Dividends		-	-	-
	Stock Dividends	Dividends from Retained Earnings	-	-	-
		Dividends from Capital Surplus	-	-	-
	Accumulated Undistributed Dividends		-	-	-
Return on Investment	Price/Earnings Ratio		N/A	N/A	N/A
	Price/Dividend Ratio		Note 3	Note 3	N/A
	Cash Dividend Yield Rate		Note 3	Note 3	N/A

Note 1: The 2022 and 2023 financial information presented have been audited and verified by CPAs.

Note 2: The financial information for Q1 2024 has been reviewed by CPAs.

Note 3: The Company did not distribute dividends in 2022 and 2023.

4.1.6 Dividend Policy and Implementation Status

1. Dividend Policy Formulated in the Articles of Incorporation

Unless otherwise provided by the laws and regulations for TWSE/TPEx listed companies, if the Company has pre-tax profits in the year, the Company shall appropriate the following from the pre-tax profits: (1) At least one percent (1%) as employee remuneration (including employees of the Company and/or employees of affiliated companies) (hereinafter referred to as "employee remuneration"); and (2) no more than three percent (3%) as remuneration for Directors ("director remuneration"). Regardless of the preceding terms, if the Company has sustained accumulated losses from previous years, the Company should reserve an amount in advance to offset such losses before allocating employee remuneration and director remuneration. In accordance with the laws of the Cayman Islands and regardless of the provisions of Article 139 of the Company Act, upon the resolution of the Board of Directors with the presence of more than two-thirds of all Company Directors and the approval of more than half of the Directors present, employee remuneration can be paid in cash and/or shares, while director remuneration can only be paid in cash. The aforementioned Board resolution regarding the payment of employee remuneration and director remuneration shall be reported to shareholders at a subsequent shareholders' meeting after the Board resolution is passed.

Unless otherwise stipulated in the laws and regulations for TWSE/TPEx listed companies, if the Company's annual final accounts show a surplus, the Board of Directors shall formulate an earnings distribution plan in the following manner and sequence and submit it to the shareholders' meeting for resolution:

(a) Appropriate taxes payable in accordance with the law;
(b) Make up for accumulated losses from previous years (if any);
(c) Ten percent (10%) is allocated as legal reserve in accordance with the provisions of the laws and regulations for TWSE/TPEx listed companies, but this restriction does not apply when the legal reserve has reached the Company's paid-in capital;
(d) Allocate special reserve in accordance with the provisions of the laws and regulations for TWSE/TPEx listed companies, or the requirements of the competent authority; and
(e) Based on the current year's surplus after deducting the above items (a) to (d), the accumulated undistributed earnings in the previous periods is added to the distributable earnings. Distribution of the distributable earnings can be proposed by the Board of Directors and submitted to the annual general shareholders' meeting for resolution, and distribution may be made in accordance with the relevant laws and regulations. Dividends may be distributed in the form of cash dividends and/or share dividends. Without violating the laws of the Cayman Islands, the minimum dividend amount shall be at least ten percent (10%) of the current year's profit after deducting items (a) to (d) above. IN addition, proportion of cash dividend distribution shall be no less than ten percent (10%) of the total shareholder dividends, and shall be capped at one hundred percent (100%).

2. Distribution of Dividends Proposed in the Shareholders' Meeting: N/A.
3. Expected material change in the dividend policy: None.

4.1.7 Effects of the share dividends proposed by the shareholders' meeting on the Company's business performance and EPS
No share dividends were distributed in the current period.

4.1.8 Remuneration for employees, Directors, and Supervisors

1. Percentage or range of remuneration distributed to employees and Directors as stipulated in the Company's Articles of Incorporation

   It shall be explained first that since the Audit Committee has been established in accordance with the Company's Articles of Incorporation, a Supervisor shall not be set up. If the Company has pre-tax profits in the year, the Company should appropriate the following from the pre-tax profits: (1) At least one percent (1%) as employee remuneration (including employees of the Company and/or employees of affiliated companies) (hereinafter referred to as "employee remuneration"); and (2) no more than three percent (3%) as remuneration for Directors ("director remuneration"). Regardless of the preceding terms, if the Company has sustained accumulated losses from previous years, the Company should reserve an amount in advance to offset such losses before allocating employee remuneration and director remuneration. The Board of Directors shall formulate an earnings distribution plan in the following manner and sequence and submit it to the shareholders' meeting for resolution:

   (a) Appropriate taxes payable in accordance with the law;
   (b) Make up for accumulated losses from previous years (if any);
   (c) Ten percent (10%) is allocated as legal reserve in accordance with the provisions of the laws and regulations for TWSE/TPEx listed companies, but this restriction does not apply when the legal reserve has reached the Company's paid-in capital;
   (d) Allocate special reserve in accordance with the provisions of the laws and regulations for TWSE/TPEx listed companies, or the requirements of the competent authority; and
   (e) Based on the current year's surplus after deducting the above items (a) to (d), the accumulated undistributed earnings in the previous periods is added to the distributable earnings. Distribution of the distributable earnings can be proposed by the Board of Directors and submitted to the annual general shareholders' meeting for resolution, and distribution may be made in accordance with the relevant laws and regulations. Dividends may be distributed

in the form of cash dividends and/or share dividends. Without violating the laws of the Cayman Islands, the minimum dividend amount shall be at least ten percent (10%) of the current year's profit after deducting items (a) to (d) above. IN addition, proportion of cash dividend distribution shall be no less than ten percent (10%) of the total shareholder dividends, and shall be capped at one hundred percent (100%).

2. Basis for estimating the amount of remuneration of employees and Directors, basis for calculating the number of shares to be distributed as employee bonus, the actual distributed amount for the current period, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated amount:
   No employee or director remuneration has been estimated, as the Company still retains accumulated losses as of 2023.

3. Remuneration proposals approved by the Board of Directors:
   This section is not applicable as the Company still retains accumulated losses as of 2023.

4. Any discrepancy between actual remuneration distribution of employees or Directors (including the number of shares, the amount and share price) and the recognized remuneration of employees, directors, and supervisors, and disclosure of the differences, reasons, and responses:
   N/A.

4.1.9 Status of Company Share Buyback:

None.

4.2 Corporate Bonds

N/A.

4.3 Preferred Shares

N/A.

4.4 Global Depository Shares

N/A.

4.5 Exercise of Employee Stock Option Plan (ESOP)

4.5.1 As of the date of publication of this Annual Report, the outstanding employee share options and impact on the shareholder equity:

March 31, 2024

Types of Employee Stock Options	2013 employee stock options issuance	2014 employee stock options issuance	2015 first employee stock options (ESOP) Issuance	2015 second ESOP issuance	2016 employee stock options issuance
Approval Date	N/A (Note 1)	N/A (Note 1)	N/A (Note 1)	2015/10/08	2016/07/04
Date of issuance	2013/10/01 (Note 2)	2014/10/01 (Note 2)	2015/01/15 (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
Subscription duration	10 years	10 years	10 years	10 years	10 years
Units issued	802,000 shares (155,000 shares have expired)	11,260,384 shares (3,499,815 shares have expired)	1,000,000 shares (537,300 shares have expired)	596,000 shares 918,000 shares 160,000 shares (1,422,000 shares have expired)	3,014,000 shares 686,000 shares 200,000 shares 320,000 shares 416,000 shares (3,578,000 shares have expired)
Units available for issue	-	-	-	-	-
Ratio of Number of Subscribable Shares to the Total Number of Issued Shares	0.49%	6.86%	0.61%	1.02%	2.83%
Duration	Since the option holder is granted the option Within 10 years from the date of stock option issuance	Since the option holder is granted the option Within 10 years from the date of stock option issuance	Since the option holder is granted the option Within 10 years from the date of stock option issuance	Since the option holder is granted the option Within 10 years from the date of stock option issuance	Since the option holder is granted the option Within 10 years from the date of stock option issuance
Conversion Measures	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Restricted Subscription Period and Proportion (%)	(1) In the first year after expiration, 25% can be exercised (2) In the second year after expiration, 50% can be exercised (3) In the third year after expiration, 75% can be exercised (4) The full amount can be exercised upon expiration of the fourth year	(1) In the first year after expiration, 25% can be exercised (2) In the second year after expiration, 50% can be exercised (3) In the third year after expiration, 70% can be exercised (4) The full amount can be exercised upon expiration of the fourth year	(1) In the first year after expiration, 25% can be exercised (2) In the second year after expiration, 50% can be exercised (3) In the third year after expiration, 70% can be exercised (4) The full amount can be exercised upon expiration of the fourth year	(1) In the second year after expiration, 50% can be exercised (2) In the third year after expiration, 75% can be exercised (3) The full amount can be exercised upon expiration of the fourth year	(1) In the second year after expiration, 50% can be exercised (2) In the third year after expiration, 75% can be exercised (3) The full amount can be exercised upon expiration of the fourth year
Number of Shares Acquired After Exercise	647,000 shares	7,524,069 shares	428,700 shares	0 shares	0 shares
Exercised Amount	US$ 129,400	US$ 2,918,128	US$ 2,070,675	US$ 0	US$ 0

Types of Employee Stock Options	2013 employee stock options issuance	2014 employee stock options issuance	2015 first employee stock options (ESOP) Issuance	2015 second ESOP issuance	2016 employee stock options issuance
Number of Options not yet Exercised	0 shares	236,500 shares	34,000 shares	252,000 shares	1,058,000 shares
Subscription Price per Share for the Options not yet Exercised (Note 3)	-	US$ 1.2	US$ 4.5	US$ 13.61 US$ 11.87 US$ 15.53	US$ 14.09 US$ 13.70 - US$ 12.53 US$ 11.66
Ratio of unexercised rights to total outstanding shares (%)	-	0.14%	0.02%	0.15%	0.65%
Impact on Shareholders' Equity	Tanvex's issuance of employee stock option plans (ESOP) is to attract and retain the talent that we need, to inspire the employees and boost cohesion in the hopes of working together alongside the Company to create benefits for the Company and shareholders. At the same time, this stock option will be executed within 10 years after the issuance date, and the impact on the original shareholders' equity will be diluted year by year, so its dilution effect is still limited.				

Note 1: When the Company issued the employee stock options, it was not yet a public company, and the issuance was made upon resolution from the Board of Directors.

Note 2: The Board of Directors approved the issuance amount, and authorized the management to successively issue the ESOP within the approved quotas, and the management also regularly reported on its status to the Board of Directors.

Note 3: The Company's subscription price per share is calculated according to the method prescribed by laws after the issuance. If there is a price adjustment, it will be adjusted according to the employee stock option issuance method and the local regulations in the region where the employees are located, so there may be differences in the execution price.

Types of Employee Stock Options	2017 employee stock options issuance	2018 employee stock options issuance	2019 employee stock options issuance	2020 employee stock options issuance	2021 employee stock options issuance
Approval Date	2017/08/03	2018/06/05	2019/06/20	2020/04/08	2021/06/23
Date of issuance	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	2019/08/14 2019/10/04 2020/01/06 2020/04/06	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
Subscription duration	10 years	10 years	10 years	10 years	10 years
Units issued	3,595,300 shares 359,000 shares 1,614,000 shares 400,000 shares (3,811,600 shares have expired)	800,000 shares 544,000 shares 2,264,200 shares 16,000 shares 1,688,000 shares 490,000 shares (4,737,500 shares have expired)	4,150,900 shares 408,000 shares 216,000 shares 1,156,000 shares (4,911,700 shares expired)	5,335,300 shares 670,000 shares 90,000 shares 1,232,000 shares 110,000 shares (4,244,700 shares have expired)	642,000 shares 586,000 shares 3,508,690 shares 150,000 shares 1,032,000 shares (3,195,300 shares have expired)
Units available for issue	-	-	-	-	-
Ratio of Number of Subscribable Shares to the Total Number of Issued Shares	3.64%	3.54%	3.62%	4.53%	3.61%
Duration	Since the option holder is granted the option Within 10 years from the date of stock option issuance	Since the option holder is granted the option Within 10 years from the date of stock option issuance	Since the option holder is granted the option Within 10 years from the date of stock option issuance	Since the option holder is granted the option Within 10 years from the date of stock option issuance	Since the option holder is granted the option Within 10 years from the date of stock option issuance
Conversion Measures	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares	Issuance of new shares
Restricted subscription period and ratio (%)	(1) In the second year after expiration, 50% can be exercised (2) In the third year after expiration, 75% can be exercised (3) The full amount can be exercised upon expiration of the fourth year	(1) In the second year after expiration, 50% can be exercised (2) In the third year after expiration, 75% can be exercised (3) The full amount can be exercised upon expiration of the fourth year	(1)In the second year after expiration, 50% can be exercised (2)In the third year after expiration, 75% can be exercised (3)The full amount can be exercised upon expiration of the fourth year	(1) In the second year after expiration, 50% can be exercised (2) In the third year after expiration, 75% can be exercised (3) The full amount can be exercised upon expiration of the fourth year	(1)In the second year after expiration, 50% can be exercised (2)In the third year after expiration, 75% can be exercised (3)The full amount can be exercised upon expiration of the fourth year
Number of Shares Acquired After Exercise	0 shares	31,000 shares	5,250 shares	130,250 shares	0 shares
Exercised Amount	US$ 0	US$ 69,250	US$ 7,413	US$ 162,505	US$ 0
Number of Options not yet Exercised	2,156,700 shares	1,033,700 shares	1,013,950 shares	3,062,350 shares	2,723,390 shares
Subscription Price per Share for the Options not yet Exercised (Note 3)	US$9.62/9.05 US$ 7.07 - US$ 10.31	- US$7.64/7.31 US$7.31/6.98 - US$6.12/5.88 US$7.13/6.83	US$6.42/6.15 US$ 6.21 US$4.26/4.14 US$ 3.21	US$3.78/3.66 US$4.77/4.62 - US$3.93/3.87 US$9.35/9.20	US$ 5.31 US$ 4.53 US$ 8.03 US$ 5.91 US$ 5.73

Types of Employee Stock Options	2017 employee stock options issuance	2018 employee stock options issuance	2019 employee stock options issuance	2020 employee stock options issuance	2021 employee stock options issuance
Ratio of unexercised rights to total outstanding shares (%)	1.31%	0.63%	0.62%	1.87%	1.66%
Impact on Shareholders' Equity	Tanvex's issuance of employee stock option plans (ESOP) is to attract and retain the talent that we need, to inspire the employees and boost cohesion in the hopes of working together alongside the Company to create benefits for the Company and shareholders. At the same time, this stock option will be executed within 10 years after the issuance date, and the impact on the original shareholders' equity will be diluted year by year, so its dilution effect is still limited.				

Note 1: When the Company issued the employee stock options, it was not yet a public company, and the issuance was made upon resolution from the Board of Directors.

Note 2: The Board of Directors approved the issuance amount, and authorized the management to successively issue the ESOP within the approved quotas, and the management also regularly reported on its status to the Board of Directors.

Note 3: The Company's subscription price per share is calculated according to the method prescribed by laws after the issuance. If there is a price adjustment, it will be adjusted according to the employee stock option issuance method and the local regulations in the region where the employees are located, so there may be differences in the execution price.

4.5.2 As of the date of publication of the Annual Report, the names of all managers who have been issued subscription options, the names of the ten employees who have been issued the most number of subscription options, and the acquisition and subscription status of these share options

March 31, 2024

	Title	Name	No. of Stock Options	Stock Options as a Percentage of Shares Issued (Note 4)	Exercised				Unexercised			
					Number of subscriptions (shares)	Share subscription price (US$)	Subscription Amount (US$)	Stock Options as a Percentage of Shares Issued	Number of subscriptions (shares)	Share subscription price (US$)	Subscription Amount (US$)	Stock Options as a Percentage of Shares Issued (Note 4)
Manager	CEO	Chen, Lin-Cheng	320,000	0.20%	-	-	-	-	320,000	USD 4.62	1,478,400	0.20%
Top ten employees	Vice President of Project Management, Tanvex USA	Liu, Qi (Note 1)	7,590,500	4.63%	1,125,000	USD0.4 USD1.5 USD1.26	523,800	0.69%	6,465,500	USD1.20 USD3.78 USD3.93 USD4.23 USD4.50 USD5.31 USD5.73 USD6.12 USD6.42 USD7.13 USD7.31 USD7.64 USD8.03 USD9.62 USD13.70 USD14.09	42,533,395	3.94%
	Vice President, Business Development Division, Tanvex USA	Unkrich, Matthew										
	Honorary Chairman and concurrent employee	Allen Chao										
	Head of Materials Management, Tanvex USA	Yuan Li										
	Head of Commercial Sales, Tanvex USA	Linda Grillo										
	Consultant	Hsia David										
	Consultant	Peter Lin (Note 2)										
	Director of Product Process Development, Tanvex USA	Xuemei Han, Aslanian										
	Senior Director of Quality Management, Tanvex USA	Tino, Sumontha										
	Director of Quality Management, Tanvex USA	Clark, Craig (Note 3)										

Note 1: Liu, Qi has resigned on January 3, 2024.
Note 2: Peter Lin has resigned on January 12, 2024.
Note 3: Clark, Craig has resigned on January 29, 2024.
Note 4: The base date for the cash capital increase in 2023 is April 17, 2024, calculated using the post-increase paid-in capital of 164,026,867 shares.

4.6 New Restricted Employee Shares

N/A.

4.7 Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies

N/A.

4.8 Implementation of the Company's Capital Allocation Plans

As of Q1 2024, the Company has completed all previous cash capital increase plans except for the 2022 and 2023 cash capital increase plans. The following analysis is to explain the content, implementation and benefits of the 2022 and 2023 cash capital increase plans:

4.8.1 Cash capital increase and issuance of new shares in 2022

4.8.1.1 Content of plan:

(1) Competent authority approval date and document number: The application has been approved by the Financial Supervisory Commission (FSC) in a Directive Letter dated February 10, 2023, Jin-Guan-Zheng-Fa-Zi No. 1110368084.

(2) Total capital required for this plan: NT$1,200,000 thousand.

(3) Source of capital: To raise capital, 16,000 thousand of registered common shares with a par value of NT$10 were issued at an issuance premium of NT$75 per share, raising a total of NT$1,200,000 thousands in capital.

(4) Date on which information was reported to the information disclosure website designated by the Financial Supervisory Commission: February 10, 2023.

(5) Project items and fund implementation progress:

Unit: NT$ thousands

Project items	Planned completion date	Total capital required	Planned fund implementation progress						
			2023				2024		
			Q1	Q2	Q3	Q4	Q1	Q2	Q3
Replenishment of working capital	Q4 2023	962,771	-	312,560	452,236	197,975	-	-	-
Upgrade and replace worn equipment (Note)	Q3 2024	237,229	-	22,112	56,324	43,288	83,463	23,873	8,169
Total	-	1,200,000	-	334,672	508,560	241,263	83,463	23,873	8,169

Note: In response to the research and development needs of various projects and the expansion of CDMO business, we have properly carried out the setting up, updating, calibration, and replacement of R&D equipment and instruments, as well as set up other operational software and hardware equipment.

(6) Expected benefits:

This cash capital increase raised NT$1,200,000 to replenish working capital and upgrade and replace R&D and operational equipment. The upgrade and replacement of R&D and operational equipment are mainly to enhance R&D capabilities and operational efficiency in response to the R&D needs and expansion of CDMO business. It was necessary capital for us to set up, update, calibrate and replace R&D equipment/instruments, as well as set up other operating software and hardware equipment to ensure that various projects and businesses can make timely progress and development.

The Company's fundraising plan is mainly to use long-term and stable capital injection to smoothly support the research and development of various drug projects, laboratory supplies, clinical trials, upgrade and replacement of R&D and operation equipment, as well as to maintain the Company's operational development needs (including other daily operating expenses). This will have a positive impact on the Company's future overall operational development and working capital. In addition to increasing R&D capabilities and Company value, it will also strengthen our financial structure, reduce operational risks, and enhance the Company's overall competitiveness.

4.8.1.2 Implementation status

(1) Fund implementation progress:

As of Q1 2023, the Company's 2022 cash capital increase was completed in April 2023 and will be spent starting in Q2 2023 in accordance with its capital utilization plan.

Unit: NT$ thousands

Project items	Implementation status		As of the end of Q4 2023	Reasons for getting ahead of or falling behind schedule and improvement plan
Replenishment of working capital	Amount utilized	Planned	962,771	**The Company has fully utilized the funds in expenses related to operating activities, including the development of different indications for existing products and other operating expenses. It has also improved its financial structure and increased its flexibility in fund allocations. As of the end of 2023, the cumulative actual expenditure amounted to NT$933,494 thousand, which has been implemented according to the fund utilization plan.**
		Actual	933,494	
	Implementation progress %	Planned	100.00	
		Actual	96.97	
Upgrade and replace R&D and operational equipment	Amount utilized	Planned	121,724	**As of the end of 2023, the cumulative actual expenditure amount is NT$103,976 thousand, which has been implemented according to the plan.**
		Actual	103,976	
	Implementation progress %	Planned	51.31	
		Actual	43.83	

(2) Benefits achieved:

A. Expected profit and loss

(a) Development of new drugs:

The Canadian part of the biosimilar drug product TX01 developed by the Company has signed an agency distribution contract with an international pharmaceutical manufacturer in May 2023. We are currently cooperating with the pharmaceutical manufacturer to prepare the relevant product, which is expected to be officially launched in Canada in 2024. In the United States, we resubmitted a BLA for review to the U.S. FDA on April 25, 2023, and received notification that the U.S. FDA has officially accepted the BLA. The Company expects to obtain a biopharmaceutical license (BLA) from the U.S. FDA in the near future. In addition, TX05 received a CRL (Complete Response Letter) from the US FDA in July 2022, requiring us to further clarify some similarities when comparing TX05 to the brand drug Herceptin. Hence, the Company has planned to engage with third-party verification consultants in order to collect and analyze more information on the original clinical data to verify the similarity between TX05 and the brand drug Herceptin. A Type 1 meeting has been held with the FDA on this project in March 2023, and we expect to resubmit supplementary information to the U.S. FDA in the first half of 2024 to apply for a drug license. Alternatively, in consideration of the COVID-19 pandemic and the R&D progress, the launch of TX04 has also been deferred to Q4 2025.

(b) CDMO business:

The CDMO business income from 2022 to 2023 was mostly attributable to the CRO development services commissioned by OBI Pharma and API Biosciences, and CDMO service income is recognized based on the progress of the completed contract. After 2024, in addition to continuing to recognize revenue year by year based on the progress of completing existing contracts, the Company is also actively developing the business of domestic and foreign biotech companies, and estimates revenue based on the existing CDMO business contracts, and upon evaluation, the benefits generated should be significant.

B. Financial structure

Items \ Year		Q1 2023 (Before fundraising)	Expected amount Q2 2023 (After fundraising)	Actual amount Q2 2023 (After fundraising)
Basic financial information	Current assets	657,751	2,928,046	1,483,327
	Total assets	2,946,309	5,413,415	3,742,046
	Current liabilities	286,508	264,229	287,658
	Total liabilities	1,947,563	2,085,591	1,951,455
Financial structure	Debt ratio (%)	66.10	38.53	52.15
	Long-term capital to property, plant and equipment ratio	584.29	1,043.22	803.77
Solvency	Current ratio (%)	229.58	1,108.15	515.66
	Quick ratio (%)	149.75	1,071.69	428.08

The cash capital increase and the issuance of new shares was used to replenish the Company's working capital. After the fundraising was completed and the working capital was replenished in Q2 2023, the debt

ratio has dropped from 66.1% before fundraising to 52.15%, and the long-term capital to property, plant and equipment ratio has increased from 584.29%. % increased to 803.77%. In addition, the current ratio and quick ratios increased from 229.58% and 149.75% before fundraising, to 515.66 and 428.08% respectively. The financial ratios are more sound than before the capital increase, so the benefits from using the current fundraising to strengthen the Company's financial structure and to reduce operational risks should be significant.

4.8.2 Cash capital increase and issuance of new shares in 2023

4.8.2.1 Content of plan:

(1) Competent authority approval date and document number: The application has been approved by the Financial Supervisory Commission (FSC) in a Directive Letter dated March 5, 2024, Jin-Guan-Zheng-Fa-Zi No. 1120366384.
(2) Total capital required for this plan: NT$1,440,000 thousand.
(3) Source of capital: To raise capital, 30,000 thousand of registered common shares with a par value of NT$10 were issued at an issuance premium of NT$48 per share, raising a total of NT$1,440,000 thousands in capital.
(4) Date on which information was reported to the information disclosure website designated by the Financial Supervisory Commission: March 5, 2024.
(5) Project items and fund implementation progress:

Unit: NT$ thousands

Project items	Planned completion date	Total capital required	Planned fund implementation progress			
			2024			
			Q1	Q2	Q3	Q4
Replenishment of working capital	Q4 2024	1,247,872	-	593,953	298,161	355,758
Upgrade and replace worn equipment (Note)	Q4 2024	192,128	-	18,906	86,611	86,611
Total	-	1,440,000	-	612,859	384,772	442,369

Note: In response to the research and development needs of various projects and the expansion of CDMO business, we have properly carried out the setting up, updating, calibration, and replacement of R&D equipment and instruments, as well as set up other operational software and hardware equipment.

(6) Expected benefits:

This cash capital increase is expected to raise NT$1,440,000 thousand, which will be used to enrich working capital and upgrade and replace R&D and operational equipment. The upgrade and replacement of R&D and operational equipment are mainly to enhance R&D energy and operational efficiency in response to the R&D needs of various projects and to expand the CDMO business, timely carry out the necessary funds to set up, update, calibrate and replace R&D equipment/instruments, as well as set up other operating software and hardware equipment, to ensure that various projects and businesses can advance and develop smoothly as scheduled.

The Company's fundraising plan is mainly to use long-term and stable capital injection to smoothly support the research and development of various drug projects, laboratory supplies, clinical trials, upgrade and replacement of R&D and operation equipment, as well as to maintain the Company's operational development needs (including other daily operating expenses). This will have a positive impact on the Company's future overall operational development and working capital. In addition to increasing R&D capabilities and Company value, it will also strengthen our financial structure, reduce operational risks, and enhance the Company's overall competitiveness.

4.8.2.2 Implementation status

(1) Fund implementation progress:

The Company's 2023 cash capital increase will be completed in April 2024 and will be spent starting in Q2 2024 in accordance with its capital utilization plan.

(2) Benefits achieved:

The Company's 2023 cash capital increase will be completed in April 2024. It is expected that the benefits will gradually appear as planned after the completion of the fundraising.

5. Operational Highlights

5.1 Business Activities

5.1.1 Business Scope

(1) Main areas of Tanvex's Operations:

At present, Tanvex's main business covers three main domains: Biosimilar drugs, new drugs, and CDMO, and we aim to expand business revenues and influence in the biopharmaceutical industry through diversified business strategies and management.

A. R&D of biosimilar drugs:

Breaking away from the traditional science-driven drug development process, Tanvex BioPharma adopts a market-driven development approach to focus on the R&D of biosimilar drugs in order to cater to the enormous market demand for these drugs. We aspire to provide patients with safe, effective, and affordable biosimilar drugs. The quality standard we set for our products is based on the U.S. regulatory requirements, which are the most rigorous in the world. In addition to focusing on the United States, which has the world's largest pharmaceutical market, we also target markets across the world, hoping to benefit more patients.

The core of Tanvex's competitiveness lies in our R&D technology platform and production capacity of both mammalian cell line development and microbial fermentation. From cell line development, optimized processes, legal compliance, to commercialization and mass production, our technical expertise and equipment enable us to vertically integrate the entire production process of biosimilar drugs. The main R&D and key production processes are all completed within the Company.

The sales and marketing method of biosimilar drugs is completely different from that of new drugs. New drugs require huge investments to establish a large and experienced sales team in order to promote the new drugs and to educate doctors on how to use them. However, the sales target of biosimilar drugs is mainly large sales channels, including wholesalers, large pharmacy channels, large hospital groups and group purchase organizations.

The Company's goal is to collaborate with distributors or agents and to utilize their sales experience and channel network to accelerate the expansion of our presence in the pharmaceuticals market. At the same time, to enhance the Company's profitability, the Company does not rule out the flexible use of regional collaborative authorization or any other business methods that can bring positive benefits to the Company's operations.

B. New Drug Research and Development:

After ten years of intensive R&D of biosimilar drugs, Tanvex has accumulated profound capabilities in this field. In December 2022, Tanvex officially announced the launch of the Tanvex 2.0 Plan, which is to invest in the field of new drug development and use "antibody drug conjugate (ADC)" as its first step into new drug development. More importantly, this will help us to create synergies with our existing product lines, and provide brand new values to our biosimilar drugs.

There are three favorable factors for Tanvex to enter the R&D of new drugs: 1. A strong antibody process R&D team has been established for bioanalysis and process development; 2. We have accumulated and established a well-rounded series of antibody products, which will be the best target platforms for Tanvex's new ADC drug tests.

The structure of "antibody drug conjugate (ADC)" includes: Antibody drugs, linkers and payload. Therefore, in addition to using the biosimilar drug TX05, which treats breast cancer, as the first experimental target, Tanvex 2.0's R&D plan also uses our proprietary linkers. Then we will select suitable small molecule drugs to formally extend the core strength of our antibodies and biosimilar drugs to the field of new cancer drugs via Tanvex's new linkers.

In recent years, the efficacy and market development of new ADC drugs have attracted much attention. It became a new trend in the global biopharmaceutical industry. International pharmaceutical companies are also optimistic about this trend and are rushing to invest! According to a report by market research firm Frost & Sullivan, the global ADC drug market revenue reached as much as US$7.35 billion in 2022, and this number is expected to continue to grow to US$28.53 billion by 2028, with a compound annual growth rate (CAGR) of 25.4%.

C. CDMO services:

In addition, to achieve our sustainable management and development goals, the Company has leveraged our experiences and technical capabilities in autonomous development, production and manufacturing of drugs to accelerate the penetration and expansion of our CDMO business. Through the professional division of labor and collaborations between our two subsidiaries in Taiwan and the United States, we have built a CDMO service platform by combining our R&D capability and talent advantages that we have acquired in Taiwan over many years with localized GMP production and experiences of passing strict factory inspections by the US FDA from the US subsidiary. This enabled us to offer one-stop development and manufacturing services and to offer the best CRO development and manufacturing services for biotech and pharmaceutical companies not only in Taiwan, but also worldwide.

Tanvex's Taiwan subsidiary was approved by the Industrial Bureau of the Ministry of Economic Affairs in January 2023 and officially joined the list of domestic pharmaceutical R&D service companies offering CRO services to the biotech and pharmaceutical industry. Tanvex Taiwan focuses on non-GMP pre-clinical trial and mass production development. It has accumulated solid R&D capability and practical experiences in the fields of cell line development, bioanalysis, trial production process development and more over the years, and has been commissioned with multiple CRO R&D and trial production process development projects.

Tanvex USA has also upgraded both software and hardware since the beginning of 2023. In addition to preparing the equipment for CDMO production line, it has also accelerated organizational adjustments, personnel training, and business promotions, etc. In addition, the San Diego facility has thorough and FDA-approved experiences in commercial biopharmaceutical productions. It is also one of the few GMP facilities with large-scale microbial fermentation tanks and mammalian production lines. Its product development and commercialization experiences can satisfy the diverse needs of customers, allowing us to gradually emerge in

the CDMO field and gaining recognition from local biotech startups.

The Company integrates its three core businesses to highlight its unique competitive advantages, thereby improving operational efficiency and promoting shareholder's equity. This edge will also help Tanvex to stand firm in the Taiwanese market and to expand worldwide in the next decade.

(2) Revenue breakdown of major products in 2023:

The Company and its subsidiaries are mainly engaged in the R&D, manufacturing, sales of biosimilar drugs. In the past two years and the most recent period, various biosimilar drug products are still in the stage of R&D, drug license review or negotiations with pharmaceutical sales agents, and have not yet been officially launched in the market. Therefore there is no operating income from sales of related goods. However, in the past two years and the most recent period, the CRO service income generated by signing CRO development and manufacturing service contracts with customers is as follows:

Unit: NT$ thousands

Year	2021	2022	2023
CRO service revenue	5,406	22,404	60,997
Sales revenue	-	-	414

(3) Current product/service lineup is as below:

Primary products (Patented brand drugs)	Mechanism of action	Primary indications	Region	Market size (Unit: UN$100 million)
Biosimilar drugs				
TX01 (Neupogen)	It acts on the precursor cells or mature cells of neutrophils and produces specific binding with their receptors, promoting the differentiation and proliferation of precursor cells. It also has the effect of accelerating the functions of mature neutrophils.	Neutropenia developed from cancer chemotherapy	Canada	0.69
			The U.S.	3.84
TX04 (Neulasta)	It is a long-acting filgrastim, and its mechanism of action is similar to the description above.	Neutropenia developed from cancer chemotherapy	The U.S.	27.45
TX05 (Herceptin)	A genetically recombinant humanized monoclonal antibody. It can bind to the HER-2 receptor with high specificity and inhibit the proliferation of tumor cells caused by the overexpression of HER-2.	Breast cancer	The U.S.	14.31
TX16 (Avastin)	A genetically recombinant humanized monoclonal antibody that can selectively bind to human vascular endothelial growth factor and neutralize its biological activity.	Colorectal and lung cancer	The U.S.	22.72
TX52 (Perjeta)	A genetically recombinant fully humanized sequence monoclonal antibody. It can be used in clinical combination to treat breast cancer with high specificity and a HER-2 receptor binding mechanism different from Herceptin.	Breast cancer	The U.S.	15.91

Source: IQVIA MAT Sep, 2023; Compiled by Tanvex

5.1.2 Industry Overview

5.1.2.1 Current Status and Development

A. Scale of the Global Biopharmaceutical Market

Biologics are products derived from biological sources (derived from human bodies, plants, animals or microorganisms) or developed using new biotechnology (genetic engineering, fusion tumor technology, etc.) for the treatment or prevention of human disease.

According to Article 351 of the Public Health Service (PHS) Act of the United States, biological agents are called biologics or biological products, which are defined as any virus, therapeutic serum, toxin, antitoxin, vaccine, blood, blood components, or derivatives used to prevent or treat human diseases or conditions. Biological agents regulated by the U.S. FDA include blood-derived products, vaccines, allergy products used for in vivo diagnostics, immunoglobulin products, products containing cells or microorganisms, and most protein products.

According to research from IQVIA, the scale of the global biopharmaceutical market reached approximately US$503 billion in 2023, and it is estimated to reach US$892 billion by 2028, reaching an average compound growth rate (CAGR) of approximately 9.5% to 12.5%. This is higher than the growth rate of the global pharmaceuticals market, and will account for 39% of it. Biopharmaceutical is one of the key driving factors of the global pharmaceuticals market, and therefore, it is also propelling the growth of the biopharmaceutical manufacturers forward.

B. Scale of the Global Biosimilar Drug Market

Statistics from the Industrial Economics and Knowledge Center (IEK) indicates that, as of September 2023, licenses of more than 450 biosimilar drugs were granted around the world, and there are more than 250 biosimilar products in clinical development. This indicates the market's demand for biologics, as well as the industry's optimism about its market development. Though biological drugs have high efficacy, but even a single course of treatment is expensive and relatively unaffordable to many patients. In addition, the burden of medical expenditures is continuing to increase in countries around the world. To reduce financial pressure, many governments are establishing biosimilar drug regulations in the hopes of achieving cost-effective biosimilar drugs in pace of pricey brand-name biologics.

Biosimilar drugs refer to drugs in which manufacturers use biological drugs as reference standards in R&D and production. However, due to the complex and unstable molecular structure of biopharmaceuticals, the molecular characteristics of the products cannot be completely identical to those of the brand biopharmaceuticals. Thus, the term 'biosimilar' is used.

According to estimates from Marketsandmarkets and Mordor Intelligence, the global biosimilars market will reach approximately US$29.4 billion in 2023. The overall global biosimilars market is expected to reach US$35.47 billion in 2024, and is expected to grow at a compound annual growth rate of 18.32 by 2029. % growth, the overall market will reach approximately US$82.27 billion in 2029.

C. Opportunities in the U.S. Biosimilar Drug Market

(A) The burden from medical expenses led to a trend of searching for more affordable biosimilar drugs

Medical expenditures across different countries were affected by the overall economic environment, coupled with the rapid growth of the elderly population, which led to heavy financial burdens. With the prices of biotech drugs remaining too high, affordable biosimilar drugs have become a demand that various countries are looking forward to. The proportion of U.S. healthcare expenses to GDP has always been significantly higher than that of other countries in the world. According to a report from the U.S. Centers for Medicare and Medicaid Services (CMS), it healthcare expenses already reached US$3.65 trillion in 2018. Before the COVID-19 pandemic, healthcare expenses average US$10,222 per person per year, accounting for 18% of domestic GDP, ranking first among the developed nations. By 2020, the healthcare spending increased by 9.7%, totaling US$4.1 trillion and accounting for 19.7% of GDP. Due to the heavy medical burden, the U.S. government has launched healthcare reform policies to reduce medical expenses. Therefore, it can be seen that the demand for biosimilar drugs with more affordable pricing and equivalent efficacy is significantly higher in the United States than that of other countries. In addition, to address the problem of the rapid growth of biologic drug expenditures crowding out other spending, the U.S. government is also encouraging the adoption of biosimilar drugs, and the U.S. FDA is also continuing to grant drug licenses to biosimilar drugs.

(B) Patent Cliff

A patent cliff refers to the expiration of patents on leading brand biopharmaceutical products, making room for competitors to launch biosimilars at more affordable prices. This phenomenon often results in lower revenue for the brand biopharmaceutical companies. From 2021 to 2026, 10 core patents for best-selling antibody biopharmaceuticals will expire. According to estimates from EY Global, the top 20 brand biopharmaceutical companies may lose up to US$200 billion in sales from now to 2028. In the past, these pharmaceutical giants have used strategic patent litigations to protect the sales of their drugs. In recent years, biosimilar drug companies have become more active in seeking to negotiate early settlements with brand drug manufacturers through patent dance. This will not only benefit biosimilar drug manufacturers, but may even lead to acquisitions or cooperation transactions between these companies. Leading brand pharmaceutical companies are also adapting to these types of responses to reduce or avoid losses when the patent cliff approaches.

The expiration of patents on biotech drugs is an important growth driver for biosimilar drugs. According to GlobalData and public market information, nearly 10 patents on the world's best-selling antibody biopharmaceuticals will expire in the United States between 2023 and 2028, including Humira, Stelara, and Ocrevus.

Table 1: Antibody biopharmaceuticals with patent expiration dates between 2023 and 2028

Product name	Drug name	R&D company	Patent expiry date	Biosimilar drugs approved by FDA
Humira	adalimumab	Abbive	20230510	Abrilada, Amjevita, Cyltezo, Hadlima, Hulio, Hyrimoz, Yuflyma, Ysimry
Stelara	ustekinumab	J & J	20230925	Wezlana
Ocrevus	ocrelizumab	Rochje/Biogen	20231216	-
Tepezza	teprotumunab	Genmab/Roche	20240709	-
Gazyva	obinutuzumab	Roche	20241105	-
Prolia	Denosumab	Amgen	20250219	-
Darzalex	daratumumab	Genmab/J & J	20260323	-
Taltz	lxekizumab	Eli Lilly	20261205	-
Keytruda	Pembrolizumab	Merck	20280613	-

Source: GlobalData and market information Compiled by Tanvex

(C) Draft on Biosimilar Drugs in the United States

In 1984, the U.S. Congress passed the Drug Price Competition and Patent Restoration Act (also known as the Hatch-Waxman Act) with the purpose of simplifying the marketing procedures for small molecule generic drugs. Hence, this Act has encouraged the development of generic drugs, leading to a boom in the pharmaceutical industry. Well-known pharmaceutical companies such as: Watson, Teva and Sandoz seized key opportunities, and operating under favorable conditions, propelled their industry status to key industry leaders.

The United States began to promote the directives and regulations related to the marketing of biosimilar drugs relatively later than the European Union. The United States passed the "Biologics Price Competition Innovation Act (BPCIA)" in 2009, which was part of the "Patient Protection and Affordable Care Act" of March 2010, offering a simplified license approval scheme for biosimilar drugs, or what is referred to as a 351(K) application. Since 2012, the U.S. FDA has successively announced drafts on the development of biosimilar drugs to assist the development of biosimilar drugs in the United States. Through this new license approval approach, drug manufacturers can compare their products with the data of licensed products to demonstrate their biosimilarity (being highly similar with the reference brand drug product in terms of safety, efficacy, purity, etc.) and its interchangeable nature (risk should be no longer than that of the reference brand drug product in clinical data after the patient uses the drug). As the global biosimilar drug market matures, as of 2019, the FDA has proposed several drafts and published six development guidelines for the biosimilar drug industry. As the regulations become clearer, the pharmaceutical companies also have a more precise basis to follow. Since approving the first biosimilar drug in 2015, as of mid-December 2023, the U.S. FDA has approved forty-five biosimilar drugs, and 19 products of which have been launched and sold in the US market. It is obvious that the biosimilar

pharmaceutical market industry has officially taken off in the United States, and presents huge business opportunities.

D. Current Status of Biotech Drug Industry in Taiwan

According to data from the Biotechnology and Pharmaceutical Industries Promotion Office, MOEA, the total turnover of Taiwan's biotech and pharmaceutical industry in 2022 reached approximately NT$700.9 billion, a decrease of approximately 1.57% compared with 2021. This is mainly due to the impact of the COVID-19 pandemic in 2021, leading to a dramatic 10.90% surge in medical needs in 2021 over 2020. However, as the impact of the pandemic gradually subsides, medical demand has also gradually returned to pre-COVID levels. This led to a negative growth in the turnover of Taiwan's biotechnology industry for the first time in 2022. Nevertheless, the revenue of the pharmaceutical industry was NT$96.1 billion, representing a positive increase of approximately 4.80% compared with 2021. The market has been rapidly growing since 2007, and in particular, the use of genetic engineering to develop protein drugs has been the main focus of the biotech pharmaceutical industry in recent years.

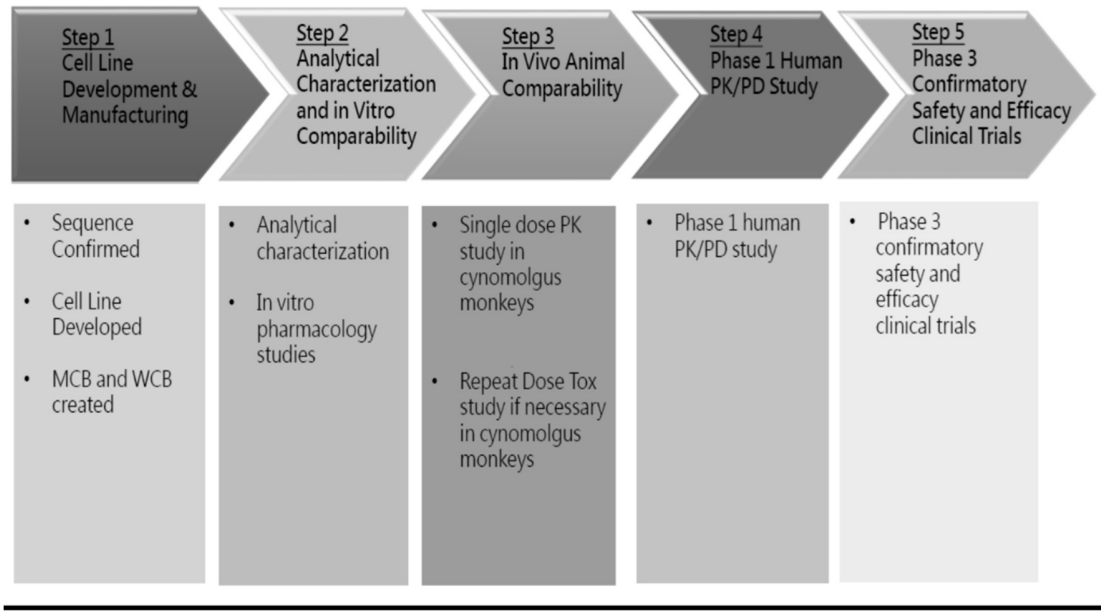
The importance of biotech drugs to the global pharmaceutical industry continues to increase, and the market size also continues to grow vigorously. In addition, for the unmet medical needs, biotech drugs represent the advantages of good efficacy and low side effects, and have attracted greater attention in drug R&D and the pharmaceutical market in recent years. Because of this fact, governments around the world have invested in the formulation of relevant industry policies to address the development needs of relevant emerging industries in the future. By referring to international management standards for biosimilar drugs, Taiwan Food and Drug Administration (TFDA) is also proposing to draft relevant inspection, registration, and review guidelines to build a sound regulatory environment within Taiwan. And in 2010, it announced "Guidelines for Reviewing Technical Documents for Inspection and Registration of Biosimilar Drugs", and then the "Biosimilar Monoclonal Antibody Drug Inspection and Registration Standards" in 2013. Subsequently, "Biosimilar Drug Inspection and Registration Standards" were announced in June 2015.

The "Biosimilar Drug Inspection and Registration Standards" states in principle that due to the complexity of the nature of the biosimilar drugs, the research methods of chemical generic drugs may not be fully applicable. The research methods of biosimilar drugs should be based on comprehensive comparative analysis. Whether biotechnology-derived drugs qualify as biosimilar drugs will be determined based on current advances in analytical technology, production processes, clinical, and regulatory enforcement experience (for example: possibility of defining the scope of similarity; or the emergence of highly sensitive clinical indicators and appropriate test models).

However, on July 1, 2019, the Ministry of Health and Welfare announced the formulation of "Regulations for the Patent Linkage of Drugs", which includes the biosimilar drugs. This may increase industry variables in the domestic biosimilar drug industry.

5.1.2.2 Relationship Amongst Upstream, Midstream, and Downstream Sections of the Industry

Development Process of Biosimilar Drugs



Source: Open prospectus from Coherus; Compiled by Tanvex

The biosimilar drug product development process is mainly divided into five stages:

The first stage: Cell Line Development & Manufacturing:

This includes the confirmation and selection of protein-coding gene sequences, construction of expression vector systems, setting of cell culture parameters, and developing scale-up for cell line culture. Gene recombination technology is used to identify and clone the desired protein-coding genes. Hosts that can generally be used to express proteins include Escherichia coli (E. coli), yeast, insect cells and mammalian cells. Among them, E. coli, yeast, and Chinese Hamster Ovary Cells (CHO) are most commonly used to express genetically engineered proteins. Different proteins have different properties. Heterologous proteins must have an appropriate Host-vector system or expression system platform before they can be produced. Because these heterologous proteins are not molecules synthesized by the host cells themselves, when the host cells produce these proteins in large quantities, they often burden and damage the host cells, resulting in slow cell growth or death. Through the establishment of a suitable expression platform system, the growth phase of the host cell and the protein production phase can be effectively distinguished, and at the same time, the time for protein production can be shortened as much as possible, so that the fermented cultures can be executed smoothly. The first-generation protein-producing cells simulate physiological conditions in the body, and then culture the secondary cells in vitro, and finally produce a cell line with similar cell growth characteristics.

Second stage: Analytical Characterization:

The difference in quality between biosimilar drugs and patented brand drugs is often caused by post-translational modifications of proteins. Therefore, appropriate comparisons of post-translational modifications should be made.

Since the high heterogeneity of active ingredients increases the complexity of their structures or other physical and chemical properties, a series of analytical methods are often required for cross-referencing. Under different protein biochemical properties, distinct heterogeneous entities can be separated using different separation conditions. In addition, heterogeneous entities with structural/electrical differences identified by physical and chemical analysis methods should still be confirmed by biological activity analysis methods to determine whether they are biologically active in order to determine the discrepancies of the heterogeneous entity's product-related substance.

Third stage: In Vivo Animal Comparability:

Compare the test results of single dose and repeated doses of in vivo animals; the number of tests must reach a statistically reasonable range to confirm its safety and toxicity with the reference drug.

Fourth stage: Phase 1 Human PK/PD Study:

Phase I human clinical trials are conducted to collect pharmacokinetic (PK) information such as: Drug metabolism in the body, metabolic rate, etc., as well as drug efficacy. Key points for in vivo evaluation include: Pharmacokinetics (PK), pharmacodynamics (PD) and safety, and develop a trial plan based on the required information. When designing human experiments, it is necessary to abide by the three principles: replacement, reduction, and refinement, so that human experiments can produce the maximum amount of information possible. When determining the duration of the trial, the PK properties and clinical use methods of biotechnology-derived products will be considered. When conditions permit, the PK/PD data of biosimilar drugs and reference drugs will be compared against one other, including concentration-response relationships across dose ranges in human treatment.

Fifth stage: Phase III Confirmatory Safety and Efficacy Clinical Trial:

Human clinical phase III trials mainly confirm the ultimate safety and efficacy of the product. Similarity studies will be conducted on the products produced by the final process to obtain the required clinical data to represent the quality characteristics of the product to be launched.

Tanvex's vertically integrated operating model

The core of Tanvex's competitiveness lies in our R&D technology platform and production capacity of both mammalian cell line development and microbial fermentation. From cell line development, optimized processes, legal compliance, to commercialization and mass production and then to marketing competencies, our technical expertise and equipment enable us to vertically integrate the entire production process of biosimilar drugs. In a vertically integrated industry chain, the main R&D and key production processes are all completed within the Company, avoiding excessive reliance on external outsourcing companies, and fully controlling product quality and reducing costs.

The subsidiary currently located in San Diego, California, USA, carried out a factory expansion plan in 2015 in order to meet the product commercialization schedule. It currently has one 150-liter microbial cell fermentation tank and can be expanded to two 150-liter microbial cell fermentation tanks. Two more 1,000-liter cell fermentation tanks have been completed in 2015. They are mammalian cell biopharmaceutical production lines that use the internationally mainstream disposable technology platform, and two more 1000-liter tanks have been added in 2016. Additionally, space has also been reserved for future capacity expansions. In terms of preparations, the production lines for syringes and vials have been completed to prepare for product production.

5.1.3 Development Trends of Products

Most of the world's biosimilar drugs are protein drugs, and the development of such drugs is relatively mature. It is more difficult to develop drugs similar to monoclonal antibodies, mainly because of their large molecular weight. Compared with proteins with smaller molecular weights, the manufacturing process, molecular structure and biological activity of monoclonal antibodies are more complex. Therefore, the manufacturing process of monoclonal antibodies requires a lot more investment both in terms of time and cost. The indications of monoclonal antibodies are mostly autoimmune-related and cancer-related diseases. Often due to the target group and price factors of the drug, the price and demand for its products are high, and it has also ranked among the top in the global drug sales rankings. Therefore, many pharmaceutical companies of different sizes have invested in the research and development of biosimilar drugs. The top ten monoclonal antibody drugs include: Humira, Remicade, Herceptin and Avastin are monoclonal antibody drugs with global annual sales that reach more than US1 billion. Many large and small pharmaceutical companies have invested in the research and development of biosimilar drugs. They plan to enter these drugs into the market to carve out respective market shares after the patents of the aforesaid drugs expire.

5.1.4 Competition

Current Status of International Competition

As countries have formulated comprehensive drug license review regulations, biosimilar drugs have been marketed and sold in most countries, and the expiration of biopharmaceutical patents has contributed to the development of global biosimilar drugs. The launching and replaceability of the biosimilar drugs can also reduce medical expenditures for governments and users from various countries. At the same time, the growth rate of the global biopharmaceutical market is much higher than the growth of the global pharmaceutical market, which further encourages manufacturers to invest in the development of biopharmaceuticals. In addition to the companies originally engaged in the development of biosimilar drugs, other companies such as biopharmaceutical companies and generic drug companies have also begun to invest in biosimilar drug development.

Competitive Niches of Tanvex

Tanvex's competitive edge lies in our vertical integration of R&D and manufacturing. The purpose of which is to reduce costs and control quality. The entire industrial value chain is controlled by Tanvex, so that we can flexibly adapt to market changes at any time. This has also become a key advantage for us in dealing with market competition.
Descriptions of Competitive Niches:

A. Equipped with the cell line development skills through the R&D capabilities of the Taiwan team.
B. The U.S. team's technology in process research and development, as well as product analysis and manufacturing.
C. Owning both mammalian cell line development and microbial fermentation technology platforms.
D. Possess regulatory experience in clinical application and drug approval in the United States.
E. The U.S. team is equipped with rich experience in U.S. FDA plant inspections. At the same time, the manufacturing equipment has also passed the BLA approval, and a commercial production base has been established.

5.1.5 Technology and R&D Overview

(1) Technical Level and Research Development of the Business

The development process of biosimilar drugs and new biological drugs have different experimental and regulatory requirements. Most clinical trials of new biological drugs have a double-blind trial design, so the clinical results are difficult to predict. On the contrary, biosimilar drugs focus on the analysis of similarities with the patented brand drugs in terms of safety, efficacy and purity, so the emphasis is on the analysis of physical and chemical properties and biological activity, as well as PK/PD (pharmacokinetic experiments/pharmacological efficacy) to determine distribution, metabolism, elimination, and safety.

Key Technical Points for Biosimilar Drug Development

A. Analysis of physical and chemical properties

To compare the physical and chemical properties of the developed drugs and the reference brand drugs, the experimental method is designed for the primary structure and higher-order structure analysis of biological agents. Comparative evaluation further analyzes the physical and chemical parameters and molecular structures of active ingredients and impurities. The amino acid sequence must be consistent with that of the reference drug. However, because biosimilar drugs themselves have structural heterogeneity, such as N-terminal or C-terminal truncation and post-translational modifications, regulations permit heterogeneity in biosimilar drugs, but the degree of heterogeneity still needs to be quantitatively analyzed. Biosimilar drugs and reference drugs are heterogeneous and are produced after protein translation. Therefore, post-translational protein glycation needs to be analyzed. Analysis items include: overall glycan profile, site-specific glycosylation pattern, etc., and then use analysis methods such as ion exchange chromatography, isoelectric focusing and capillary electrophoresis to conduct a series of cross-references to confirm the similarity of physical and chemical properties.

B. Biological characteristics analysis

Different and complementary analytical methods are designed according to the various mechanisms of active ingredients. The purpose of this is to evaluate the very small differences from the reference drug. Then, based on the validation results of each analysis method, multiple complementary analysis methods are performed. The method is specific and sensitive, and can identify differences in biological activity.

C. PK/PD analysis

The study design of pharmacokinetics (PK) is based on comparing the important parameters of biosimilar drugs and reference drugs to prove their clinical similarity. The first priority is the intrinsic properties of the protein, and the second is the clearance rate and elimination half-life rate. The purpose is to rule out any differences in characteristics between the two drugs. Stable experiments are designed for a single dose, and the pharmacokinetic (PK) parameters are repeatedly measured, then cross-comparisons will be conducted.

The purpose of analyzing PK and efficacy is to compare the developed drug with reference drug to prove that the functions and safety of the developed drug are similar to the reference drug. The analysis design is based on the pharmacokinetic data of the reference drug, target receptor binding, intrinsic activity, mechanism of action, concentration response curve, and correlation between dose and exposure. The test dose range is carefully selected to prove the sensitivity and rationality of the test.

(2) Product development status

R&D projects	Product indication	Development status
TX01 (Neupogen)	Neutropenia developed from cancer chemotherapy	• The U.S. • On April 25, 2023, a Biologics License Application (BLA) of the biologic drug TX01 (Neupogen Biosimilar) was re-submitted to the U.S. FDA, and it is expected to obtain the U.S. FDA's biological drug license (BLA) in the near future. • Canada • The Canadian drug license and related sales licenses have been obtained, and we have signed a distribution contract with Sandoz in May 2023. We are currently cooperating with dealers to stock up and the product is expected to be sold in 2024.
TX04 (Neulasta)	Neutropenia developed from cancer chemotherapy	• In March 2021, we communicated with the U.S. FDA over the Phase III clinical trial plan, and are continuing to plan for the process scale-up process and prepare for the Phase III pivotal trial.
TX05 (Herceptin)	Breast cancer	• The main results of the third phase of human clinical trials were completed in February 2021, showing that the main efficacy indicators were achieved. • In July 2022, we received a Complete Response from the U.S. FDA indicating that the current stage of drug license review has been completed. • After completing the Type 1 meeting with the US FDA in March 2023, we are expected to submit supplementary information to the FDA in the first half of 2024 to apply for a drug license.
TX16 (Avastin)	Colorectal and lung cancer	• The first phase of human clinical trials has been completed and we expect to seek partners for collaborative development in the future.
TX52 (Perjeta)	Breast cancer	• It is in the pre-clinical and manufacturing stage, and we expect to seek partners for collaborative development in the future.

A. The Company's R&D expenses of the latest year, up to the print date of the Annual Report:

Unit: NT$ thousands

Year / Items	2020	2021	2022	2023	2024Q1
R&D Expense	1,860,600	1,383,521	1,351,425	1,706,743	363,868
Paid-in capital at the end of the period	3,116,067	3,524,547	3,526,606	1,339,629	1,340,269
R&D expenses as a proportion of paid-in capital (%)	59.71	39.25	38.32	127.40	27.15

Note: Financial reports audited and certified by CPAs.

B. Successfully developed technologies and products in the last five years:

Successfully developed technologies

The Company has both mammalian cell line development and microbial fermentation technology platforms. Currently, TX01 has completed the third phase of human clinical trials in August 2017, and the experimental results have met the evaluation indicators of this trial design and statistical data. The FDA accepted the BLA application in November 2018, and we received a complete response letter (CRL) notification from the FDA on September 24, 2019, indicating that the current stage of drug license review has been completed. It is recommended that the Company supplement the manufacturing process and related information to strengthen the original submission. After discussing the revised plan with the FDA and consultants, the Company completed the application for a supplementary drug certificate to the U.S. FDA in November 2020. However, in May 2021, the Company received another CRL notification from the U.S. FDA stating that it had completed the current stage of drug license review, and that the FDA must conduct an on-site inspection at the San Diego production facility in Southern California, but was unable to do so due to the impact of the COVID-19 pandemic. In addition, the Company has communicated with the FDA many times and still needs to conduct third-party data verification such as Biacore assays (binding) study to complete the review data. Therefore, the Company has completed the supplementary submission of relevant data to the FDA in Q3 2022 to apply for a drug license. However, this application received a Complete Response Letter from the U.S. FDA on February 14, 2023. According to the content of the CRL, the Company's subsidiary Tanvex BioPharma USA, Inc.'s factory inspection in San Diego found no major deficiencies. However, due to the downstream manufacturer (an injection filling factory) having unfinished improvement matters, the application has not been able to pass the Biologics License Application (BLA) review. Since the cause of this CRL is not related to the Company's R&D strength or any deficiency in our manufacturing processes, but rather, caused by external partner manufacturer, the Company has actively negotiated with downstream manufacturers to improve and respond to the FDA. We once again submitted a BLA application for the biologic drug TX01 (Neupogen Biosimilar) on April 25, 2023. On the 25th of the following month (May 25, 2023), we received a notification that the U.S. FDA had officially accepted the review of the BLA application for the biosimilar drug TX01 (Neupogen Biosimilar). The Company expects to obtain a BLA license from the U.S. FDA in the near future. This product has also signed distribution contracts with an international pharmaceutical company in accordance with the Company's plan, and it is expected to enter the U.S. market in 2024. In the Canadian market, it was successfully approved for a drug license in October 2021, and was re-approved for a drug establishment license (DEL) in July 2022. Having obtained the Canadian drug license and related sales licenses, we have also signed a distribution contract with Sandoz in May 2023, and are currently cooperating with the distributor to stock up and prepare for product sales.

TX05 has met the standards in the analysis of the main efficacy indicators of the Phase III clinical trial in February 2021, and we submitted a drug license application to the U.S. FDA in August 2021. In July 2022, we were notified by the U.S. FDA through a CRL that the current drug license review has been completed. Thereafter, upon completing a Type 1 meeting with the U.S. FDA in March 2023, we are expected to resubmit supplementary information to the FDA in the first half of 2024 to apply for a drug license.

Successfully developed products

The Company's TX01 has obtained the Canadian drug license and business license, and signed a Canadian distribution rights with the international manufacturer Sandoz in May 2023. It is currently cooperating with dealers to stock up and is scheduled to be officially launched in Canada in 2024. However, most of the Company's main products are still in clinical trials or under review for product launch inspection and registration applications. Except for TX01, which is now available for sale in Canada, there are no other products that have been successfully launched yet.

5.1.6 Long- and Short-term Business Development Plans

1. Short-term development strategy:

   Tanvex is committed to developing high-quality and affordable biosimilar drugs. At present, the Company is focusing on sales in the US market, but it has also begun to seek collaborative opportunities with business partners to expand to markets outside the US.

2. Medium and long-term development strategies:

   For our team, in addition to acquiring experiences in biosimilar drugs, we have also simultaneously applied past experience in biosimilar drugs and expanded R&D capacity into the field of new drug development. For example, the development of new ADC drugs, which is developing rapidly and attracting much attention from global pharmaceutical companies. We aspire to provide greater profits and returns to our investors through these efforts, as well as to improve patients' conditions and quality of life.

5.2 Analysis of the Market as well as Production and Marketing Situation

5.2.1 Market Analysis

1. Sales regions of main products

   Since the United States is the single largest market for biopharmaceuticals in the world, the initial target market we planned for the sales of Tanvex's products will be focused on the U.S. market. Tanvex is optimistic about the development potential of the U.S. market and hopes to seize this industry trend and then expand to other regional markets to become an international pharmaceutical company with a global reach.

2. Market Share

   The products developed by the Company have not yet been sold on the market, so there is currently no analysis of the market share of the products.

3. Future market supply and demand and future growth

   The U.S. government passed regulations pertaining to biosimilar drugs in as early as 2010, and the first biosimilar drug product to obtain a drug license for sale was the Zarxio (filgrastim-sndz) drug from Sandoz Pharmaceuticals, which was launched to the US market in September 2015. Its reference brand drug was Amgen's Neupogen (filgrastim). As of the end of 2023, forty-five biosimilar drugs have been approved by the U.S. FDA.

4. Competitive Niches

   The Company's competitive niche is divided into the following points:

   A. Equipped with the cell line development skills through the R&D capabilities of the Taiwan team.
   B. The U.S. team's technology in process research and development, as well as product analysis and manufacturing.
   C. At the same time, we own both mammalian cell line development capability and microbial fermentation technology platforms.
   D. The U.S. subsidiary has established an initial commercial production base.
   E. Possess regulatory experience in clinical application and drug approval in the United States.

5. Favorable and unfavorable factors for future development vision

   Favorable factors:

   (1) The United States approved its first biosimilar drug in 2015, opening the door to regulations and allowing manufacturers to follow suit.
   (2) The United States is the single largest market for biopharmaceuticals.
   (3) Affordable and high-quality biosimilar drugs are in line with the United States' efforts to control fiscal expenditures and meet social welfare and national health, and the market has growth potential.

   Unfavorable factors:

   (1) The U.S. FDA's drug license review standards are very rigorous, resulting in high costs for clinical trials.
   (2) The U.S. market has just taken off, and there is insufficient information about competitors.

   In the face of market competition, the Company's response measures are as follows:

   (1) Quality: The Company's mission is to provide safe, effective, and affordable biosimilar drugs to patients who need them, and to continue to comply with the strict regulations of the U.S. FDA to face market competition.
   (2) Technology: The Company combines Taiwan's R&D capabilities with U.S. technology in scale up manufacturing and production to enhance our global competitiveness.
   (3) Cost: The Company has achieved a lean HR policy and reduced costs through vertical integration, increasing product pricing flexibility and hoping to improve market development competencies and competitiveness.
   (4) Customers: The initial commercial production base is located in the United States, and its proximity to the market and customers allows us to respond to and serve customer needs in real time.

5.2.2 Functions and Manufacturing Processes for Main Products

1. Important Functions of Main Products

A. Granulocyte colony-stimulating factor (G-CSF)

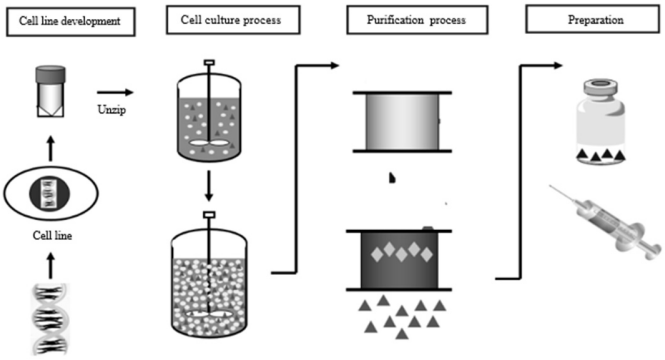
Mainly used for the treatment of cancer, G-CSF not only stimulates the growth and division of granular leukocytes to significantly increase their number, but also promotes differentiation and increases bactericidal ability. G-CSF is one of the many growth hormones in the human body that controls the growth and differentiation of blood cells. Advances in genetic recombination technology allow us to combine the genes responsible for producing this growth hormone with cell lines or bacteria that can carry out cell division in order to produce sufficient G-CSF to be used in many patients. The emergence of the G-CSF provides offers a new ray of hope for the treatment of cancer patients. Use of this growth hormone can resolve a variety of conditions caused by insufficient granular leukocytes. Generally speaking, it can be used in two major ways. One is for preventive purposes to prevent granular white blood cells from dropping to a dangerous level. On the other hand, it is used to treat hypocytosis, that is, it is used to increase the insufficient number of granular white blood cells and reduce the patient's risk of fatal infections.

B. Monoclonal antibodies:

Monoclonal antibodies are produced through antibody engineering. During the cell fusion process, the required cell lines are added to produce the required antibodies. The main goals of this drug development is to treat cancer and inflammations. Monoclonal antibodies are produced by the fusion of immune cells that can produce such antibodies and cancer cells. This fused cell has both the ability of tumor cells to continuously divide and the ability of immune cells to produce antibodies. The fused hybrid cells (hybridoma) can produce large amounts of identical antibodies. When used in medicine, small, if any, changes in the display of antigens can help reduce side effects. Antibody drugs made from monoclonal antibodies are currently an effective method to treat a variety of diseases and are part of the so-called biogroup therapy for the treatment of cancer. Its molecular design mimics the antibodies naturally produced by the human body's immune system, thereby exerting a unique effect on cancer cells.

2. Manufacturing processes of products

The main core value of Tanvex in the product production process lies in the vertical integration of the upstream, midstream, and downstream reaches of the industrial value chain, from cell line development and cell culture, to product purification, process development and scale-up, and then to downstream preparation development and production. Tanvex has complete control over the industry chain, thereby having precision over the use of technology and control costs.



5.2.3 Supply of Major Raw Materials

The Company and its subsidiaries are engaged in the research and development, manufacturing and sales of biosimilar drugs and new drugs. We mainly purchase patented raw materials and supplies from suppliers, such as protein purification media, filter elements, culture bags, chemical materials and general supplies, etc., in order to ensure

stable quality and consistency of experimental data. To avoid affecting the test results, certain R&D drug products must be purchased from specific suppliers. At present, the Company's products are still in the stages of research and development, drug license review, or product launch negotiations with drug sales distributors. We are expected to obtain the U.S. drug license and complete mass production and launch sales planning with Canadian drug sales distributors. Due to the Company's sales strategy, which adopts a business model of collaboration with dealers or agents, and vertically integrating R&D and manufacturing; therefore, raw materials continue to increase in response to future mass production and sales plans. The supply status is good and there are no concentrated transactions.

5.2.4 Names of customers who accounted for more than 10% of the purchases/sales in any of the last two years, and purchases/sales amount and percentage, with explanations of the increase/decrease of such purchases/sales

In 2022 and 2023, the Company only recognized CRO service income of NT$22,404 thousand and NT$60,997 thousand, respectively because the products are still in the clinical trial and preclinical research stages. In 2023, some raw materials were also sold, generating sales revenue of NT414 thousand. Purchases are mainly for the preparation of materials for obtaining drug certificates in the future and related inventories required for current R&D. The purchased items are mainly various patented products and supplies, and the ratio of purchases from each supplier is not concentrated on specific suppliers. Therefore, there is no risk of concentration of purchases.

5.2.5 Production in the Last Two Years

In 2022 and 2023, the Company's products are still in the R&D stage, so there is no mass production yet.

5.2.6 Shipments and Sales in the Last Two Years

In 2022 and 2023, the Company only recognized CRO service income of NT$22,404 thousand and NT$60,997 thousand, respectively because the products are still in the clinical trial and preclinical research stages. In 2023, some raw materials were also sold, generating sales revenue of NT414 thousand.

5.3 Number of workers, average length of service, average age and education distribution of employees in the industry for the last two years and as of the printing date of the Annual Report

Year		2022	2023	Current year as of April 21, 2024
Number of Employees	R&D personnel	46	46	36
	Technical operators	52	20	14
	Other employees	27	58	41
	Manager and higher-ranking supervisor (R&D)	14	15	11
	Manager and higher-ranking supervisor (Technical Operations)	19	5	4
	Manager and higher-ranking supervisor (Others)	20	42	32
	Total	178	186	138
Average age		39.32	41.08	41.18
Average Years of Services		2.97	3.26	3.97
Education background distribution	Ph.D.	9.23	6.45	9.42
	Master's degree	28.63	23.12	26.09
	University	46.78	55.38	50.72
	Senior High school	15.36	15.05	13.77
	Below Senior High School	-	-	-

5.4 Disbursements for Environmental Protection

1. Losses incurred as a result of environmental pollution (including compensation and environmental protection audit results that violate environmental laws and regulations; the date of punishment, the number of the punishment, the provisions of the statute violated, the content of the statute violation, and the content of the punishment should be listed) in the most recent year and up to the date this Annual Report was printed:
   In the most recent year and as of the publication date of the Annual Report, the Company has had no environmental pollution incidents and will continue to adhere to its philosophy in the future to maintain the best environmental protection performance.

2. The total value of losses (including compensation) and dispositions of the Company (including improvement measures) and possible expenses (including estimated values of possible losses, dispositions, and compensation if no countermeasures were not adopted; if they cannot be reasonably estimated, descriptions of facts that they cannot be reasonably estimated should be provided):
   None.

5.5 Labor Relations

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

Focusing on one of the main places of operation: Taiwan

(1) Employee Welfare

A. Leave provisions: The number of days of personal leave, sick leave, and annual leave we provide is superior to the requirements stipulated in the Labor Standards Act. In addition, we also offer superior provisions for paid leaves, so that employees can enjoy more generous benefits.
B. Employee travel: Group employee travel is organized every year to relieve their physical and mental stress on a timely basis.
C. Labor insurance: Handled in accordance with the provisions of Labor Insurance Act.
D. National Health Insurance: Handled in accordance with the provisions of the National Health Insurance Act.
E. Group insurance: Offer protection through employees' health and medical benefits, accidental injury benefits, cancer medical benefits and occupational disaster benefits, etc.
F. Employee health examinations: Provide employees with employee health examinations once a year to protect their health in a timely manner.
G. Employee stock options: In order to recruit more potential professional talents, secure the existing professional teams, inspire their work efficiency and quality performance, and to take care of their work and living standards in order to jointly create the best interests of the Group and employees and to reap the Group's operating results, the employees of subsidiaries may also enjoy employee stock options issued by the parent company.

(2) Employee education and training

A. New employee training: After new employees report in, HR personnel will explain the Company's personnel regulations, welfare measures, Company briefing session, introduce the various departments and environment, and introduce them to their colleagues in each unit.
B. On-the-job training in Taiwan: In order to implement professional knowledge and improve work skills, the Company will conduct internal training courses from time to time, or send employees to participate in training courses from external organizations.
C. On-the-job training abroad: In order to achieve technical integration of the Group's value chain and implement the transfer of overseas technology, the Company sends employees to overseas parent company or affiliated companies or foreign institutions from time to time to participate in various new skills training courses.
D. On-the-job continuing education: In order to allow colleagues to enhance their professional knowledge through continuous learning, employees who have been with the Company for more than two years can apply for approval to study for formal degrees during working hours, night time or holidays.

(3) Retirement system and implementation status

In accordance with the provisions of the Labor Pension Act, the Company contributes 6% of the employees' monthly wages to the individual labor pension account established by the Bureau of Labor Insurance, Ministry of Labor, on a monthly basis. Employees can also choose to voluntarily contribute pension funds to their accounts within the range of 1% to 6% of their monthly wages.

(4) Employee-employer agreements and protection of employee rights and interests

The Company understands the needs of employees in a timely manner, and actively explores and solves employee problems through employee-management meetings and various communication, motivation, education, group recreation and other activities, so that employees and the Company can establish a harmonious relationship on the basis of improving employee cohesion and satisfaction, thereby encouraging them to co-create a better future with the Company. Regarding the rights and interests of female colleagues at work, the Company has established relevant protection measures in its Work Rules to protect the relatively more vulnerable female colleagues. It also has stipulated rules on how to file grievances about sexual harassment in the workplace to ensure respect for the basic human rights of both genders.

Focusing on one of the main places of operation: The U.S.

In addition to complying with the relevant provisions of the U.S. federal government's social security law and U.S. labor laws, we also provide employee health insurance, occupational injury compensation insurance, and employees' individual retirement account systems to protect employee benefits.

(2) Employee welfare in U.S. subsidiary

A. Employee activities: Annual celebrations are held every year to help employees relieve physical and mental stress in a timely manner, increase employee friendship, and build team spirit.
B. Labor insurance: In accordance with the regulations of the U.S. Department of Labor, employees can enjoy protection in the event of occupational injuries.
C. Medical insurance: In accordance with the U.S. Medicare and Medicaid systems, we provide employees with comprehensive insurance, including: medical insurance, medical savings account, dental insurance, vision insurance, long-term injury insurance, and traditional Chinese medicine medical insurance, etc.
D. Group life insurance: Life insurance is provided to each employee and his or her family to protect the lives of all employees.
E. Out-of-pocket schemes: The Company provides employees with out-of-pocket options, allowing them to purchase additional medical insurance, life insurance, accident insurance, critical illness insurance, identity theft and legal consultation for themselves or their family members.
F. Employee health examinations: Within the scope of medical insurance, each employee and his or her family is entitled to a free health examination every year to protect the health of employees in a timely manner.
G. Employee stock options: In order to recruit more potential professional talents, secure the existing professional teams, inspire their work efficiency and quality performance, and to take care of their work and living standards in order to jointly create the best interests of the Group and employees and to reap the Group's operating results; hence, it has been stipulated in the Articles of Incorporation of the parent company that, upon resolution from the Board of Directors, the employees of subsidiaries may also enjoy employee stock options issued by the parent company.

(3) Employee education and training

A. New employee training: After new employees report in, HR personnel will explain the Company's personnel regulations, welfare measures, Company briefing session, introduce the various departments and environment, and introduce them to their colleagues in each unit. In addition, each department will explain the Company's internal operating procedures and provide training including GMP standards and more.
B. On-the-job training within the US and abroad: According to GMP factory and FDA regulations, each R&D personnel should complete relevant training to facilitate work execution. At the same time, in order to implement professional knowledge and improve work skills, the Company also conducts internal training courses from time to time, or sends employees to participate in training courses from external organizations. To facilitate technological improvement, the Company also sends employees to overseas institutions from time to time to participate in various education courses and training in new skills based on work needs.

(4) Employee 401K Retirement System

All full-time employees of the Company are eligible to participate in the 401K retirement plan. On top of saving taxes for employees, the plan also allows employees to make allocations from their wages in a fixed amount or proportion. The Company will also allocate funds based on the same proportion to increase our protection of employees' life after retirement.

(5) Employee-employer agreements and protection of employee rights and interests

A. The Company holds all-hands meetings from time to time to enable employees to understand the Company's current operating conditions. This method of communication also helps us to understand employee needs and resolve and discuss important issues. By providing good communication and interactive channels between employees and the management, employees and the Company can establish a harmonious relationship, helping to build employee cohesion, and to co-create a better future with the Company.

B. Company employees may enjoy various promotional opportunities and rights, and their rights and opportunities do not differ based on race or gender.

C. The Company has a lactation room for female employees to facilitate their use and maintain their personal privacy.

D. The Company's HR department also has a comment mailbox to maintain good communications between employees and the Company. Colleagues can also express their opinions on relevant matters to their supervisors or to the HR department, so that unimpeded communications and consensus can be maintained between the employees and the management.

E. The Company has set up a break room for employees to have lunch and to interact with one another.

5.5.2 Losses as a result of labor-management disputes and disclosure of current and possible future estimates and countermeasures over the most recent year up to the date the Annual Report was printed. If reasonable estimates are impossible, state the facts why they cannot be reasonably estimated

The Company has always been people-oriented and maintains our professionalism, attaching great importance to employees' feelings and future development. Therefore, both employees and the management have always maintained a harmonious relationship, and there has been no need to estimate losses due to labor disputes.

5.6 Cybersecurity management

5.6.1 Cybersecurity risk management framework, cybersecurity policies, specific management plans, and the resources invested in cybersecurity management:

1. Cybersecurity management framework:
   (1) The designated information security unit of the Company is the IT Department, which is responsible for formulating internal information security policies, planning and executing information security operations, and promoting and implementing information security policies. It also regularly reports the Company's information security governance profile to the CEO.
   (2) The Company's Audit Office is the supervisory unit of cybersecurity. It is responsible for supervising the implementation of internal information security. If deficiencies are found during the audit, the audited unit will be required to propose relevant improvement plans and specific actions, and the improvement results will be tracked regularly to reduce internal information security risks.
2. Cybersecurity policies: The Company's designated information security unit continues to strengthen the Company's information security to ensure the confidentiality, integrity and availability of information to protect the rights and interests of the Company's customers, shareholders, employees and suppliers, and to fulfill its social responsibilities.
3. Specific management plans and the resources invested in cybersecurity management:
   (1) Formulation of information security management measures: 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 and password access regulations, account handling procedures for personnel resignation, and employee confidentiality agreements, etc.

(2) Improving information security technology: 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 anti-virus, online behavior management/malicious website protection, firewall blocking, host data backup, and access management, network IP management, etc.

(3) Promotion and improvement of information security: The Company regularly holds information security promotion and education training to enhance the information security knowledge and professional skills of internal personnel.

5.6.2 List any losses suffered by the company in the most recent year and as of the date the annual report was printed due to significant cybersecurity incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: The Company did not experience any major cybersecurity incident in the past year up to the publication date of this Annual Report.

5.7 Important Contracts

As of the publication date of the Annual Report, the parties, main contents, restrictive clauses and contract start and end dates of supply and sale contracts, technical cooperation contracts, engineering contracts, long-term loan contracts and other important contracts that may affect shareholders' rights and interests that are still valid and those that will expire in the most recent year.

Type of Contract	Counterparty	Commencement date/expiration date	Major Contents	Restrictions
Lease contract	U.S. subsidiary (Tanvex BioPharma USA) with Third Ave. Investments, LLC	09/10/2018 - 03/31/2024	Office lease contract in Irvine, California for U.S. subsidiary	None
Lease contract	US subsidiary (Tanvex BioPharma USA) and STERLING CITY SCIENCE NORTH PORTFOLIO, LLC	07/30/2010 - 11/30/2032	U.S. subsidiary's factory in San Diego, California (1) Lease contract and its supplementary contract	None
Lease contract	US subsidiary (Tanvex BioPharma USA) and STERLING CITY SCIENCE NORTH PORTFOLIO, LLC	01/20/2016 - 01/20/2032	U.S. subsidiary's new factory in San Diego, California (2) lease contract	None
Lease contract	Tanvex Taiwan and Taiwan Branch of Beishute Co., Ltd. (BV)	04/15/2021 - 06/30/2026	Lease of laboratory workshop and office for Tanvex Taiwan	None
MOU	U.S. subsidiary and Taiwan subsidiary	01/01/2018 - 12/31/2023	Joint development agreement for biosimilar drugs	None
Sales contract	Tanvex BioPharma Inc. and AP Biosciences, Inc.	02/10/2022 - Service completed	CRO service agreement	None
Lease contract	Tanvex Taiwan and Taiwan Branch of Beishute Co., Ltd. (BV)	04/01/2023 - 06/30/2028	Lease of new laboratory workshop and office from Tanvex Taiwan	None
Distribution licensing agreement	US subsidiary (Tanvex BioPharma USA) and Sandoz AG	05/15/2023	Canadian Distribution Authorization Agreement for TX01 (Neupogen Biosimilar)	According to the terms of contract

6. Financial Information

6.1 Condensed Financial Statements for the Last Five Years - IFRSs

6.1.1 Condensed Consolidated Balance Sheet - International Financial Reporting Standards (IFRSs)

Unit: NT$ thousands

Items \ Year		Financial summary for the past five fiscal years (Note 1)					Financial information for current year up to March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Current assets		2,604,974	2,263,513	2,401,988	1,043,719	604,212	562,851
Property, plant and equipment		657,824	555,692	477,369	484,579	438,771	461,544
Right-of-use assets		265,136	1,350,585	1,636,483	1,665,981	1,489,370	1,499,529
Intangible assets		15,932	11,957	10,167	12,069	3,383	5,033
Other assets		29,127	190,978	187,582	213,468	227,667	236,316
Total assets		3,572,993	4,372,725	4,713,589	3,419,816	2,763,403	2,765,273
Current liabilities	Before Distribution	270,448	353,099	248,514	303,285	363,730	760,392
	After Distribution	270,448	353,099	248,514	303,285	363,730	760,392
Non-current liabilities		271,674	1,398,911	1,670,280	1,725,051	1,578,563	1,598,972
Total liabilities	Before Distribution	542,122	1,752,010	1,918,794	2,028,336	1,942,293	2,359,364
	After Distribution	542,122	1,752,010	1,918,794	2,028,336	1,942,293	2,359,364
Equity attributable to shareholders of the parent		3,030,871	2,620,715	2,794,795	1,391,480	821,110	405,909
Capital stock		2,642,041	3,116,067	3,524,547	3,526,606	1,339,629	1,340,269
Capital surplus		8,348,201	9,652,911	10,987,806	11,060,529	12,430,594	12,420,661
Retained earnings	Before Distribution	(7,679,989)	(9,784,225)	(11,327,436)	(12,968,566)	(12,754,940)	(13,173,102)
	After Distribution	(7,679,989)	(9,784,225)	(11,327,436)	(12,968,566)	(12,754,940)	(13,173,102)
Other equity interest		(279,382)	(364,038)	(390,122)	(227,089)	(194,173)	(181,919)
Total equity	Before Distribution	3,030,871	2,620,715	2,794,795	1,391,480	821,110	405,909
	After Distribution	3,030,871	2,620,715	2,794,795	1,391,480	821,110	405,909

Note 1: The above financial information presented for 2019 to 2023 has been audited and verified by CPAs.

Note 2: The financial information for Q1 2024 has been reviewed by CPAs and submitted to the Board of Directors on May 7, 2024.

6.1.2 Condensed Consolidated Income Statement - International Financial Reporting Standards (IFRSs)

Unit: NT$ thousands

Year / Items	Financial summary for the past five fiscal years (Note 1)					Financial information for current year up to March 31, 2024 (Note 3)
	2019	2020	2021	2022	2023 (Note 2)	
Operating revenue	-	300	5,406	22,404	61,411	3,357
Gross Profit	-	143	3,550	(19,348)	59,701	666
Operating profit and loss	(2,328,156)	(2,099,577)	(1,599,184)	(1,605,517)	(2,100,750)	(422,017)
Non-operating income and expenses	53,955	(4,635)	55,995	(35,590)	(35,923)	3,855
Net loss before tax	(2,274,201)	(2,104,212)	(1,543,189)	(1,641,107)	(2,136,673)	(418,162)
Net loss from continuing operations for the current period	(2,274,226)	(2,104,236)	(1,543,211)	(1,641,130)	(2,137,101)	(418,162)
Loss from discontinued operations	-	-	-	-	-	-
Net losses for the period	(2,274,226)	(2,104,236)	(1,543,211)	(1,641,130)	(2,137,101)	(418,162)
Other comprehensive income (net, after tax)	(25,407)	(84,656)	(26,084)	163,033	32,916	12,254
Total comprehensive income	(2,299,633)	(2,188,892)	(1,569,295)	(1,478,097)	(2,104,185)	(405,908)
Losses per share (Unit: NTD)	(9.26)	(7.84)	(4.74)	(4.65)	(16.58)	(3.12)

Note 1: The above financial information presented for 2019 to 2023 has been audited and verified by CPAs.

Note 2: Capital reduction was carried out in 2023, and the base date for capital reduction was January 19, 2023, resulting in a significant increase in losses per share.

Note 3: The financial information for Q1 2024 has been reviewed by CPAs and submitted to the Board of Directors on May 7, 2024.

6.2 Condensed Balance Sheet and Comprehensive Income Statement of the Most Recent Five Years - ROC GAAP

6.2.1 Consolidated Condensed Balance Sheet- ROC GAAP: N/A.

6.2.2 Comprehensive Condensed Consolidated Income Statement- ROC GAAP: N/A.

6.2.3 Important events that affect the consistency and comparison of the above condensed financial statements, such as accounting changes, company mergers or business department suspensions, and their impact on the current year's financial report: None.

6.2.4 Name of CPAs and Audit Opinions for the Last Five Years

Year	Accounting Firm	Name of CPA	Audit Opinion from CPA
2019	PwC Taiwan	Yu, Shu-Fen, Tseng, Hui-Chin	Unqualified opinion
2020	PwC Taiwan	Yu, Shu-Fen, Liang, Hua-Ling	Unqualified opinion
2021	PwC Taiwan	Yu, Shu-Fen, Liang, Hua-Ling	Unqualified opinion
2022	PwC Taiwan	Yu, Shu-Fen, Liang, Hua-Ling	Unqualified opinion
2023	PwC Taiwan	Yu, Shu-Fen, Liang, Hua-Ling	Unqualified opinion

6.3 Financial analyses for the past five fiscal years

Financial Analysis - International Financial Reporting Standards (Consolidated)

Items \ Year		Financial analyses for the past five fiscal years (Note 1 and 3)					Financial information for current year up to March 31, 2024 (Note 2)
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt ratio	15.17	40.07	40.71	59.31	70.29	85.32
	Ratio of long-term capital to property, plant and equipment	502.04	723.36	935.35	643.14	546.91	434.39
Solvency %	Current ratio	963.21	641.04	966.54	344.14	166.12	74.02
	Quick ratio	898.04	586.38	895.67	260.15	107.53	51.77
	Interest protection multiples	(Note 6)	(Note 6)	(Note 6)	(Note 6)	(Note 6)	(Note 6)
Operating performance	Accounts receivable turnover (times)	-	-	-	-	-	-
	Average Collection Period	-	-	-	-	-	-
	Inventory turnover (times)	-	-	-	-	-	-
	Payables turnover (times)	-	-	-	-	-	-
	Average days in sales	-	-	-	-	-	-
	Property, plant and equipment turnover (times)	-	-	-	-	-	-
	Total assets turnover (times)	-	-	-	-	-	-
Profitability	Return on assets (%)	(56.49)	(52.97)	(33.97)	(39.28)	(67.64)	(58.84)
	Return On Equity (%)	(62.77)	(74.47)	(56.99)	(78.41)	(193.18)	(272.62)
	Pre-tax profit to paid-in capital ratio (%)	(86.08)	(67.53)	(43.78)	(46.54)	(159.50)	(124.80)
	Net Profit Margin (%)	-	-	-	-	-	-
	Earnings Per Share (NT$)	(9.26)	(7.84)	(4.74)	(4.65)	(16.58)	(3.12)
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 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)

Please state the reasons for the changes in each financial ratio that reaches 20% or above for the last two years:
Solvency, profitability: Mainly attributable to the lack of revenue growth at the current stage and our continued investment in R&D, resulting in cash outflows.

Note 1: Source: The above financial information presented for 2019 to 2023 has been audited and verified by CPAs.
Note 2: Source: The financial information for Q1 2024 has been reviewed by CPAs and submitted to the Board of Directors on May 7, 2024.
Note 3: The formulas used to calculate the financial analysis items are as follows

1. **Financial structure**
   (1) **Debt ratio = Total liabilities/Total assets**
   (2) **Ratio of long-term capital to real estate properties, plants and equipment = (total equity + non-current liabilities)/net property, plant, and equipment.**
2. **Solvency**
   (1) **Current ratio = Current assets/Current liabilities**
   (2) **Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities.**
   (3) **Interest earned ratio = Earnings before interest and taxes/Interest expenses**
3. **Operating performance**
   (1) **Accounts receivable turnover rate (including accounts receivable and bills receivable from business activities) = Net sales/Balance of average accounts receivable in each period (including accounts receivable and bills receivable from business activities)**
   (2) **Average collection period = 365/Accounts receivable turnover**
   (3) **Inventory turnover rate= Cost of sales/Average inventory**
   (4) **Payables turnover rate (including accounts payable and bills payable from business activities) = Cost of sales/Balance of average accounts payable in each period (including accounts payable and bills payable from business activities)**
   (5) **Average days in sales = 365/Inventory turnover**
   (6) **Property, plant and equipment turnover rate = Net sales/Average net property, plant, and equipment**
   (7) **Total asset turnover rate = Net sales/Average total assets**
4. **Profitability**
   (1) **Return on assets = (net income + interest expenses × (1 - tax rate))/average total assets.**
   (2) **Return on shareholders' equity = Profit or loss after tax/Average total equity**
   (3) **Profit ratio = Profit or loss after tax/Net sales**
   (4) **Earnings per share = (profit or loss attributable to owners of the parent company - preferred stock dividends)/weighted average number of shares issued.**
5. **Cash flow**
   (1) **Cash flow ratio = Net cash flows from operations/Current liabilities**
   (2) **Net cash flow adequacy ratio = net cash flow from operating activities for the past five years/(capital expenditure + inventory + cash dividend) for past five years.**
   (3) **Cash reinvestment ratio = (net cash flow from operating activities - cash dividend)/(net property, plant, and equipment + long-term investments + other non-current assets + working capital).**
6. **Leverage:**
   (1) **Operating leverage = (net operating income - variable operating cost and expenses)/operating income.**
   (2) **Financial leverage = operating income/(operating income - interest expenses).**

Note 4: The Company's cash flow from operating activities is negative and has no analytical significance, so it is not calculated.
Note 5: The Company has a net operating loss and the ratio is negative, so it is not calculated.
Note 6: The Company's net operating loss has no analytical significance and it is therefore not calculated.

6.4 Audit Committee Report for the Most Recent Fiscal Year's Financial Statement

Tanvex BioPharma, Inc.

Audit Committee's Report

Date: March 14, 2024

The Company's Board of Directors has prepared and submitted the 2023 Consolidated Financial Report, Business Report and Loss Appropriation Proposal. The Consolidated Financial Report has been audited and certified by PwC Taiwan, and an unqualified audit report has been issued. The Audit Committee agreed with the aforementioned audit opinion from PwC Taiwan, and reviewed and approved the preceding Business Report and Loss Appropriation Proposal, and have issued this report in compliance with the provisions of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please verify.

To
Shareholder’s Meeting of Tanvex BioPharma, Inc.

Tanvex BioPharma, Inc.

Audit Committee

Convener: Tsai, Jin-Pau

6.5 Consolidated Financial Statement for the Most Recent Year Audited and Certified by CPAs

Please refer to this Annual Report for details.

6.6 Individual Financial Statement for the Most Recent Year Audited and Certified by CPAs

N/A.

6.7 If the Company and its affiliated companies experienced instances of financial difficulties in the most recent year and up to the publication date of this annual report, state their impact on the financial position of the Company:

None.

7. Review and Analysis of the Company's Financial Position and Financial Performance, and Listing of Risks

7.1 Analysis of Financial Status

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

Unit: NT$ thousands; %

Items \ Year	2022	2023	Difference	
			Amount	%
Current assets	1,043,719	604,212	(439,507)	(42.11)
Property, plant and equipment	484,579	438,771	(45,808)	(9.45)
Right-of-use assets	1,665,981	1,489,370	(176,611)	(10.60)
Intangible assets	12,069	3,383	(8,686)	(71.97)
Other assets	213,468	227,667	14,199	6.65
Total assets	3,419,816	2,763,403	(656,413)	(19.19)
Current liabilities	303,285	363,730	60,445	19.93
Non-current liabilities	1,725,051	1,578,563	(146,488)	(8.49)
Total liabilities	2,028,336	1,942,293	(86,043)	(4.24)
Capital stock	3,526,606	1,339,629	(2,186,977)	(62.01)
Capital surplus	11,060,529	12,430,594	1,370,065	12.39
Retained earnings	(12,968,566)	(12,754,940)	213,626	(1.65)
Other equity interest	(227,089)	(194,173)	32,916	(14.49)
Equity attributable to owners of the parent company	1,391,480	821,110	(570,370)	(40.99)
Total shareholder equity	1,391,480	821,110	(570,370)	(40.99)

Please specify the main reason for any increase or decrease of twenty percent or more, if the amount of the change is NT$10 million or more:

(1) Decreases in current assets: Mostly attributable to continued investment in R&D, resulting in cash outflows.
(2) Decreases in capital stock: Mostly attributable to capital reduction exercised in 2023.
(3) Decreases in stockholders' equity: Mostly attributable to the fact that the Company is still in the R&D stage, and as R&D expenses continue to increase, the Company continues to suffer losses.

7.2 Financial Performance

7.2.1 Analysis of the main reasons for the significant changes in operating revenue, net operating profit income, and net income before tax in the last two years

Unit: NT$ thousands; %

Items \ Year	2022	2023	Increase (decrease) amount	Ratio of change %
Operating revenue	22,404	61,411	39,007	174.11
Operating costs	(41,752)	(1,710)	40,042	(95.90)
Gross profit	(19,348)	59,701	79,049	(408.56)
Operating expenses	(1,586,169)	(2,160,451)	(574,282)	36.21
Net operating loss	(1,605,517)	(2,100,750)	(495,233)	30.85
Non-operating income and expenses	(35,590)	(35,923)	(333)	0.94
Net loss before tax	(1,641,107)	(2,136,673)	(495,566)	30.20
Income tax expenses	(23)	(428)	(405)	1760.87
Net losses for the period	(1,641,130)	(2,137,101)	(495,971)	30.22
Other comprehensive income	163,033	32,916	(130,117)	(79.81)
Total comprehensive income	(1,478,097)	(2,104,185)	(626,088)	42.36

Please specify the main reason for any increase or decrease of twenty percent or more, if the amount of the change is NT$10 million or more:

(1) Operating revenue: Mainly attributable to undertaking CDMO projects and obtaining CRO service revenue.
(2) Operating costs and operating gross profit: Mostly attributable to the modification of service scope with customers, leading to a reversal of provisions for loss from loss-generating contract.
(3) Operating expenses, net operating loss and net loss before tax: Mostly attributable to the capital reduction activities in 2023; the increase in fair value resulting from changes in share prices resulting in adjustments to the exercise prices of employee stock options.
(4) Decreases in other comprehensive income in the current period: Mostly attributable to the fluctuation in the USD, leading to recognition of exchange differences arising from the translation of the financial statements of foreign operations

7.2.2 Expected sales volume and its basis

The Company's products are still in the R&D stage, and there are no major sales expected in the next year.

7.2.3 Possible impact on the Company's future financial operations and response plans:

The Company's products are still in the R&D stage and are not expected to have a significant impact in the next year.

7.3 Cash flow

7.3.1 Analysis of annual cash flow changes in the most recent year

Unit: NT$ thousands; %

Items \ Year	2022 amount	2023 amount	Increase (Decrease) Amount	Ratio of change %
Net cash inflow (outflow) from operating activities	(1,333,847)	(1,433,809)	(99,962)	7.49
Net cash inflow (outflow) from investing activities	(97,352)	(83,571)	13,781	(14.16)
Net cash inflows (outflows) from financing activities	(123,290)	1,079,542	1,202,832	(975.61)

Analysis and explanation of the increase or decrease of ratio:

(1) Operating activities: Mostly attributable to continued investment in R&D, resulting in cash outflows.
(2) Investing activities: Mostly attributable to the net cash outflow caused by property, plants and equipment and computer software.
(3) Financing activities: Mostly attributable to the cash capital increase in 2023, resulting in net cash inflow.

7.3.2 Improvement plan for lack of liquidity:

N/A.

7.3.3 Cash flow analysis for the coming year

Unit: NT$ thousands

Cash balance, beginning of year A	Estimated annual net cash flows from operating activities B	Expected annual cash outflow C	Estimated cash surplus (deficit) amount A+B-C	Remedial measures for cash deficit	
				Fundraising plan	Financing plan
393,400	(1,472,146)	(346,445)	(1,425,191)	Carry out fund raising activity or bank borrowing	-

Cash flow analysis

Cash outflow: Mostly caused by expenditures on supplies, personnel and equipment invested according to the progress of R&D activities.

7.4 Effect of major capital spending on financial position and business operation in the most recent year

The Company's main capital expenditure in 2023 was the purchase of experimental and production equipment to coordinate with the progress of product development, in order to accelerate the promotion of R&D plans.

The relevant capital expenditures have been included in the Company's financial planning, so they will not have a significant impact on the Company's financial operations.

7.5 Reinvestment policy in the most recent year, profit/loss and main reasons, improvement plan, and investment plan for the coming year

1. Reinvestment policy

   The Company's current reinvestment policy focuses on investment targets related to the development of its own industry and does not engage in investments in other industries. The relevant departments that engage in such reinvestments follow the internal control systems of "Investment Cycle", "Supervision and Management of Subsidiaries" and "Regulations Governing the Acquisition and Disposal of Assets", and such reinvestments are discussed and approved by the Board of Directors or the shareholders' meeting.

2. Main reasons for gains or losses in reinvestments and improvement plans

December 31, 2023 unit: NT$ thousands

Investee	Business items	Investment (loss) in 2023	Reasons for profits or losses and improvement plans
Tanvex BioPharma USA, Inc. (100% owned subsidiary)	Process development and production of biosimilar drugs and new drugs	(2,007,582)	Product development is still in the early R&D stage, so it is in a loss-making state. When its products are commercialized and sold, it should be possible to turn losses into profits.
Tanvex BioPharma Canada, Inc. (100% owned subsidiary)	Production process development for new drugs and sales	-	
Tanvex Biologies Corporation (100% owned subsidiary)	Research and development of biosimilar drugs and new drugs	(89,882)	The business is mainly focused on early-stage R&D, so it is in a loss-making state.

3. Investment plan for the following year:

   The Company has formulated the Regulations Governing the Acquisition and Disposal of Assets in accordance with the Regulations Governing the Acquisition and Disposal of Assets by Public Companies set by the competent authority as the basis for the Company's reinvestment business to keep abreast of the relevant business and financial position. In addition, to improve the supervision and management of the Company's reinvestments, the Company has formulated monitoring and management measures for subsidiaries in the internal control system, and formulated relevant standards for its information disclosure, finance, business, inventory and financial management, so as to facilitate the Company's reinvestment to maximize their benefits. The Company's investment in subsidiaries will mainly focus on product development and clinical trials in the next year. It will make appropriate assessments based on its development progress before investing.

7.6 Risk analysis and assessment for the most recent year and as of the date of publication of the Annual Report

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

1. The effect of interest rate fluctuations on earnings and losses of the Company as well as response measures

   The main sources of funds required for the Company's operations come from cash capital increases and no external loans have been taken out. At the same time, as the domestic and global economy are still recovering, changes in interest rates will not have a significant impact on the Company. The Company's capital utilization is based on budgetary needs, mostly fixed deposits and live deposits. At the same time, it also continues to maintain positive interactions with a number of banks to maintain the flexibility and security of capital utilization and to reduce the impact of interest rate changes on the Company.

2. The effect of exchange rate fluctuations on earnings and losses of the Company as well as response measures

   The Company's main functional currency is the U.S. dollar. Major R&D expenses, including preclinical and clinical trial expenses, consulting fees, experimental consumables, instrument and equipment procurement, etc. are mostly paid in U.S. dollars, so exchange rate changes have little impact on the Company. The Company's denominated transactions in NTD are mostly used to support part of the operating expenses of its Taiwan subsidiary. Overall, the impact of exchange rate changes on the Company is still limited. Therefore, there is no risk of significant exchange rate fluctuations. The Company will also pay attention to changes in international exchange markets at all time to understand their trends and take timely contingency measures to reduce the impact of exchange rate changes on the Company.

3. Impact of inflation on the Company's profits and losses and future response measures

   The Company is mainly engaged in the new drug development, which requires technologies, expenses, and development, which are less affected by inflation. Therefore, inflation has no direct and significant impact on the Company's past profits and losses. The Company will continue to pay close attention to market price fluctuations in the future, maintain good interactive relationships with suppliers and customers, and take appropriate corresponding measures to reduce its impact on the Company's profits and losses.

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

For the most recent year, up to the date of publication of the Annual Report, the Company has not engaged in any high risk or highly-leveraged investments, extended loans to other parties, or provided endorsement or guarantees. The Company has formulated the "Regulations Governing the Acquisition and Disposal of Assets", "Operating Procedures for Endorsements and Guarantees" and "Operating Procedures for Making of Endorsements/Guarantees", which have been approved by resolutions of the Board of Directors and the shareholders' meeting. In the future, if the Company needs to endorse guarantees for others or require various financial instruments for financing due to business needs, it will be handled in accordance with the above-mentioned relevant procedures.

7.6.3 Future R&D projects and estimated R&D expenditure

The Company's plant expansions have been gradually completed, and we currently have the initial commercial mass production capacity to invest in the development and production of TX01, TX05, TX04, TX16, TX52 and TX54 projects. The future development plans and expected investment in R&D funds for the Company's six major biosimilar drug products are as follows:

1. TX01 (Patented brand drug Neupogen)

   TX01 acts on the precursor cells or mature cells of neutrophils and produces specific binding with their receptors, promoting the differentiation and proliferation of precursor cells. It also has the effect of accelerating the functions of mature neutrophils. The indication is neutropenia developed from cancer chemotherapy. The Company submitted a BLA drug license application in September 2018, and received a formal acceptance notification from the FDA in November of the same year. However, on September 24, 2019, it received a complete response letter

(CRL) notification from the FDA stating that it had completed the current phase of drug approval. During the certification review, it was recommended that the Company supplement the manufacturing process and related information and strengthen the version originally submitted. After discussing the revision plan with the FDA and consultants, we submitted the FDA's request for supplementary information for BLA review in November 2020. In May 2021, we were notified that TX01 had completed the current drug license review. After preparing the supplementary information, the Company completed the BLA supplement to the U.S. FDA in August 2022. In addition, it has been approved by Health Canada for a drug establishment license in July 2022 and is currently preparing for market launch.

2. TX05 (Patented brand drug Herceptin)
   TX05 is a genetically recombinant humanized monoclonal antibody. It can bind to the HER-2 receptor with high specificity and inhibit the proliferation of tumor cells caused by the overexpression of HER-2. The indication is the treatment of breast cancer. Third phase of human clinical trials was completed in February 2021 and the results showed that the main efficacy indicators have been achieved. In July 2022, the U.S. FDA received a notification (Complete Response) indicating that the current drug license review has been completed. The Company plans to communicate with the U.S. FDA and expects to complete the supplementary information and to provide them to the FDA to complete the subsequent Biologics License Application (BLA) review.
3. TX04 (Patented brand drug Neulasta)
   TX04 is a long-acting filgrastim, and its mechanism of action is similar to TX01. We are planning to carry out process scale-up procedures and prepare for Phase III pivotal trials, and are currently simultaneously conducting stability tests.
4. TX16 (Patented brand drug Avastin)
   TX16 is a genetically recombinant humanized monoclonal antibody that can selectively bind to human vascular endothelial growth factor and neutralize its biological activity. Its indications are colorectal cancer and lung cancer. The Phase I of human clinical trials was successfully completed in December 2017, and we are planning for the Phase III of human clinical trials. Development status: Phase I of human clinical trials was successfully completed in December 2017, and we are currently continuing to plan for the clinical design of Phase III and to confirm patent-related procedures.
5. TX52 (Patented brand drug Perjeta)
   TX52 is a genetically recombinant monoclonal antibody with fully humanized sequence. It can bind to the HER-2 receptor with high specificity and has different mechanisms and targets from Herceptin. The two are clinically used in combination to treat breast cancer. It is still undergoing preclinical and process development.
6. TX54 (Patented brand drug Kytruda)
   Cell line development has been initiated.
   Based on the above-mentioned schedule of major development, the Company has prepared a relevant R&D budget of approximately US$50 million for 2023. If there are major changes in the planned development, the Company will make appropriate adjustments and plans at any time based on the changes.

7.6.4 Major changes in government policies and laws at home and broad and the impact on finance and business of the Company and response measures

The Company's place of registration is the Cayman Islands, and its main operating places are located in the United States and Taiwan, respectively. The Cayman Islands is only a place of registration of the Company, and the Company has no substantial economic activities there. The Cayman Islands relies on financial services as its main economic activity. The United States is a major economic system across the world, and its economic development and political environment are relatively stable. In addition to operating in compliance with the relevant laws and regulations of the locations and countries where we operate, the Company's various businesses also have dedicated personnel and external legal agencies who are responsible for legal affairs and various regulatory affairs. They can keep abreast of changes in laws and regulations and respond to them immediately. Impact of key domestic or international policy or the legal environment have not had a significant impact on the Company's finances and business in the most recent fiscal year and up to the publication date of this Annual Report. In addition, the Company will also pay close attention to changes in important domestic and foreign policies and laws at any time, and to take appropriate response measures in a timely manner.

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

The Company is a company engaged in the development, production and sales of biosimilar drugs. This industry is a global emerging industry, and its relevant laws and regulations are strict. The management authorities also adjust and revise regulations at any time depending on the different characteristics of product development for relevant industries to follow. In addition to being committed to product and process development, the Company's R&D team also has a dedicated body that regularly tracks and evaluates the progress of current technologies and conducts on-the-job training for personnel, so that the Company can keep abreast of the latest technologies and legal updates, thereby allowing us to coordinate and adjust the pace and direction of the Company's operations in a timely manner.

In addition, in order to comprehensively enhance information security awareness and protect the rights and interests of the Company and the public, the Company has assessed information security and network risks, and designated the IT department to formulate internal information security policies, plan, and implement information security operations. It also promotes and implements information security policies and regularly reports the status of the Company’s cybersecurity governance to the CEO. In addition, information security promotion and education training are also regularly held to enhance internal personnel's information security knowledge and professional skills. Therefore, for the past year and up to the publication date of this Annual Report, technological changes (including information security risks) and changes to the industry have not significantly impacted the Company’s finance and business.

7.6.6 Impact of change in corporate image on risk management and response measures

Since its establishment, the Company has aimed at quality and efficiency, upheld the corporate spirit of stability and integrity, the principle of prudent operations, and strictly abide by legal norms. We attach great importance to corporate governance and practice high levels of professional ethics, enabling internal teamwork to maintain agility and flexibility at all times and to properly respond to changes in the economy, environment, market, regulations, etc., This has helped us to establish and maintain a good corporate image. Hence, the Company has maintained a good corporate image, and there has been no incidents that have affected the Company’s corporate image or led to a business crisis in the past year up to the date of publication of this Annual Report.

7.6.7 Expected benefits and potential risks of mergers and acquisitions, and response measures

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

7.6.8 Expected benefits and potential risks of capacity expansion, and response measures

The Company has completed the following plant expansions in the most recent year and as of the printing date of the Annual Report:

1. A 150-liter microbial fermentation tank production line has been completed. Depending on future market demand, space has been reserved for expansion into two 150-liter fermentation tank production lines to supply the initial production capacity required for the TX01 product in the future.
2. Four 1,000-liter bioreactor production lines have been completed, and depending on future market demand, space has been reserved to expand to 10,000-liter bioreactor production capacity in the future to supply the initial production capacity required for TX05/TX16 and other products.

   The Company's plant expansions adopt the design of reserved pipelines, and we also practice a step-by-step approach to expanding equipment according to market demand, thereby reducing capital outflow and fixed cost expenditures. The integrated business model from product development to production and sales helps us to fully seize the raw material supply chain and technology sources and to optimize the fund utilization and production and sales, thereby reducing possible risks and costs.

7.6.9 Risks associated with over-concentration in purchases or sales, and response measures

The Company's products have not yet been officially put on the market for sale, so there is no risk of concentration of sales or purchases.

7.6.10 The effects and risks of large-scale share transfers or conversions by Directors, Supervisors, or major shareholders holding more than 10% of the Company's shares, and response measures

The Company’s Directors or major shareholders holding over 10% stake in the Company have not conducted any large transfers of Company equity in the past year up to the date of publication of this Annual Report, therefore there has been no relevant significant impact on the Company's operations.

7.6.11 The impact and risk of a change in ownership on the Company, and response measures

The Company has not had any change in ownership rights in the most recent year and as of the publication date of the Annual Report. In addition, the Company has formulated an internal control system and relevant management regulations to reduce the impact and risks caused by changes in ownership on the Company's operations.

7.6.12 Litigious or non-litigious matters:

1. For the past year and up to the publication date of this Annual Report, the facts of any legal dispute, the amount of the subject matter, the date of commencement of the litigation, the principal parties involved in the litigation and the current status of the major litigation case of any litigious or non-litigious cases involving the Company where the outcome of the litigation, non-litigation, or administrative dispute has been determined or is still pending:

   The Company filed three patent infringement lawsuits against Genentech: No. 10,662,237, No. 10,808,037 and No. 8,574,869. The two parties have reached a settlement in February 2023. This type of patent litigation is common among biosimilar pharmaceutical manufacturers and is a characteristic of this industry. Therefore, it should have no significant impact on shareholders' equity.

   To sum up, the FDA’s review and issuance of drug licenses has nothing to do with patent infringement, and there are also industry precedents to refer to. After evaluating the aforementioned lawsuit, it currently does not have a significant impact on the Company’s shareholders’ equity or the Company’s drug license application and planned product launch schedules for the biosimilar drugs TX01 and TX05.

2. The Company and the Company's Directors, Supervisors, President, de facto person in charge, shareholders holding more than 10% of the Company shares, and/or a subsidiary company who is involved in a major lawsuit that has either been decided or is still pending whereby the results of the case may have a significant impact to shareholder interests or market prices of securities, must be specified. The status of the disputed facts, bid amount, litigation commencement date, and the primary parties currently involved in such litigations for the past year and up to the publication date of this Annual Report shall be disclosed: None.

3. The Company's Directors, Supervisors, managers and major shareholders with a shareholding ratio of more than 10% who are involved in the circumstances specified in Article 157 of the Securities and Exchange Act in the last two years and as of the date of publication of the Annual Report, and the Company's current handling of the situation: None.

7.6.13 Other significant risks and countermeasures

- Changes in the overall economic, political and economic environment, foreign exchange control, taxation and related laws of the country where the foreign issuing company is registered and the country where the foreign issuing company mainly operates, as well as whether to recognize the validity of civil judgments of R.O.C. courts and other risk matters, and the corresponding measures taken are as follows:

  The Company was registered in the Cayman Islands on May 8, 2013. The Company has no real economic activities in the Cayman Islands and is a general investment holding company. Its foreign operating sites with actual operating functions and is said to have significant influence, or meets the criteria for "important subsidiaries", are Tanvex Bio Pharma USA, Inc. (hereinafter referred to as Tanvex USA), a reinvested operating entity in the United States, and Tanvex Biotech Co., Ltd. (hereinafter referred to as "Tanvex Taiwan"), a reinvested operating entity in Taiwan. Risks such as changes in the overall economic and political and economic environment, relevant laws, foreign exchange controls, and taxes of the Company's place of registration, the Cayman Islands, and its primary operating countries, the United States and Taiwan, and whether these countries recognize the validity of the civil judgments of R.O.C., are hereby assessed as below:

1. Place of registration: Cayman Islands

(1) Changes in the overall economic and geopolitical environment

The Cayman Islands are a British overseas territory in the Western Caribbean Islands of America. They are located 268 kilometers northwest of Jamaica and 640 kilometers south of Miami. The Cayman Islands have long had political stability. Its capital, George Town, is located on Grand Cayman Island and is the administrative, commercial, and financial center. Financial services industry and tourism are its main sources of economic revenue. The Cayman Islands is one of the world's major financial centers.

There are six types of companies available for registration in the Cayman Islands, including Ordinary Company, Ordinary Non-Resident Company, Exempted Company, Limited Duration Company, Foreign Company, and Limited Liability Company. In particular, Exempted Companies are mainly used by enterprises and individuals in various countries for financial planning.

In recent years, the Cayman Islands government has actively strengthened the goodwill of its overseas financial operations and signed a "Mutual Legal Assistance Treaty" with the United States and the United Kingdom in 1990 to jointly prevent international criminal organizations from using the Cayman Islands to conduct illegal transactions, such as drug trafficking or money laundering. The Cayman Islands has signed a Model 1 inter-governmental agreement and tax advisory exchange agreement with the U.S. government, and has cooperated with the implementation of the Foreign Account Tax Compliance Act (FATCA). On October 29, 2014, the Cayman Islands signed the Multilateral Competent Authority Agreement to demonstrate its commitment to implementing the Common Reporting Standard (CRS). So far, more than 100 jurisdictions have signed this agreement, which not only prevents crime, but is also committed to protecting the confidentiality of legitimate business activities. Therefore, the Cayman Islands has been very stable politically and economically for a long

time, and its public security is also good.

The Cayman Islands began implementing the International Tax Co-operation (Economic Substance) Law, also known as the Cayman Islands Economic Substance Law on companies established in the Cayman Islands since January 1, 2019. A report must be submitted by these companies every year, describing the relevant reportable activities involved, and stating that the company should meet the economic substance requirements in that year. If a company cannot prove that it has economic substance, it will be fined and held criminally liable, or even have its business registration revoked. The related information will also be transferred to other countries. The Cayman Islands further released the first version of the Guidance of Economic Substance for Geographically Mobile Activities on February 22, 2019, which stipulates that reportable activities include nine categories of business activities, including operating headquarters, distribution and service centers, financing and leasing, fund management, insurance, banking, shipping, holdings and intangible assets. The Guidance also stipulates detailed regulations and separately explain that these activities should be substantive operating activities in Cayman. The Cayman Islands amended and launched a Version 2.0 of the Guidance on April 30, 2019. The main amendments included: Purely holding companies do not need to have command and management activities (such as convening a Board of Directors meeting) in the Cayman Islands, as well as the definition of investment funds, and clarification of concepts such as relevant individuals engaging in relevant activities but receive no relevant income are not required to meet the economic substance test and etc. On July 13, 2020, a Version 3.0 of the Guidance was released to provide more specific explanations on the definitions of the aforesaid nine categories of "relevant activities", "core activities" and economic substance requirements. The latest version 3.1 of the Guidance was also released on June 30, 2021, adding new rules that exempted limited partnership or foreign limited partnership, will be required to comply with relevant economic substance regulations starting from January 1, 2022.

In summary, the Company is registered as an Exempted Company in the Cayman Islands and has no substantial operating activities there. Changes in the overall economic and political environment will not have a significant impact on the Company's overall operations.

(2) Foreign exchange controls, laws and regulations, and tax risks

The Cayman Islands has no regulations on exchange control or currency control, and for an Exempted Company, the Cayman Islands currently does not impose taxes on its profits, income, gains or losses, or appreciations of individuals or companies except for the annual license tax. In addition, there are no succession tax or inheritance taxes on the 14 types of asset. Other than stamp duty applicable in respect of deeds signed or made in the Cayman Islands, there are no other taxes levied by the Cayman Islands government that may be material to the Company. The transfer of shares of a Cayman Islands company is not subject to stamp duty in the Cayman Islands, except where the Company has an ownership in the land in the Cayman Islands. In terms of legal regulations, the main regulations for Exempted Companies in the Cayman Islands are as follows:

A. Exempted Companies are required to engage in business activities outside the Cayman Islands.

B. Exempted Companies that are not listed on the Cayman Islands Stock Exchange cannot invite citizens of the Cayman Islands to subscribe to their shares or bonds, nor can they hold land in the Cayman Islands, unless approved by the Cayman Islands Financial Secretary.

C. The Cayman Companies Act does not stipulate that an annual general shareholders' meeting must be held. The Company should hold annual general shareholders' meetings and Board meetings in accordance with the provisions of its Articles of Incorporation, and the venue of such meetings is not limited to the Cayman Islands. According to the Company's Articles of Incorporation, the Company should convene an annual shareholders' meeting within 6 months after the end of a fiscal year. During the period when the Company's shares have been registered and/or listed on the TWSE and/or TPEx, all shareholders' meetings should be held in Taiwan. If the Board of Directors resolves to convene a shareholders' meeting outside of Taiwan, the

Company shall report to the TWSE or TPEx for approval within 2 days of the Board of Directors passing the resolution, or the shareholder who makes a request in accordance with Article 45 of the Articles of Incorporation.

D. Exempted Companies do not need to provide or declare a register of shareholders to the Cayman Islands Registrar. However, the Company's Articles of Incorporation stipulates that the Board of Directors should keep a register of shareholders with a stock transfer agency in the Republic of China. Shareholders can submit documents proving their interests and specify the scope in making a request to inspect or copy the aforementioned documents at any time.

E. The register of shareholders does not need to be made available to public inspection.

F. An Exempted Company (if applicable) can apply to the Cayman Islands government and obtain a tax exemption guarantee. The first application for a guarantee is valid for twenty years, and it can be renewed before expiration.

G. Exempted Companies can apply to revoke their registration or transfer their place of registration to another country.

H. An Exempted Company can register as an Exempted Limited Duration Company. An Exempted Limited Duration Company requires at least two shareholders and has a maximum validity period of 30 years.

Due to the differences between the Cayman Companies Act and the laws of the Republic of China, the Company has amended the Articles of Incorporation within the limits of the Cayman Islands laws and regulations in accordance with the Company Act and Securities and Exchange Act of the Republic of China to protect the shareholders' equity of investors in the Republic of China (Taiwan).

In summary, since the Cayman Islands adopts an open policy on foreign exchange and has no relevant control restrictions, it will not have a significant impact on the Company's use of funds. In addition, the Company is only a holding company registered locally and does not engage in operating activities there. Therefore, the Cayman Islands, the country where the company is registered, has no significant impact on the Company's overall operations in terms of taxation and related laws.

(3) Whether the validity of the civil final judgment of the court of the Republic of China will be recognized

A. Risk of litigation claims

As the Company is an Exempted Company registered in the Cayman Islands, it does not need to apply for approval from the Ministry of Economic Affairs in accordance with Taiwan's Company Act. Although the Articles of Incorporation of a listed company clearly stipulate that nothing in the articles of Incorporation shall prevent any shareholder from filing a lawsuit in a court of competent jurisdiction to seek relief from the shareholder, and the Company has appointed litigation and non-litigation agents in accordance with the regulations of the Taiwan Stock Exchange Co., Ltd. to provide appropriate relief related to improper convening procedures or inappropriate resolutions. However, if an investor files a lawsuit against the Company or a person in charge in the court of the Republic of China, the court may also determine the existence of jurisdiction and the method of service based on the nature and circumstances of the case. The court may also require investors to explain the foreign laws involved in the case. Therefore, not all types of cases are guaranteed that substantive judgments will be received in the courts of the Republic of China.

B. Risks of recognition and enforcement of judgments

Although the laws of the Cayman Islands do not expressly stipulate that civil final judgments made by foreign courts can be enforced in the Cayman Islands, according to the principles of Common Law, the courts of the Cayman Islands will recognize the effectiveness of civil final judgments of the courts of the Republic of China when the following conditions are met: (1) The judgment is final; (2) The foreign court that renders the judgment has jurisdiction; (3) The judgment states that the debtor shall bear the payment obligation of a liquidated sum, which is specified in the judgment; (4) The judgment does not involve fines, taxes, penalties or similar financial or tax payment obligations, or the judgment is non-money relief to a specific person under certain circumstances; (5) The manner in which the judgment was obtained and its execution did not violate the principles of fairness and justice or public order in the Cayman Islands. If the Cayman Islands court does not recognize the judgment of the court of the Republic of China, even if the investor obtains a final judgment in the Republic of China, it will not be able to enforce the judgment. Therefore, the investor may encounter the risk of being unable to successfully seek compensations abroad. Investors should understand the legal risks of purchasing securities issued by foreign issuers.

2. Principal operating locations: The U.S.

(1) Changes in the overall economic and political environment

The United States is the world's largest economy, as well as the world's largest importer and final consumer market for goods. Therefore, the recovery of the U.S. economy and increased demand will drive the operation of the international value supply chain, which is an important key to the growth of world trade these days.

The U.S. Department of Commerce announced on July 27, 2023, that the seasonally adjusted quarterly growth rate (saar) GDP rose from the figure in Q1 2023 to 2.4% in Q2, which was higher than the market expectation of 1.8%. The saar growth rate of non-residential fixed investment dramatically rose from 0.6% in the previous quarter to 7.7%, contributing 0.99 percentage points to the GDP seasonally adjusted quarterly growth rate. This was mainly due to the strong growth of investment in manufacturing plant construction, which in turn drove the saar of domestic private investment in the United States from -11.9% in Q1 2023 to 5.7%, contributing 0.97 percentage points to the saar (the final value of the previous quarter was -2.22 percentage points). In addition, personal consumption expenditures (PCE) saar dropped from 4.2% in the previous quarter to 1.6%, contributing 1.12 percentage points to the GDP saar (the final value in the last quarter was 2.79 percentage points). This was mostly attributable to the interest rate hikes, which caused the American people to reduce spending on durable goods such as cars and electrical appliances, which are often purchased with loans. However, it continues to be one of the main driving forces supporting the continued economic growth. The core CPI annual growth rate, excluding food and energy prices, was 4.8%, also down 0.5 percentage points from the previous month, reflecting a significant cooling of inflation. Overall, U.S. investment momentum has picked up, private consumer spending has been solid, and price pressures have continued to ease, making the economic outlook resilient. However, the saar of exports has dropped from 7.8% in Q1 2023 to -10.8%. The contribution to the GDP saar was -1.28 percentage points (the final value of the previous quarter was 0.86 percentage points), indicating that trade performance has become sluggish, and the monthly growth rate of leading indicators dropped to -0.7% in June 2023, lower than market expectations of -0.6%. Furthermore, this has been the fifteenth consecutive month for negative growth, indicating that factors such as rising interest rates and tightening credit conditions are leaving businesses and consumers skeptical about whether the U.S. economic outlook will turn sluggish.

In terms of prices, the annual growth rate of the core personal consumption expenditures (Core PCE) index in the United States fell to 4.1% in June 2023, lower than the market expectation of 4.2%. The monthly growth rate also dropped to 0.2% from 0.3% last month, reflecting that the pressure of inflation is slowly cooling down.

As for the U.S.'s recent business outlook, by referring to the announcement from Institute of Supply Management (ISM) in July 2023, although the U.S. manufacturing purchasing managers' index (PMI) rose to 46.4, it was

lower than market expectations of 46.8. Furthermore, it marked the ninth consecutive month for the PMI to fall under 50, marking economic contraction. The ISM non-manufacturing purchasing managers' index (PMI) fell to 52.7 in July 2023, lower than market expectations of 53.0. This was mainly due to the new orders index and employment index falling to 55.0 and 50.7 respectively from 55.5 and 53.1 in the previous month. This led the business activity production index to fall to 57.1 from 59.2 last month, while the price index rose to 56.8 from 54.1 last month, reflecting that inflationary pressure on services still exists, but most companies believed that the outlook for the service industry is expected to remain solid.

In summary, the gradual recovery of the U.S. and international markets and economies will have limited negative impact on the Company's capital flows, financial status, and counterparties' willingness or ability to cooperate with the Company.

(2) Foreign exchange controls, taxes, and related legal risks

The main expenses of the Company and its subsidiaries are traded in US dollars. However, the Consolidated Financial Statements of the Company and its subsidiaries are prepared in accordance with the International Financial Reporting Standards (IFRSs) approved by the Financial Supervisory Commission, R.O.C. and are prepared in New Taiwan Dollars. In presenting the Consolidated Financial Statements in NTD, the relative fluctuation of exchanging US dollars to New Taiwan Dollars Relative may have a partial impact on the cumulative translation adjustments and total shareholders' equity of the Company and its subsidiaries.

The United States has a mature and complete financial system. It is the most developed currency market in the world and provides the most convenient platform for international financial exchanges. The trading and management mechanisms are very mature in the foreign exchange market. The Company and its subsidiaries do not face the risk of foreign exchange controls in their operations in the United States. In terms of legal regulations and tax risks, the Company's subsidiary operating in the United States strictly abide by U.S. corporate laws and other applicable regulations. As a result, changes in relevant laws and tax regulations have not had a significant impact on the Company's finances when operating in the United States. Future changes in relevant laws and tax policies in the United States may have an impact on the Company and its subsidiaries.

(3) Whether to recognize the validity of civil final judgments of R.O.C. courts

According to the Uniform Foreign Money-Judgments Recognition Act (CA Code of Civil Procedure sec 1713-24) (hereinafter referred to as the "California Judgment Recognition Act") currently adopted in California, if monetary judgments from non-U.S. courts comply with the provisions of the California Judgment Recognition Act and also meet the definition of "foreign judgment", it may be deemed to be a final and enforceable foreign judgment to the extent recognized by the Act. To be deemed final and enforceable under the Act, a foreign judgment must at least (1) grant or deny a claim for certain monetary payments, and (2) be final, certain, and enforceable under the law of the foreign country in which the judgment was made. However, the judgment shall not be against taxes, fines or other penalties, or judgments on divorce, alimony, maintenance and other family matters (however, the Act does not exclude that divorce, alimony, maintenance and other family matters may be based on the principle of international comity, and recognition by the court does not preclude recognition of foreign judgments to which the Act does not apply). The California Judgment Recognition Act also stipulates that the party who wants to request recognition of a judgment has the obligation to prove that the foreign judgment can be recognized in accordance with this Act, and its request must be filed in a Californian court within ten years after the judgment becomes effective or within the shorter time limit specified by the foreign law, whichever is shorter.

In addition to the above-mentioned conditions, the California Judgment Recognition Act also stipulates that a California court in the United States shall not recognize a foreign judgment if the foreign judgment falls under the following circumstances: (1) The judicial system of the place where the foreign judgment was made does not provide a fair and impartial court or due process of law consistent with laws in California, (2) the foreign court does not have jurisdiction over the individual defendants in the judgment, or (3) the foreign court has no

jurisdiction over the case in dispute.

In addition, the California Judgment Recognition Act stipulates that a Californian court may not recognize a foreign judgment if the following circumstances occur: (1) The defendant in the foreign judgment did not receive immediate notice of the relevant proceedings to allow sufficient time for the defense; (2) The civil judgment was obtained through fraudulent means, without the losing party having sufficient opportunity to state its claims; (3) The civil judgment, litigation claim, or relief claimed violates the good customs of the United States or California; (4) The civil judgment conflicts with other final judgments; (5) When the two parties have agreed not to use the foreign court procedure as the method of dispute settlement, but the foreign court was still the one who made the judgment; (6) When jurisdiction is obtained by personal service, and the foreign court is seriously inconvenient; (7) The circumstances under which the judgment was made cast considerable doubt on the integrity of the foreign court that made the judgment; (8) The litigation procedure of the foreign judgment is inconsistent with the due process of law under Californian law; or (9) the foreign judgment is a judgment seeking civil damages for defamation (but this does not apply if the foreign court has granted the defendant equivalent protection for free speech under the U.S. or Californian constitutions.)

3. Principal operating locations: Taiwan (Republic of China)

(1) Changes in the overall economic and political environment

According to the "2023 IMD World Competitiveness Yearbook" released by the International Institute for Management Development (IMD) in Switzerland, Taiwan ranked 6th among 64 rated countries, and its overall ranking improved for the fifth consecutive year, marking it the country's best performance since 2012. Among economies with a population of more than 20 million people, Taiwan has ranked first in the world for three consecutive years. Among the four major indicators, Taiwan's "Government Effectiveness" and "Enterprise Effectiveness" improved by two places to 6th and 4th in the world respectively, while "Infrastructure" moved up one place to 12th in the world. Nevertheless, affected by the global economic slowdown and sluggish terminal demand, as well as the high base period factors of Taiwan's economic growth rate in the previous year, its ranking for "Economic Performance" fell 9 places to 20th worldwide. Among the 20 evaluation items, Taiwan ranked among the top 5 in the world for "Economic Management" and "Scientific Construction". Among the detailed evaluation indicators, Taiwan also ranks among the top three in the world in many evaluation items, among which Taiwan ranked first in the world for indicators such as "ratio of 4G and 5G mobile broadband to the mobile phone market" and "R&D manpower per 1,000 people". According to the analysis of the National Development Council, among the evaluation items, Taiwan ranks first worldwide in terms of the entrepreneurial spirit of managers, public trust in corporate managers, corporate response and flexibility, enterprises' ability to use big data analysis to assist in decision-making, the effectiveness of the Board of Directors in supervising companies' operations, and companies' commitment to customer satisfaction. It also ranked fourth in the world in many indicators such as the ratio of banking sector assets to GDP and companies' proficiency in using digital tools and technology to increase productivity.

In addition, according to the information on the country's overall current economic standing, as released by the Taiwan Institute of Economic Research (TIER) in July 2023, Taiwan's foreign trade has experienced an annual decline of -23.38% in June 2023 due to the factors including existing inflation, the effect of previous interest rate hikes having suppressed terminal demand, China's post-COVID recovery is not as expected, industries continuing to adjust inventories, in addition to low forecast of sales orders, falling export prices, and a relatively high base period last year. This marked a double-digit negative growth for eight consecutive months, and the annual decline in imports also increased to -29.91%. Among them, the annual decline in exports of electronic components has widened, the annual growth rate of exports of information communications and audio-visual products has declined, and due to weak terminal demand for traditional manufacturing goods, suppliers still under destocking pressure, which has led to a continued double-digit decline in the annual growth rate of exports

for basic metals and their products, plastics, rubber and related products, chemicals, and machinery. In terms of imports, as manufacturers building inventories and the slowdown in global growth prospects will inevitably affect Taiwan, leading to an expected decline in exports this year, and the sharp tightening of global financial conditions and the decrease in real income will have a certain impact on commodity exporting countries. By observing the recent economic situation at home and abroad, it can be seen that there is no obvious trend for global economic recovery, and core inflation pressure continues to exist. Although the interest rate hike cycle of major central banks is coming to an end, high interest rates in economies such as the United States and Europe will remain high for some time. The previous hike in global interest rates has had an increasingly obvious impact on the real estate and financial markets, and signs of financial market stress have emerged. The latest forecast from the TIER pointed out that Taiwan's economy in 2023 continued to show growth from domestic demand, but lacks growth in exports. Due to the lower base period in Q4 of last year, and the fact that domestic inflation has slowed down, the annual growth rate of the manufacturing inventory index has shrunk. The annual GDP trend has improved quarter by quarter. However, because the economic growth in the first half of the year was worse than expected, and many uncertain factors continue to affect the economy, TIER predicts that the country's domestic economic growth rate in 2023 would be 1.66%.

To sum up, the above-mentioned relevant evaluation reports show that compared with other Asian countries, Taiwan has a stable economy, strong corporate adaptability, sound financial institutions, and strong foreign exchange reserves. It is an important target for foreign investors seeking to make overseas investments.

(2) Foreign exchange controls, taxes, and related legal risks

The foreign exchange management of the Republic of China has been operated according to market functions, and the inflow and outflow of funds is quite free. Regarding the exchange of foreign currency funds in and out of the New Taiwan Dollar, foreign exchange receipts and payments related to goods and services and capital transactions approved by the competent authority (including direct investment and securities investment) can be operated freely. Only short-term capital inflows and outflows have regulations imposed on the amount of foreign exchange settlement. The exchange rate of the New Taiwan Dollar is determined by supply and demand in the foreign exchange market. However, if seasonal factors and extenuating factors interfere with the normal operation of the foreign exchange market, the Central Bank will maintain the order of the foreign exchange market. The Central Bank will also actively promote financial liberalization and internationalization. On the other hand, capital movement management has been operated according to market functions, and there is much freedom in the inflow and outflow of funds. For the management of foreign exchange reserves, it is operated under the principles of liquidity, security and profitability, while also paying attention to the economic benefits of promoting sound economic development and industry upgrades.

In terms of tax regulations, the Republic of China operates on the principle of the rule by law and the principle of legal taxation. The collection of taxes must be stipulated by relevant laws. In particular, the unified procedures for tax collection operations are based on the Tax Collection Act and must comply with the Administrative Procedure Act, which adds to the transparency of the tax collection and ensures the enactment of the rule by law principle, so as to protect people's rights and interests and improve administrative efficiency. Each tax item is divided into "national tax" and "local tax" and is levied by the National Taxation Bureau, municipal or county/ city tax collection agencies. As the highest-ranked administrative unit, the Ministry of Finance coordinates the management of tax collection affairs, the interpretation of tax laws, and the allocation of government revenues and expenditures.

In recent years, Taiwan has become increasingly internationalized. In order to align the tax system with international development trends to create a fair and reasonable tax environment, and to address changes in economic development and the needs of multinational investment, Taiwan's tax system has undergone many revisions and reforms. In addition, after Taiwan joined the World Trade Organization in 2002, it relied on the

rules promulgated by WTO to amend relevant laws as the basis for imposing tariffs, and implemented a tobacco and alcohol tax system to promote international trade. Taiwan's tax environment is good, taxation procedures are open and transparent, communication channels with tax collection agencies are unimpeded, and the government continues to implement tax reforms in response to the economic situation, adding to Taiwan's attractiveness as an investment environment in the Asia-Pacific region.

In sum, although the exchange control system of the Republic of China adopts a managed floating exchange rate system, it does not impose significant restrictions on the capital circulation of the Company's various operating activities. There are no major restrictions on taxes and related laws that would affect the Company's various operating activities.

(3) Whether to recognize the validity of civil final judgments of R.O.C. courts

The company's Taiwanese subsidiary, Tanvex Taiwan, has its main place of business in R.O.C. It is a given that the civil judgments of the courts of the Republic of China would be valid. Hence, whether the main place of business recognizes the validity of the civil judgments of the courts of the Republic of China is not applicable.

- Information Security Management

To protect information assets (including information, software, and hardware equipment etc.)., the Company has established standards that serve as the basis for compliance, including management operations for information security inspection, financial and non-financial information management operations, asset management operations and personal data protection management operations. These standards help to prevent the risk that any information asset may be subject to tampering, disclosure, destruction or loss due to external threats or improper management and use by internal personnel.

The management measures related to information systems are as follows:

1. Set up firewall and anti-virus software that automatically update to prevent hackers or computer viruses.
2. Regularly check important system resources to ensure their appropriate operation.
3. Regularly perform tests of important system recovery plans, record test procedures and results, and analyze and improve procedures.
4. System backup media is regularly updated to ensure their purpose of system backup.
5. If an operation abnormality or emergency incident occurs, the cause of the abnormality and the solution should be recorded in detail as a basis for future improvement, and should be reviewed by a supervisor in charge.
6. Implement information security education and training, and ensure that Company employees are equipped with the latest information security awareness and capable of implementing it in their daily work.
7. Regularly review information security-related operating procedures and management systems to ensure that information security measures or specifications comply with the requirements of the current regulations.

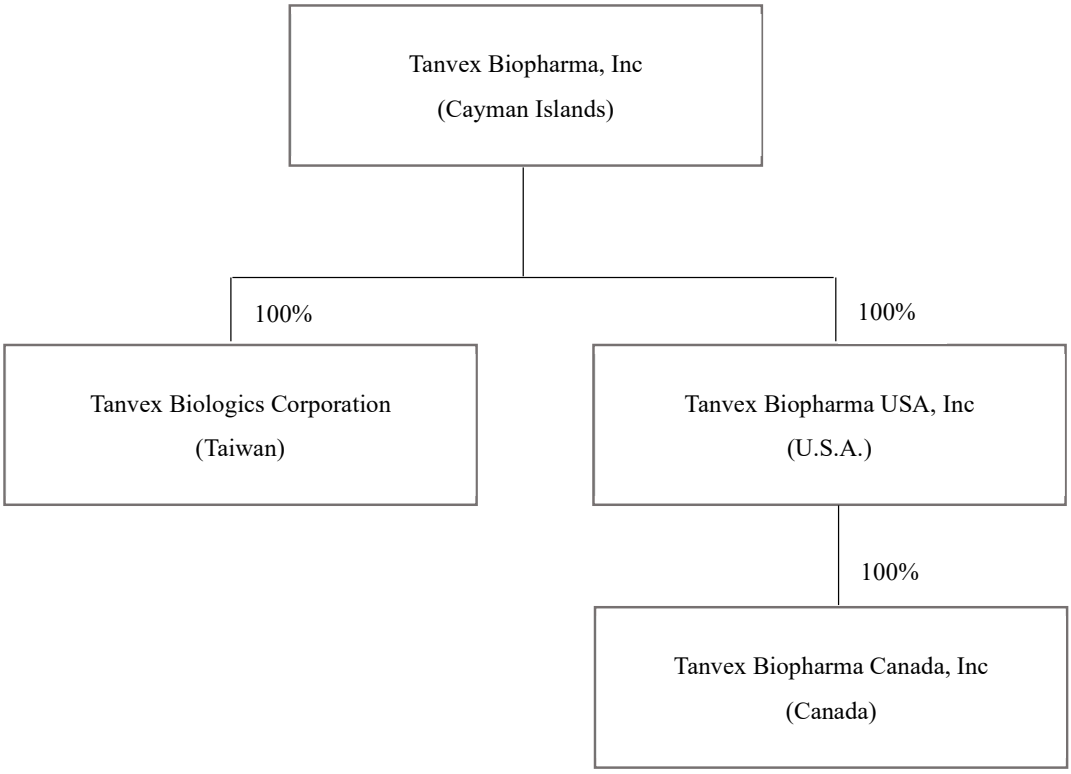
7.7 Other Important Matters

None.

8. Special Disclosure

8.1 Information on the Company Affiliates

8.1.1 Affiliate Company Structure



8.1.2 Basic Information on Affiliates

December 31, 2023

Name of Affiliate	Date of Incorporation	Address	Paid-in capital	Major Business Activities
Tanvex BioPharma USA, Inc.	01/01/2011	10394 Pacific Center Court, San Diego, CA 92121, U. S. A.	US$413,296 thousand	Biosimilar drugs and new drugs Production process development
Tanvex BioPharma Canada, Inc.	03/29/2023	365 Bay Street, Suite 800, Toronto, Ontario, Canada, M5H 2V1	-	Production process development for new drugs and sales
Tanvex Biologies Corporation	04/07/2009	33F, No. 99, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City	NT$2,479,457 thousand.	Biosimilar drugs, new drug development, and CRO development and manufacturing services for biotech drugs

8.1.3 Controlling and subordinate companies with identical shareholders

None.

8.1.4 Information on Directors, Supervisors, and Presidents of affiliates:

December 31, 2023

Name of Affiliate	Title	Name or Representative	Number of shares held by Tanvex	
			Shares	Shareholding (%)
Tanvex BioPharma USA, Inc.	Chairman	Chen, Lin-Cheng	1,000,000	100%
	CEO			
Tanvex BioPharma Canada, Inc.	Chairman	Chen, Lin-Cheng	-	100%
Tanvex Biologies Corporation	Chairman	Chen, Lin-Cheng	247,945,700	100%
	General Manager	Chen, Lin-Cheng		
	Director	Allen Chao		
	Director	Hsu, Sheng-Yu		
	Supervisor	Chang, Chun-Yen		

8.1.5 Operations Overview of Affiliates

December 31, 2023; Unit: NT$ thousands

Name of Affiliate	Paid-in capital	Total assets	Total liabilities	Net Worth	Operating revenue in the current period	Operating expenses	Net loss after tax
Tanvex BioPharma USA, Inc.	USD413,296	USD73,332	USD60,437	USD12,895	USD248	USD62,737	USD(64,532)
Tanvex BioPharma Canada, Inc.	-	-	-	-	-	-	-
Tanvex Biologies Corporation	NTD2,479,457	NTD370,247	NTD68,707	NTD301,540	NTD 53,702	NTD157,104	NTD(89,882)

Note: Due to the adjustment of realized/unrealized gains and losses of transactions between subsidiaries, there is a difference from the investment gains and losses recognized by the parent company.

8.1.6 Consolidated Financial Statement of Affiliates

This is the same as the Consolidated Financial Statements, so it will not be prepared separately.

8.1.7 Consolidated Business Reports from Affiliates

N/A.

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

8.3 Shares of the Company held or disposed of by subsidiaries in the most recent year up to the publication date of this Annual Report

Subsidiaries have not held or disposed of the Company's shares in the most recent year and as of the publication date of this Annual Report.

8.4 Other necessary supplementary explanations (explanation of major differences between the Company's Articles of Incorporation and Taiwan's regulations on the protection of shareholders' rights and interests)

The Articles of Incorporation of the Company have been revised in accordance with the "Checklist for the Protection of Shareholder Equity of Foreign Issuers in the Country of Registration" (hereinafter referred to as "the Checklist") issued by the Taiwan Stock Exchange Co., Ltd. on January 9, 2023 in announcement letter Taiwan Securities Shang-Er-Zi No. 1111704301, and the revision has been adopted by the shareholders' meeting on June 28, 2023 and became effective to protect the important rights and interests of investors in the Republic of China. However, due to slight inconsistencies between Cayman Islands Companies Act and the Company Act of the Republic of China, some of the important matters for the protection of shareholders' equity listed in the Checklist are not automatically applicable to the Company. The following table explains the differences between the Articles of Incorporation and the Checklist due to provisions of the laws of the Cayman Islands, as well as the provisions of the Company's Articles of Incorporation.

Differences	Cayman Islands Companies Act and descriptions	The Company's Articles of Incorporation stipulate that:
If a company buys back its own shares and transfers them to employees, it may restrict the employees from transferring such shares within a certain period of time. However, the maximum period of restriction shall not exceed two years.	The relevant terms and conditions for treasury shares may be determined by the Company's Directors; Additionally, relevant provisions for employee incentive schemes do not exist in the Cayman Islands Companies Act. According to a Cayman attorney, the restrictions agreed between the transferor and transferee is a contractual matter between themselves.	According to Article 1 of the Company's Articles of Incorporation, treasury shares refer to "the shares issued by the Company in accordance with the Articles of Incorporation, the Companies Act and the TWSE/TPEx rules but have been bought back, redeemed, or otherwise obtained by the Company and have not been written off"; therefore, this content is stipulated in Article 40D of the Articles of Incorporation.
The following matters shall be itemized in the causes or subjects to be described and the essential contents shall be explained in the notice to convene a meeting of shareholders, and shall not be brought up as extemporary motions; the essential contents may be posted on the website designated by the TWSE/TPEx, and such website shall be indicated in the above notice: **(1) Election or discharge of directors and supervisors;** **(2) Alteration of the Articles of Incorporation;** **(3) Reduction of capital;** **(4) Application for the approval of ceasing its status 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;**	The Cayman Islands Companies Act has no special provisions for extemporary motions. According to a Cayman attorney, regarding the extemporary motions, the notice of the shareholders' meeting must clearly state the content of the meeting and provide relevant information to facilitate shareholders' understanding. Although the "any other motions" item is usually added to the shareholders' meeting notice, these items are usually informal or unimportant matters, so the chairman of the shareholders' meeting is not allowed to include important matters in this item. If there are any important matters that require resolution, another meeting should be convened to discuss and resolve on the matter. However, if the matter is urgent and must be discussed at the shareholders' meeting, the specific content must be proposed and ratified at the following meeting. Cayman Islands' laws do not explicitly prohibit extemporary motions, but it has been suggested by a Cayman attorney that it is not appropriate to have extemporary motions at shareholders' meetings.	The Cayman Islands Companies Act has no special provisions on extemporary motions, so this content is stipulated in Article 50 of the Company's Articles of Incorporation.

Differences	Cayman Islands Companies Act and descriptions	The Company's Articles of Incorporation stipulate that:
(8) Accept the transfer of another's whole business or assets, which has great bearing on the business operation of the company; **(9) The offering, issuance, or private placement of equity-type securities;** **(10) Approval of competing with the company by directors;** **(11) Surplus profit distributed in the form of new shares, reserve distributed in the form of new shares; or** **(12) Distribution of the legal surplus reserve and the capital reserve obtained from stock premiums or gifts to the original shareholders through issuance of new shares or cash.**		
When a company convenes a shareholders' meeting, electronic means should be included as one of the channels for exercising voting rights.	The Cayman Islands Companies Act has no special provisions on this content.	Since the Cayman Islands Companies Act has no special provisions on this content, this content is stipulated in Article 67 of the Articles of Incorporation.
The method for exercising voting rights--electronically or in writing--shall be clearly stated in shareholders' meeting notices. Shareholders who exercise their voting rights electronically or in writing shall be deemed as attending a shareholders' meeting in person. However, they shall be deemed to have waived his/her/its voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting.	The Cayman Islands Companies Act has no special provisions on this content.	The Cayman Islands Companies Act has no special provisions on the content of the preceding paragraph of this item, so the preceding paragraph of this item is stipulated in Article 68 of the Company's Articles of Incorporation; in addition, according to the opinions of a Cayman attorney, a vote made in writing from a shareholder is deemed as a power of attorney for the chairman of the shareholders' meeting to vote as proxy. Therefore, with reference to the opinions of Cayman attorney, this latter paragraph is stipulated in Article 68 of the Company's Articles of Incorporation (i.e., "Exercise by electronic means in accordance with the provisions of Article 67, shareholders with voting rights are deemed to have entrusted the chairman of the shareholders' meeting to exercise their voting rights on their behalf at the shareholders' meeting in accordance with the instructions of the electronic correspondence. However, they shall be deemed to have waived his/her/its voting power in respective of any extemporary motion(s) and/or the amendment(s) to the contents of the original proposal(s) at the said shareholders' meeting. Nevertheless, the aforementioned entrustment does not constitute the provision of a proxy under the TWSE/TPEx regulations for a listed company").
In case shareholders wish to attend a shareholders' meeting in person after exercising their	The Cayman Islands Companies Act has no special provisions on this content. According to a Cayman attorney, under the	The Cayman Islands Companies Act has no special provisions on this content; therefore, this item is stipulated in Article 70 of the

Differences	Cayman Islands Companies Act and descriptions	The Company's Articles of Incorporation stipulate that:
voting rights in writing or electronically, they should rescind their intentions to exercise their voting rights in the same way that they exercise their voting rights at least two days prior to the day of the shareholders' meeting. If the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic means shall prevail.	Common Law, a person may revoke its proxy by attending the meeting in person. Shareholders who exercise their voting rights in this way are deemed to have entrusted the chairman of the shareholders' meeting to exercise their voting rights on their behalf at the shareholders' meeting in accordance with the instructions of the written or electronic correspondence. Therefore, this content may not be enforceable.	Company's Articles of Incorporation.
After a shareholder's proxy form has been sent to the Company and the shareholder wishes to attend the shareholders' meeting in person, or exercise his/her voting rights in writing or electronically, he/she should submit a written request to rescind the proxy form two days prior to the shareholders' meeting. If the cancellation notice is submitted after that time, votes cast at the meeting by the proxy shall prevail.	There are no special provisions under Cayman Islands Companies Act regarding proxies or the solicitation of proxies. According to a Cayman attorney, under the Common Law, a person may revoke its proxy by attending the meeting in person, so this content may not be enforceable.	There are no special provisions under Cayman Islands Companies Act regarding proxies or the solicitation of proxies; therefore, this content is stipulated in Article 62B of the Company's Articles of Incorporation.
A company shall not do any of the following acts without a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total 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, the resolution to be made thereto may be adopted by two-thirds or more of the attending shareholders who represent a majority of the total number of its outstanding shares: **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; transfer the whole or any essential part of its business or assets; or accept the transfer of another's**	Regarding Paragraphs 1 and 4, the part on spin-off in Paragraph 5 and Paragraph 7, there are no special requirements or prohibitions under the Cayman Islands Companies Act. Regarding Paragraphs 2 and 3, Article 24 of the Cayman Islands Companies Act stipulates that any changes to the Articles of Incorporation must be passed by a special resolution. Regarding the dissolution part of Paragraph 5, Article 116 of the Cayman Islands Companies Act stipulates that the company should be voluntarily dissolved by a special resolution. If it is unable to pay off its debts and is voluntarily dissolved, it must be resolved by a shareholders' meeting through an ordinary resolution; however, the Company's Articles of Incorporation may enforce a stricter rule on the type of resolution. In addition, regarding the merger part of Paragraph 5, according to a Cayman legal counsel, Article 233(6) of the Cayman Islands Companies Act requires the adoption of a special resolution. If the Company's Articles of Incorporation have other resolution provisions, the Company's Articles of Incorporation will prevail and shall be adhered to. Regarding Paragraph 6, there are no special provisions under	1. The Cayman Islands Companies Act has no special provisions or prohibitions on Paragraphs 1, 4, the part on spin-off in Paragraph 5 and Paragraph 7; therefore, Paragraphs 1, 4, the part on spin-off in Paragraph 5 and Paragraph 7 are respectively stipulated in Article 32(a)(b)(c)(d)(g)(h) of the Company's Articles of Incorporation, which must be passed through a "Supermajority Resolution Type A" at a shareholders' meeting (i.e. at a shareholders' meeting attended by shareholders representing more than two-thirds of the total number of issued shares, a resolution is passed with the consent of at least one-half of the voting rights of the shareholders present who exercise their voting rights in person or through their proxies (if the shareholders' meeting allows the use of proxies)), or through "Supermajority Resolution Type B" (i.e. when there are insufficient shareholders present at the shareholders' meeting does not meet the quota for Type A special resolutions - when shareholders representing more than two-thirds of the total number of issued shares are not present, but more than one-half of the total number of issued shares are present, resolution is passed with the consent of the two-thirds of the shareholders exercising their voting rights

Differences	Cayman Islands Companies Act and descriptions	The Company's Articles of Incorporation stipulate that:
whole business or assets, which has great bearing on the business operation of the company. **2. Alteration of the Articles of Incorporation;** **3. If any alteration to the Articles of Association impairs the rights of shareholders of special shares, a resolution must be passed by the shareholders' meeting of special shares.** **4. Surplus profit distributed in the form of new shares reserve distributed in the form of new shares.** **5. Resolution on dissolution, merger, spin-off.** **6. Issuance of new restricted employee shares.** **7. Share swap.**	Cayman Islands Companies Act.	in person or through their proxy (if the shareholder meeting allows the use of proxies)). 2. According to Article 24 of the Cayman Islands Companies Act, any changes to the Company's Articles of Incorporation must go be made through a special resolution of the shareholders' meeting; therefore, Paragraph 2 is stipulated in Article 157 of the Company's Articles of Incorporation, that is, the Company may alter its memorandum and/or Articles of Incorporation at any time by special resolution. The attendance rate at the shareholders' meeting shall be in accordance with Article 51 of the Company's Articles of Incorporation (that is, shareholders with voting rights representing more than half of the total number of issued shares shall attend in person or by proxy). 3. According to Article 24 of the Cayman Islands Companies Act, any changes to the Company's Articles of Incorporation must go be made through a special resolution of the shareholders' meeting; Therefore, Paragraph 3 is stipulated in Article 18 of the Company's Articles of Incorporation, that is, if the alteration to the Company's Articles of Incorporation damages the rights of special shareholders, in addition to the special resolution of the general shareholders' meeting, it also needs to be approved by the special shareholders in a meeting of special shareholders through a special resolution. The attendance rate at the shareholders' meeting shall be in accordance with Article 51 of the Company's Articles of Incorporation (that is, shareholders with voting rights representing more than half of the total number of issued shares shall attend in person or by proxy). 4. Regarding the part concerning dissolution of Paragraph 5, according to Article 116 of the Cayman Islands Companies Act, the Company should be voluntarily dissolved by a special resolution, and if it is unable to pay off its debts, it should be dissolved by an ordinary resolution; however, the Company's Articles of Incorporation may enforce a stricter rule on the type of resolution. Therefore, the dissolution part of Paragraph 5 is stipulated in Article 33 of the Company's Articles of Incorporation. If the Company is voluntarily dissolved because it cannot pay off its debts as scheduled, it should be passed through a "Supermajority

Differences	Cayman Islands Companies Act and descriptions	The Company's Articles of Incorporation stipulate that:
		Resolution Type A" Or "Supermajority Resolution Type B" (Article 33(a)) at a shareholders' meeting. If the Company is voluntarily dissolved for other reasons, it shall be dissolved through a special resolution (Article 33(b)). The attendance rate at the shareholders' meeting shall be in accordance with Article 51 of the Company's Articles of Incorporation (that is, shareholders with voting rights representing more than half of the total number of issued shares shall attend in person or by proxy). 5. In addition, regarding the merger part of Paragraph 5, according to a Cayman legal counsel, as for mergers, Article 233(6) of the Cayman Islands Companies Act requires the adoption of a special resolution. If the Company's Articles of Incorporation have other resolution provisions, the Company's Articles of Incorporation will prevail and shall be adhered to. Therefore, the merger part of Paragraph 5 is stipulated in Article 31(c) of the Company's Articles of Incorporation. The attendance rate at the shareholders' meeting shall be in accordance with Article 51 of the Company's Articles of Incorporation (that is, shareholders with voting rights representing more than half of the total number of issued shares shall attend in person or by proxy). 6. The Cayman Islands Companies Act has no special requirements or prohibitions on Paragraph 6, so provisions in paragraph (6) is stipulated in Article 32(f) of the Company's Articles of Incorporation, which must be passed by a "Supermajority Resolution Type A" or "Supermajority Resolution Type B" at the shareholders' meeting.
Provisions on Supervisors.	The Cayman Islands Companies Act does not have special provisions for Supervisors.	Since the Company does not have a Supervisor, the relevant provisions regarding the Supervisor in the Checklist are hereby included in the corresponding articles of the Company's Articles of Incorporation (for example: Articles 123 and 123A) as “supervisor (if any)”.
1. **Shareholders who continue to hold more than 1% of the Company's issued and outstanding shares for more than six months may request the Supervisor in writing to file a lawsuit against the Directors on behalf of the Company, and the Taipei District Court in**	There are no special requirements or prohibitions under the Cayman Islands Companies Act. According to the Cayman Islands Companies Act, the circumstances under which a shareholder may file a lawsuit on behalf of the company are: (A) The act is illegal or exceeds the scope of the Company's authority, and therefore cannot be ratified by shareholders; or (B) the act	Articles 123 and 123A of the Company's Articles of Incorporation have been amended at the 2022 annual general shareholders' meeting based on the revised Checklist (as shown in the left column) announced by the TWSE on March 11, 2022. Since there are no special requirements or prohibitions under the Cayman Islands Companies Act, the Company has not set up a Supervisor, so the part about the Supervisor in

Differences	Cayman Islands Companies Act and descriptions	The Company's Articles of Incorporation stipulate that:
Taiwan shall be the court with jurisdiction over the lawsuit. 2. **If the Supervisor does not file a lawsuit within thirty days after the shareholder files the request, the shareholder may file a lawsuit on behalf of the Company, and the Taipei District Court in Taiwan shall be the court with jurisdiction over the lawsuit.** 3. **Unless the Board of Directors fails to convene or is unable to convene a shareholders' meeting, in which case, the Supervisor may convene a shareholders' meeting when necessary for the benefit of the Company.**	constitutes fraud on minority shareholders (i.e., the person against whom the lawsuit seeks relief is a major shareholder, and these major shareholders will not allow the Company to let the plaintiff in the lawsuit to seek relief, if the lawsuit is filed on the grounds of this paragraph. To file a lawsuit, it is necessary for the plaintiff to first prove that there is fraud and that the person who engaged in the illegal act has control over the Company). Cayman courts tend not to interfere with the Company's internal conduct if it is within the scope of the Company's authority, or if it exceeds the scope of authority but can be ratified by shareholders and is in line with the will of the majority of shareholders. Although this provision has been included in the Company's Articles of Incorporation, its enforceability in Cayman is questionable as the Cayman courts are unlikely to recognize the enforceability of a foreign non-monetary judgment without re-examining the grounds of the dispute involved.	Articles 123 and 123A of the Articles of Incorporation is reflected as "Supervisor (if any)". In addition, a Cayman attorney has indicated that Article 123 of the Company's Articles of Incorporation must comply with the provisions of Cayman Islands Companies Act, which specifies that, if the director believes that filing a lawsuit is not beneficial to the company, the director is not obliged to initiate litigation against another director at the request of a shareholders holding more than 1% of the shares.
1. **Directors of a company shall have the loyalty and shall exercise the due care of a good administrator in conducting the business operation of the company; and if he/she has acted contrary to this provision, shall be liable for the damages to be sustained by the company there-from. In case the director does anything for himself/herself or on behalf of another person, the meeting of shareholders may, by a resolution, consider the earnings in such an act as earnings of the company.** 2. **If a director has, in the course of conducting the business operations, violated any provision of the applicable laws and/or regulations and thus caused damage to any other person, he/she shall be liable, jointly and severally, for the damage to such other person.** 3. **Within the scope of performing their duties, the company's managers and**	According to the Cayman Islands Companies Act, directors have fiduciary duties towards the Company. If a violation of these duties causes damage to the Company, the court may rule that the director is liable for damages. If there is a benefit due to the violation of the duty of loyalty for oneself or others, the court may order the return of such benefits. According to Cayman Islands Companies Act, if a director causes damage to a third party when performing business for the Company, the third party may claim damages from the Company, and the Company may also claim from the director the losses caused to the Company due to the third party's request. Although the Company's Articles of Incorporation stipulate that directors and the company have joint and several liabilities, from a Cayman legal perspective, the third party may not directly seek claims against the directors.	Taking into account the opinions of a Cayman attorney (see the left column for details), the contents of Items 1, 2 and 3 are therefore stipulated in Article 97B of the Company's Articles of Incorporation. However, the Cayman attorney stated that although the Company's Articles of Incorporation stipulate that directors and the company have joint and several liabilities, from a Cayman legal point of view, the third party may not directly seek claims against the directors.

Differences	Cayman Islands Companies Act and descriptions	The Company's Articles of Incorporation stipulate that:
supervisors shall also be liable for the damages to be sustained by the company directors there-from.		

9. Corporate events with material impact on shareholders' equity or stock prices set forth in Article 36 Paragraph 3 Subparagraph 2 of the Securities and Exchange Act in the most recent year and up to the date the annual report was printed

None.

TANVEX BIOPHARMA, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

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 auditors' report and financial statements shall prevail.

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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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of 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 in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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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 2023 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 matters for the Group's 2023 consolidated financial statements are stated as follows:

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

Description

As of December 31, 2023, the Group's property, plant and equipment and right-of-use assets amounted to NT$1,928,141 thousand, accounting for 70% of the consolidated total assets. Refer to Note 4(15) for the related accounting policy on impairment of non-financial assets, Note 6(6) for the details of property, plant and equipment and Note 6(7) for the details of right-of-use assets.

The Group is currently engaged in conducting research and development of biosimilar products and contract development and manufacturing of biological medicine, 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 is highly relevant to the outcome of biosimilar drugs' development and the situation of undertaking contract development and manufacturing service projects. In addition, the balance of property, plant and equipment and right-of-use assets at December 31, 2023 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.

Accuracy of recognition of revenue from contract development organization (CDO) services

Description

Refer to Note 4(22) for the accounting policy on revenue from CDO services and Note 6(17) for the details of revenue from CDO services.

The Group derives revenue mainly from the CDO services for biopharmaceuticals. Revenue from related transactions 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 costs. Given that the calculation basis, record and maintenance of the stage of completion all involve manual work and is subject to management's determination as to whether the actual costs incurred are appropriate, these could give rise to estimation uncertainty. Thus, we considered the accuracy of recognition of revenue from CDO services for biopharmaceuticals as a key audit matter.

How our audit addressed the matter

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

1. Obtaining an understanding and ascertaining the reasonableness of revenue-related transaction procedures and the policy and basis for revenue recognition.
2. Testing the operating effectiveness of internal controls over the revenue and collection cycles.
3. Inspecting all types of information and assessing the reasonableness of methods and each assumption used to measure the stage of completion of performance obligations.
4. Recalculating and evaluating the accuracy of the amount and timing of revenue recognition.

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 that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the 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.

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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.

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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 14, 2024

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 accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice.

As the consolidated 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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 380,752	14	$ 786,233	23
1170	Accounts receivable	6(3)	9,396	-	-	-
1180	Accounts receivable - related parties	6(3) and 7	-	-	333	-
1200	Other receivables	7	962	-	2,479	-
130X	Inventory	6(4)	108,285	4	170,841	5
1410	Prepayments	6(5)	104,817	4	83,833	3
11XX	**Total current assets**		604,212	22	1,043,719	31
	Non-current assets					
1535	Financial assets at amortised cost - non-current	6(2) and 8	201,480	7	203,564	6
1600	Property, plant and equipment	6(6)	438,771	16	484,579	14
1755	Right-of-use assets	6(7)	1,489,370	54	1,665,981	49
1780	Intangible assets	6(8)	3,383	-	12,069	-
1920	Guarantee deposits paid		8,928	-	7,620	-
1990	Other non-current assets	6(6)	17,259	1	2,284	-
15XX	**Total non-current assets**		2,159,191	78	2,376,097	69
1XXX	**Total assets**		$ 2,763,403	100	$ 3,419,816	100
	Liabilities and Equity					
	Current liabilities					
2130	Contract liabilities - current	6(17) and 7	$ 6,906	-	$ 28,069	1
2200	Other payables	6(9)	192,980	7	144,060	4
2250	Provisions for liabilities - current	6(12)	-	-	6,502	-
2280	Lease liabilities - current	6(7)(27)	163,448	6	124,654	4
2399	Other current liabilities		396	-	-	-
21XX	**Total current liabilities**		363,730	13	303,285	9
	Non-current liabilities					
2527	Contract liabilities - non-current	6(17)	10,230	-	-	-
2550	Provisions for liabilities - non-current	6(12)	-	-	10,469	-
2580	Lease liabilities - non-current	6(7)(27)	1,568,333	57	1,714,582	50
25XX	**Total non-current liabilities**		1,578,563	57	1,725,051	50
2XXX	**Total liabilities**		1,942,293	70	2,028,336	59
	Equity					
	Share capital	6(13)				
3110	Common shares		1,339,629	49	3,526,606	103
	Capital surplus	6(14)				
3200	Capital surplus		12,430,594	450	11,060,529	324
	Retained earnings	6(15)				
3350	Deficit yet to be compensated		(12,754,940)	(462)	(12,968,566)	(379)
	Other equity interest	6(16)				
3400	Other equity interest		(194,173)	(7)	(227,089)	(7)
3XXX	**Total equity**		821,110	30	1,391,480	41
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 2,763,403	100	$ 3,419,816	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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

			For the years ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	$ 61,411	100	$ 22,404	100
5000	Operating costs	6(4)(12)	(1,710)	(3)	(41,752)	(186)
5900	Net operating margin (loss)		59,701	97	(19,348)	(86)
	Operating expenses	6(6)(7)(8)(10)(11)(22)(23)				
6100	Selling expenses		(49,416)	(81)	(25,990)	(116)
6200	General and administrative expenses		(404,292)	(658)	(208,754)	(932)
6300	Research and development expenses		(1,706,743)	(2779)	(1,351,425)	(6032)
6000	Total operating expenses		(2,160,451)	(3518)	(1,586,169)	(7080)
6900	Operating loss		(2,100,750)	(3421)	(1,605,517)	(7166)
	Non-operating income and expenses					
7100	Interest income	6(2)(18)	29,040	47	9,597	43
7010	Other income		1,876	3	4,254	19
7020	Other gains and losses	6(20)	(9,455)	(15)	5,279	23
7050	Finance costs	6(7)(21)	(57,384)	(93)	(54,720)	(244)
7000	Total non-operating income and expenses		(35,923)	(58)	(35,590)	(159)
7900	**Loss before income tax**		(2,136,973)	(3479)	(1,641,107)	(7325)
7950	Income tax expense	6(24)	(428)	(1)	(23)	-
8200	**Loss for the year**		($ 2,137,101)	(3480)	($ 1,641,130)	(7325)
	Other comprehensive loss					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(16)	$ 32,916	54	$ 163,033	728
8300	**Other comprehensive income for the year**		$ 32,916	54	$ 163,033	728
8500	**Total comprehensive loss for the year**		($ 2,104,185)	(3426)	($ 1,478,097)	(6597)
	Loss attributable to:					
8610	Shareholders of the parent		($ 2,137,101)	(3480)	($ 1,641,130)	(7325)
	Comprehensive loss attributable to:					
8710	Shareholders of the parent		($ 2,104,185)	(3426)	($ 1,478,097)	(6597)
	Loss per share (in dollars)	6(25)				
9750	Basic loss per share		($ 16.58)		($ 13.95)	
9850	Diluted loss per share		($ 16.58)		($ 13.95)	

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to Shareholders of the parent						
			Capital Surplus				Other Equity Interest	
	Notes	Common shares	Share premium	Employee stock options	Others	Deficit yet to be compensated	Financial statements translation differences of foreign operations	Total
For the year ended December 31, 2022								
Balance at January 1, 2022		$ 3,524,547	$10,233,726	$ 509,409	$ 244,671	($11,327,436)	($ 390,122)	$ 2,794,795
Loss for the year		-	-	-	-	(1,641,130)	-	(1,641,130)
Other comprehensive income for the year	6(16)	-	-	-	-	-	163,033	163,033
Total comprehensive income (loss) for the year		-	-	-	-	(1,641,130)	163,033	(1,478,097)
Compensation cost of employee stock options	6(11)(23)	-	-	67,547	-	-	-	67,547
Exercise of employee stock options	6(11)(13)	2,059	7,261	(2,085)	-	-	-	7,235
Forfeiture of employee stock options		-	-	(86,239)	86,239	-	-	-
Balance at December 31, 2022		$ 3,526,606	$10,240,987	$ 488,632	$ 330,910	($12,968,566)	($ 227,089)	$ 1,391,480
For the year ended December 31, 2023								
Balance at January 1, 2023		$ 3,526,606	$10,240,987	$ 488,632	$ 330,910	($12,968,566)	($ 227,089)	$ 1,391,480
Loss for the year		-	-	-	-	(2,137,101)	-	(2,137,101)
Other comprehensive income for the year	6(16)	-	-	-	-	-	32,916	32,916
Total comprehensive income (loss) for the year		-	-	-	-	(2,137,101)	32,916	(2,104,185)
Issuance of shares for cash	6(13)	160,000	1,035,000	-	-	-	-	1,195,000
Compensation cost of issuance of shares for cash		-	640	(640)	-	-	-	-
Compensation cost of employee stock options	6(11)(23)	-	-	326,605	-	-	-	326,605
Capital reduction to cover accumulated deficit	6(13)	(2,350,727)	-	-	-	2,350,727	-	-
Exercise of employee stock options	6(11)(23)	3,750	10,768	(2,308)	-	-	-	12,210
Forfeiture of employee stock options		-	-	(108,757)	108,757	-	-	-
Balance at December 31, 2023		$ 1,339,629	$11,287,395	$ 703,532	($ 439,667)	($12,754,940)	($ 194,173)	$ 821,110

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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	For the years ended December 31, 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		($ 2,136,673)	($ 1,641,107)
Adjustments items			
Adjustments to reconcile profit (loss)			
Depreciation	6(22)	323,590	280,014
Amortization	6(8)(22)	1,243	1,545
Compensation cost of employees stock options	6(11)(23)	326,605	67,547
Interest income	6(18)	(29,040)	(9,597)
Interest expense	6(7)(21)	57,384	54,720
Gains arising from lease modifications	6(7)	774	-
Loss on disposal of property, plant and equipment	6(20)	2,873	7,205
Impairment loss of intangible assets	6(8)(20)	8,672	-
Changes in assets and liabilities relating to operating activities			
Changes in assets relating to operating activities			
Contract assets - current		-	2,523
Accounts receivable, net		(9,396)	-
Accounts receivable - related parties		333	(333)
Other receivables		1,973	(2,119)
Inventory		62,556	(80,510)
Prepayments		(20,984)	1,964
Changes in liabilities relating to operating activities			
Contract liabilities - current		(21,163)	28,069
Other payables		33,413	(15,593)
Provisions for liabilities - current		(6,502)	6,502
Contract liabilities - non-current		10,230	-
Provisions for liabilities - non-current		(10,469)	10,469
Cash outflow generated from operations		(1,404,581)	(1,288,701)
Receipt of interest		29,040	9,597
Payment of interest		(57,384)	(54,720)
Income tax paid		(884)	(23)
Net cash flows used in operating activities		(1,433,809)	(1,333,847)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortized cost		201,480	203,564
Proceeds from disposal of financial assets at amortized cost		(201,480)	(203,564)
Acquisition of property, plant and equipment	6(26)	(71,016)	(93,504)
Proceeds from disposal of property, plant and equipment		6,334	1,815
Acquisition of intangible assets	6(8)	(321)	(2,575)
Increase in refundable deposits		(1,308)	(1,184)
Increase in other non-current assets		(17,260)	(1,904)
Net cash flows used in investing activities		(83,571)	(97,352)
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of lease liabilities	6(7)(27)	(127,668)	(130,525)
Issuance of shares for cash	6(13)	1,195,000	-
Exercise of employee share options		12,210	7,235
Net cash flows from (used in) financing activities		1,079,542	(123,290)
Effect of exchange rate changes on cash and cash equivalents		32,357	117,745
Net decrease in cash and cash equivalents		(405,481)	(1,436,744)
Cash and cash equivalents and cash equivalents at beginning of year		786,233	2,222,977
Cash and cash equivalents at end of year		$ 380,752	$ 786,233

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

(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 and contract development and manufacturing of biological medicine. The Group is currently engaged in conducting research and development of biosimilar products, biological production procedures and contract development and manufacturing of biological medicine, 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 FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 14, 2024.

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®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

Except for the following, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment:

Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'

The amendments require an entity to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

Upon adoption, the Group recognized a deferred tax asset and liability for all deductible and taxable temporary differences associated with right-of-use assets and lease liabilities. These amendments resulted to an increase in deferred tax assets by $427,941, $477,216 and $481,812 and deferred tax liabilities by $427,941, $477,216 and $481,812 as of December 31, 2023, January 1, 2022 and December 31, 2022, respectively. The related deferred income tax assets and liabilities are levied by the same taxation authority on the same taxable entity, and the entity intends to settle or recover deferred income tax liabilities and assets with significant amount expected to be settled or recovered in each future period which is settled on a net basis, or realized and settled at the same time. Thus, the Group's deferred income tax assets and liabilities are offset and expressed on a net basis.

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

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) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards 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
IFRS 17, 'Insurance contracts'	January 1, 2023

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 21, 'Lack of exchangeability'	January 1, 2025

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 MATERIAL 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 that came into effect 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, 2023	Ownership (%) December 31, 2022	Description
Tanvex Biopharma, Inc.	Tanvex Biologics, Corp. ("Tanvex Taiwan")	Research and development of biosimilar drugs and new drugs and contract development and manufacturing of biological medicine	100%	100%	
Tanvex Biopharma, Inc.	Tanvex BioPharma USA, Inc. ("Tanvex USA")	Formulation and manufacturing of biosiomilar drugs and new drugs	100%	100%	
Tanvex BioPharma USA, Inc.	Tanvex BioPharma Canada, Inc. ("Tanvex CANADA")	Manufacturing, development and sales of new drug	100%	-	Note

Note: Tanvex CANADA was established in March, 2023.

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) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at 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.

(8) Notes and accounts receivable

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

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

(9) 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.

(10) Derecognition of financial assets

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

(11) Inventory

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average 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 the estimated costs necessary to make the sale.

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

(13) 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.

(14) 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.

(15) 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.

(16) Derecognition of financial liabilities

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

(17) Provisions for liabilities

Provisions for liabilities are recognized when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions for liabilities are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date.

The Group recognized onerous contract provision liabilities when expected a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract.

(18) 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.

(19) 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.

(20) 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 and does not give rise to equal taxable and deductible temporary differences. 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.

(21) 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.

(22) Revenue recognition

A. Commissioned development service revenue

Revenue from providing commissioned development 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. 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.

B. Sales of goods

(a) The Group sells new drug-related products. Sales revenue is recognized when the control of the product is transferred to the customer, that is, when the product is delivered to the sales customer, the sales customer has discretion over the sales channel and price of products, and the Group has no outstanding performance obligations that might influence sales customers to accept the product. Delivery of goods occurs when the product is shipped to the designated location, the risk of obsolescence and loss has been transferred to the distributor, and the distributor accepts the product in accordance with the sales contract, or there is objective evidence that all acceptance criteria have been met.

(b) Sales revenue is recognized at the contract price less discounts on estimated sales. The amount of revenue recognized is limited to the part that is highly likely not to have a significant reversal in the future. The payment terms for sales transactions are usually due 30 days after issuance of invoice.

(c) Accounts receivable are recognized when the goods are delivered to customers because the consideration received by both parties has been specified in the contract.

(23) 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:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. 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, 2023, the carrying amount of property, plant and equipment and right-of-use assets was $1,928,141.

B. Revenue recognition

The Group recognizes revenue from providing commissioned services based on the transaction price and the stage of completion, which is measured by the actual service provided as of the end of the reporting period in proportion to the total services to be provided. The estimated total commissioned service cost would be affected by estimated total time incurred, compliance costs, etc. The Group reassesses the reasonableness of estimates peribodically.

For the year ended December 31, 2023, the amount of commissioned service revenue recognized by the Group was $60,997.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 112	$ 161
Checking accounts and demand deposits	271,061	567,640
Time deposits	109,579	218,432
	$ 380,752	$ 786,233

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Time deposits	$ 201,480	$ 203,564

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

	For the years ended December 31,	
	2023	2022
Interest income	$ 8,642	$ 776

B. As at December 31, 2023 and 2022, 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 $201,480 and $203,564, 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) Accounts receivable (including related parties)

	December 31, 2023	December 31, 2022
Accounts receivable	$ 9,396	$ 333

A. The ageing analysis of accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 9,396	$ 333

The above ageing analysis was based on past due date.

B. As of December 31, 2023, December 31, 2022 and January 1, 2022 the balances of receivables from contracts with customers amounted to $9,396, $333 and $0, respectively.

C. As at December 31, 2023 and 2022, 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 Group's accounts receivable was $9,396 and $333, respectively.

D. The Group does not hold any collateral for the accounts receivable mentioned above.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(4) Inventory

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 109,488	$ (1,203)	$ 108,285

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 173,020	($ 2,179)	$ 170,841

The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2023	2022
(Gain on reversal) loss on decline in market value	($ 976)	$ 2,179

The Group's gain on reversal of decline in market value for the year ended December 31, 2023 was mainly due to the subsequent increase in the net realizable value of certain inventories.

(5) Prepayments

	December 31, 2023	December 31, 2022
Prepayments for contracted research expense	$ 39,169	$ 35,303
Prepayments for software maintenance fee	9,084	2,554
Excess business tax paid	26,469	24,881
Others	30,095	21,095
	$ 104,817	$ 83,833

(6) Property, plant and equipment

	Office equipment	Leasehold improvements	Testing equipment	Machinery equipment	Transportation equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2023							
Cost	$ 44,381	$ 388,620	$ 569,018	$ 361,590	$ 489	$ 72,819	$ 1,436,917
Accumulated depreciation	(32,178)	(301,091)	(364,352)	(253,929)	(489)	-	(952,039)
Accumulated impairment	-	-	(299)	-	-	-	(299)
	$ 12,203	$ 87,529	$ 204,367	$ 107,661	$ -	$ 72,819	$ 484,579
2023							
At January 1	$ 12,203	$ 87,529	$ 204,367	$ 107,661	$ -	$ 72,819	$ 484,579
Additions	1,511	-	8,521	258	-	76,233	86,523
Disposals	-	-	(1,006)	(6,319)	-	(1,882)	(9,207)
Transfers (Note)	2,685	27,732	26,435	8,395	-	(63,490)	1,757
Depreciation charge	(4,456)	(42,728)	(48,934)	(28,770)	-	-	(124,888)
Net exchange differences	3	(219)	(58)	251	-	30	7
At December 31	$ 11,946	$ 72,314	$ 189,325	$ 81,476	$ -	$ 83,710	$ 438,771
At December 31, 2023							
Cost	$ 48,479	$ 415,687	$ 589,601	$ 344,272	$ 489	$ 83,710	$ 1,482,238
Accumulated depreciation	(36,533)	(343,373)	(399,977)	(262,796)	(489)	-	(1,043,168)
Accumulated impairment	-	-	(299)	-	-	-	(299)
	$ 11,946	$ 72,314	$ 189,325	$ 81,476	$ -	$ 83,710	$ 438,771

Note: It refers to prepaid equipment (shown as “other non-current assets - other”) transferred into property, plant and equipment of $2,285 and transferred to intangible assets of $528.

	Office equipment	Leasehold improvements	Testing equipment	Machinery equipment	Transportation equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2022							
Cost	$ 39,336	$ 318,946	$ 514,216	$ 335,835	$ 441	$ 53,804	$ 1,262,578
Accumulated depreciation	(25,212)	(250,746)	(301,772)	(206,739)	(441)	-	(784,910)
Accumulated impairment	-	-	(299)	-	-	-	(299)
	$ 14,124	$ 68,200	$ 212,145	$ 129,096	$ -	$ 53,804	$ 477,369
2022							
At January 1	$ 14,124	$ 68,200	$ 212,145	$ 129,096	$ -	$ 53,804	$ 477,369
Additions	578	3,571	20,955	-	-	68,285	93,389
Disposals	-	-	(2,771)	(2,704)	-	(3,545)	(9,020)
Transfers (Note)	981	36,909	12,090	-	-	(49,264)	716
Depreciation charge	(4,759)	(27,807)	(48,968)	(31,684)	-	-	(113,218)
Net exchange differences	1,279	6,656	10,916	12,953	-	3,539	35,343
At December 31	$ 12,203	$ 87,529	$ 204,367	$ 107,661	$ -	$ 72,819	$ 484,579
At December 31, 2022							
Cost	$ 44,381	$ 388,620	$ 569,018	$ 361,590	$ 489	$ 72,819	$ 1,436,917
Accumulated depreciation	(32,178)	(301,091)	(364,352)	(253,929)	(489)	-	(952,039)
Accumulated impairment	-	-	(299)	-	-	-	(299)
	$ 12,203	$ 87,529	$ 204,367	$ 107,661	$ -	$ 72,819	$ 484,579

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

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

(7) Leasing arrangements - lessee

A. The Group leases various assets including offices and plants. Rental contracts are typically made for periods of 3 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, lease liabilities and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Right-of-use-assets:		
Buildings and plants	$ 1,489,370	$ 1,665,981
Lease liabilities:		
Current	$ 163,448	$ 124,654
Non-current	1,568,333	1,714,582
	$ 1,731,781	$ 1,839,236

	For the years ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Buildings and plants	$ 198,702	$ 166,796

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $38,305 and $26,956, respectively.

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

	For the years ended December 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 57,384	$ 54,720
Expense on short-term lease contracts	$ 142	$ 119
Expense on leases of low-value assets	$ 2,356	$ 2,138
Gain on lease modification	$ 774	$ -

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $187,550 and $187,502, 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.

(8) Intangible assets

	Patent and specialized technologies	Computer software	Total
At January 1, 2023			
Cost	$ 51,650	$ 61,663	$ 113,313
Accumulated amortization	(51,650)	(49,594)	(101,244)
	$ -	$ 12,069	$ 12,069
2023			
At January 1	$ -	$ 12,069	$ 12,069
Additions	-	321	321
Impairment loss	-	(8,672)	(8,672)
Transfers (Note)	-	528	528
Amortization change	-	(1,243)	(1,243)
Net exchange differences	-	380	380
At December 31	$ -	$ 3,383	$ 3,383
At December 31, 2023			
Cost	$ 51,650	$ 62,832	$ 114,482
Accumulated impairment	-	(8,672)	(8,672)
Accumulated amortization	(51,650)	(50,777)	(102,427)
	$ -	$ 3,383	$ 3,383

Note: The current transfer is from property, plant and equipment amounting to $528.

	Patent and specialized technologies	Computer software	Total
At January 1, 2022			
Cost	$ 51,650	$ 55,017	$ 106,667
Accumulated amortization	(51,650)	(44,850)	(96,500)
	$ -	$ 10,167	$ 10,167
2022			
At January 1	$ -	$ 10,167	$ 10,167
Additions	-	2,575	2,575
Amortization charge	-	(1,545)	(1,545)
Net exchange differences	-	872	872
At December 31	$ -	$ 12,069	$ 12,069
At December 31, 2022			
Cost	$ 51,650	$ 61,663	$ 113,313
Accumulated amortization	(51,650)	(49,594)	(101,244)
	$ -	$ 12,069	$ 12,069

A. Details of amortization on intangible assets are as follows:

	For the years ended December 31,	
	2023	2022
General and administrative expenses	$ 4	$ 70
Research and development expenses	1,239	1,475
	$ 1,243	$ 1,545

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

B. The impairment loss on computer software for the year ended December 31, 2023 was $8,672. This was mainly due to the fact that the software was assessed to be no longer in compliance with the Group's current research and development needs, making its expected recoverable amount less than the carrying amount.

(9) Other payables

	December 31, 2023	December 31, 2022
Wages and salaries payable	$ 95,768	$ 71,869
Accrued research material	18,273	13,849
Accrued research expense	21,555	22,386
Payable on equipment	25,451	9,944
Accrued service fee	8,156	7,826
Others	23,838	18,186
	$ 192,980	$ 144,060

(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, 2023 and 2022 were $13,780 and $9,717, respectively.

(11) Share-based payment

A. As at December 31, 2023, 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
Employee stock options AA	2020.1	216,000	10 years	2~4 years of service

Type of arrangement	Grant date	Quantity granted (number of shares)	Contract period	Vesting conditions
Employee stock options 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
Employee stock options AK	2022.2	150,000	10 years	2~4 years of service
Employee stock options AL	2022.4	1,032,000	10 years	2~4 years of service
Cash capital increase reserved for employee preemption	2023.3	61,332	NA	Immediately vested

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:

	2023		2022	
	Number of shares	Weighted-average exercise price (US$)	Number of shares	Weighted-average exercise price (US$)
Options outstanding at January 1	19,176,922	$ 2.27	21,758,042	$ 2.29
Options granted	326,000	4.23	1,840,000	1.66
Options forfeited	(6,122,932)	6.34	(4,215,220)	2.18
Options exercised	(375,000)	1.20	(205,900)	0.97
Options outstanding at December 31	13,004,990	7.06	19,176,922	2.26
Options exercisable at December 31	9,715,945		10,245,927	

C. The weighted-average stock price of stock options at exercise dates for the years ended December 31, 2023 and 2022 was $60.8 (in dollars) and $57.25 (in dollars), respectively.

D. The expiry date and exercise price of stock options outstanding at the balance sheet date are as follows:

		December 31, 2023		December 31, 2022	
Issuance date approved	Expiration date	Number of shares	Exercise Price (US$)	Number of shares	Exercise Price (US$)
2014.10 (Note)	2024.10	-	$ -	128,752	$ 0.40
2014.10~12	2024.10~12	179,500	1.20	477,000	0.40
2015.1~6	2025.1~6	165,000	4.50	365,000	1.50
2015.12	2025.12	90,000	13.62/12.60	90,000	4.54/4.20
2016.6	2026.6	142,000	11.88/10.98	172,000	3.96/3.66
2016.7	2026.7	379,000	14.10	948,000	4.70
2016.9	2026.9	20,000	15.54	20,000	5.18
2016.12	2026.12	600,000	13.71/13.08	600,000	4.57/4.36
2017.3	2027.3	90,000	12.54	90,000	4.18
2017.6	2027.6	52,000	11.67/10.95	64,000	3.89/3.65
2017.10	2027.10	1,956,700	9.63/9.06	2,176,700	3.21/3.02
2017.12	2027.12	3,000	7.53/7.08	23,000	2.51/2.36
2018.3	2028.3	-	-	160,000	3.56
2018.6	2028.6	162,000	10.32/10.05	162,000	3.44/3.35
2018.9	2028.9	205,000	7.65/7.32	205,000	2.55/2.44
2018.9	2028.9	657,700	7.32/6.99	1,063,900	2.44/2.33
2018.12	2028.12	249,000	6.12/5.88	309,000	2.04/1.96
2019.4	2029.4	132,000	7.14/6.93	152,000	2.38/2.31
2019.8	2029.8	778,250	6.42/6.15	1,432,650	2.14/2.05
2019.10	2029.10	72,000	6.21	102,000	2.07

		December 31, 2023		December 31, 2022	
Issuance date approved	Expiration date	Number of shares	Exercise Price (US$)	Number of shares	Exercise Price (US$)
2020.1	2030.1	94,000	$4.26/4.14	134,000	$1.42/1.38
2020.4	2030.4	142,000	3.21/3.09	228,000	1.07/1.03
2020.5	2030.5	2,049,150	3.78/3.66	2,948,550	1.26/1.22
2020.7	2030.7	475,500	4.77/4.62	528,000	1.59/1.54
2020.10	2030.10	-	4.20/4.08	40,000	1.40/1.36
2021.1	2031.1	782,000	3.93/3.87	1,132,000	1.31/1.29
2021.4	2031.4	14,000	9.36/9.21	34,000	3.12/3.07
2021.7	2031.7	400,000	5.31	526,000	1.77
2021.10	2031.10	306,000	4.53	476,000	1.51
2021.12	2031.12	1,897,190	8.04	2,683,370	2.68
2022.2	2032.2	88,000	5.91	120,000	1.97
2022.4	2032.4	824,000	5.73	940,000	1.91

Note: 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 (Note)	Exercise price (Note)	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$0.60	US$0.60	41.52%~42.09%	5.5~7	0%	1.42%~1.64%	US$0.08~0.09
Employee stock options B	2013.10	US$0.60	US$0.60	40.84%~41.65%	4~5	0%	1.13%~1.33%	US$0.07~0.08
Employee stock options D	2014.10~12	US$1.20	US$1.20	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$4.50	US$4.50	47.78%~49.59%	5.5~7	0%	1.36%~1.95%	US$0.64~0.81
Employee stock options G	2015.7	US$4.50	US$4.50	44.22%~51.03%	5.5~7	0%	1.74%~2.06%	US$0.64~0.80
Employee stock options H	2015.12	US$25.98	US$13.62/12.60	48.60%~52.88%	6~7	0%	1.83%~2.01%	US$5.50~5.91
Employee stock options I	2016.6	US$12.03	US$11.88/10.98	48.93%~52.17%	6~7	0%	1.28%~1.42%	US$1.90~2.15
Employee stock options J	2016.7	US$16.02	US$14.10	49.27%~52.00%	6~7	0%	1.13%~1.26%	US$2.69~2.98
Employee stock options K	2016.9	US$14.76	US$15.54	48.7%~50.83%	6~7	0%	1.35%~1.50%	US$2.25~2.52
Employee stock options L	2016.12	US$13.83	US$13.71/13.08	44.71%~46.81%	6~7	0%	2.25%~2.42%	US$2.11~2.36
Employee stock options M	2017.1	US$14.37	US$13.98	44.61%~46.71%	6~7	0%	2.09%~2.25%	US$2.20~2.46

Type of arrangement	Grant date	Stock price (Note)	Exercise price (Note)	Expected price volatility	Expected option life (Years)	Expected dividends yield rate	Risk-free interest rate	Fair value per unit
Employee stock options N	2017.3	US$12.54	US$12.54	44.54%~46.19%	6~7	0%	2.15%~2.30%	US$1.89~2.10
Employee stock options O	2017.6	US$11.40	US$11.67/10.95	44.03%~45.22%	6~7	0%	1.88%~1.99%	US$1.66~1.83
Employee stock options P	2017.10	US$9.60	US$9.63/9.06	43.79%~45.32%	6~7	0%	2.19%~2.30%	US$1.43~1.58
Employee stock options Q	2017.12	US$7.53	US$7.53/7.08	42.36%~43.25%	6~7	0%	2.22%~2.28%	US$1.10~1.22
Employee stock options R	2018.3	US$10.71	US$10.68	42.13%~44.04%	6~7	0%	2.70%~2.76%	US$1.59~1.77
Employee stock options S	2018.6	US$10.29	US$10.32/10.05	45.97%~46.32%	6~7	0%	2.84%~2.89%	US$1.63~1.76
Employee stock options T	2018.9	US$7.65	US$7.65/7.32	45.49%~46.07%	6~7	0%	2.93%~2.96%	US$1.22~1.30
Employee stock options U	2018.9	US$7.32	US$7.32/6.99	45.45%~46.02%	6~7	0%	3.02%~3.06%	US$1.17~1.25
Employee stock options W	2018.12	US$6.12	US$6.12/5.88	45.61%~46.14%	6~7	0%	2.65%~2.68%	US$0.97~1.03
Employee stock options X	2019.4	US$7.14	US$7.14/6.93	46.23%~47.29%	6~7	0%	2.38%~2.42%	US$1.14~1.20
Employee stock options Y	2019.8	US$6.45	US$6.42/6.15	44.39%~45.20%	6~7	0%	1.51%~1.54%	US$0.96~1.02
Employee stock options Z	2019.10	US$6.21	US$6.21	44.55%~45.33%	6~7	0%	1.40%~1.45%	US$0.92~0.98
Employee stock options AA	2020.1	US$4.26	US$4.26/4.14	42.95%~43.67%	6~7	0%	1.67%~1.72%	US$0.62~0.68
Employee stock options AB	2020.4	US$3.21	US$3.21/3.09	44.86%~45.89%	6~7	0%	0.52%~0.59%	US$0.47~0.49
Employee stock options AC	2020.5	US$3.78	US$3.78/3.66	44.63%~45.50%	6~7	0%	0.44%~0.52%	US$0.54~0.57
Employee stock options AD	2020.7	US$4.77	US$4.77/4.62	45.51%~46.80%	6~7	0%	0.41%~0.51%	US$0.70~0.74
Employee stock options AE	2020.10	US$4.20	US$4.20/4.08	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$42.10 (US$1.49)	NT$36.00 (US$1.28)	43.04%	0.05	0%	0.34%	NT$6.19 (US$0.22)
Employee stock options AF	2021.1	US$3.93	US$3.93/3.87	45.47%~47.00%	6~7	0%	0.49%~0.64%	US$0.58~0.61
Employee stock options AG	2021.4	US$9.36	US$9.36/9.21	46.64%~48.42%	6~7	0%	1.10%~1.33%	US$1.45~1.52
Employee stock options AH	2021.7	US$5.31	US$5.31	47.77%~49.10%	6~7	0%	0.88%~1.03%	US$0.83~0.87

Type of arrangement	Grant date	Stock price (Note)	Exercise price (Note)	Expected price volatility	Expected option life (Years)	Expected dividends yield rate	Risk-free interest rate	Fair value per unit
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$4.53	US$4.53	46.33%~ 47.72%	6~7	0%	1.11%~ 1.27%	US$0.68~ 0.75
Employee stock options AJ	2021.12	US$8.04	US$8.04	45.89%~ 49.05%	6~7	0%	1.31%~ 1.39%	US$1.20~ 1.36
Employee stock options AK	2022.02	US$5.91	US$5.91	45.60%~ 49.19%	6~7	0%	1.83%~ 1.89%	US$0.9~ 1.02
Employee stock options AL	2022.04	US$5.73	US$5.73	45.57%~ 49.32%	6~7	0%	2.81%~ 2.83%	US$0.9~ 1.02
Cash capital increase reserved for employee preemption	2023.3	NT$83 (US$2.72)	NT$75.00 (US$2.45)	61.98%	0.08	0%	0.98%	NT$10.44 (US$0.34)

Note: Represents the amount after taking into account the capital reduction to make up for losses on the stock price and exercise price; the unit price is US dollars.

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

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

	For the years ended December 31,	
	2023	2022
Equity-settled	$ 326,605	$ 67,547

On January 17, 2023, the FSC approved the capital reduction of the Company, and completed the capital reduction and exchanged new shares on March 13, 2023. Due to the capital reduction, the exercise price of employee stock option certificates has increased. The fair value of employee stock options increased by $212,018 due to capital reduction to make up for losses.

(12) Provisions for liabilities

	2023	2022
	Onerous Contracts	Onerous Contracts
January 1	$ 16,971	$ -
Additions	-	19,179
Reversal	(16,971)	(2,208)
December 31	$ -	$ 16,971

Analysis of total provisions for liabilities:

	December 31, 2023	December 31, 2022
Current	$ -	$ 6,502
Non-current	-	10,469
	$ -	$ 16,971

Provisions for onerous contracts are recognized by the Group for a contract development organization contract signed with AP Biosciences, Inc. (APB) whereby the Group will provide APB with the development and manufacture of the clinical candidate drug for the latest bispecific antibody development platform over the term of the contract. Based on the Group's assessment, the labor and material costs required for the contract will exceed the economic benefits expected to be received under the contract, and thus the Group provided relevant provisions and recorded it under operating costs. In March 2023, the Group adjusted the scope of the entrusted development service contract with APB. After modifying the service scope, the labor and consumable costs required by the Group were less than the economic benefits expected to be obtained from the contract, thus, the provision for the loss-making contract was reversed.

(13) Share capital

A. As of December 31, 2023, the Company's authorized capital was $5,000,000, and the paid-in capital was $1,339,629, consisting of 133,962,867 shares, with a par value of NT$10 (in dollars) per share.

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

	2023	2022
At January 1	$ 352,660,601	$ 352,454,701
Employee stock options exercised	375,000	205,900
Capital reduction to make up for losses	(235,072,734)	-
Issuance of shares for cash	16,000,000	-
At December 31	$ 133,962,867	$ 352,660,601

On January 17, 2023, the FSC approved the Company's capital reduction to make up for losses amounting to $2,350,727 and canceling 235,072,734 issued shares; the capital reduction ratio was 66.64228597%, and approximately 333.5771403 shares were exchanged for every 1,000 shares. The base date for capital reduction and stock exchange was March 10, 2023.

C. To strengthen working capital, on December 21, 2022, the Board of Directors adopted a resolution to increase capital by issuing 16,000,000 new shares at a premium issuance price of NT$75 (in dollars) per share. The record date for capital increase was on April 21, 2023. The capital increase had been completed.

(14) 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.

(15) 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 present (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, 2023 and 2022, and thus had no earnings for distribution.

(16) Other equity

	2023	2022
	Currency Translation	
At January 1	($ 227,089)	($ 390,122)
Currency translation differences - Group	32,916	163,033
At December 31	($ 194,173)	($ 227,089)

(17) Operating revenue

	For the years ended December 31,	
	2023	2022
Commissioned development service revenue	$ 60,997	$ 22,404
Sales of goods	414	-
	$ 61,411	$ 22,404

A. Disaggregation of revenue from contracts with customers

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

For the year ended December 31, 2023	Taiwan	United States	Total
Revenue from external customer contracts	$ 53,702	$ 7,709	$ 61,411
Timing of revenue recognition			
Over time	$ 53,288	$ 7,709	$ 60,997
At a point in time	414	-	414
	$ 53,702	$ 7,709	$ 61,411

For the year ended December 31, 2022	Taiwan	United States	Total
Revenue from external customer contracts	$ 22,404	$ -	$ 22,404
Timing of revenue recognition			
Over time	$ 22,404	$ -	$ 22,404

B. Contract liabilities

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

	December 31, 2023	December 31, 2022
Contract liabilities:		
Commissioned development service contract	$ 1,791	$ 28,069
Distribution contract	15,345	-
	$ 17,136	$ 28,069

Analysis of contract liabilities:

	December 31, 2023	December 31, 2022
Current	$ 6,906	$ 28,069
Non-current	10,230	-
	$ 17,136	$ 28,069

Revenue recognized that was included in the contract liability balance at the beginning of the year:

	For the years ended December 31,	
	2023	2022
Contract liabilities		
- Commissioned development service contract	$ 28,069	$ -

(a) 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 September, 2022, the Group had completed the commissioned service development project and received all the related receivables.

(b) The Group signed a contract of development and manufacturing of biological medicine with AP Biosciences on February 10, 2022, and will develop and produce clinical candidate drugs for the latest bispecific antibody development platform for AP Biosciences. The Group expects to receive USD 4,959,000 from this contract of development and manufacturing of biological medicine service income and related consumables and experimental expenses. The Group adjusted the scope of the entrusted development service contract with APB in March,

2023. After modifying the service scope, the amount received from this contract is expected to be revised down to US$2,486,400.

(c) Tanvex BioPharma USA, Inc., which is a subsidiary of the Group, signed a distribution contract with Sandoz AG on May 16, 2023, officially authorizing the exclusive distribution rights of the biosimilar drug TX01 - trade name Nypozi - in Canada. The Group obtained the signing fee of US$500,000 from this contract. Under the contract, the Group expects that a profit-sharing royalty will be charged based on the total annual product sales. The profit-sharing royalty ratio is calculated according to the contractual agreement between both parties.

(18) Interest income

	For the years ended December 31,	
	2023	2022
Interest income from bank deposits	$ 20,393	$ 8,816
Interest income from financial assets measured at amortized cost	8,642	776
Other interest income	5	5
	$ 29,040	$ 9,597

(19) Other income

	For the years ended December 31,	
	2023	2022
Other income	$ 1,876	$ 4,254

(20) Other gains and losses

	For the years ended December 31,	
	2023	2022
Loss on disposal of property, plant and equipment	($ 2,873)	($ 7,205)
Impairment loss on intangible assets	(8,672)	-
Gains arising from lease modifications	774	-
Net currency exchange gains	1,316	12,484
	($ 9,455)	$ 5,279

Note: Refer to Note 6 (8)B.

(21) Finance costs

	For the years ended December 31,	
	2023	2022
Interest expense		
Interest expense on lease liabilities	$ 57,384	$ 54,720

(22) Additional information for expenses by nature

	For the years ended December 31,	
	2023	2022
Employee benefit expense	$ 1,146,066	$ 719,314
Depreciation (Note)	$ 323,590	$ 280,014
Amortization	$ 1,243	$ 1,545

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

(23) Employee benefit expense

	For the years ended December 31,	
	2023	2022
Wages and salaries	$ 727,358	$ 576,902
Compensation cost of share-based payments	326,605	67,437
Directors' remuneration	5,235	6,443
Labor and health insurance fees	61,838	52,880
Pension costs	13,780	9,717
Other personnel expenses	11,250	5,935
	$ 1,146,066	$ 719,314

A. The average number of employees of the Group in 2023 and 2022 was 183 and 179, respectively.

B. 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.

C. The Company had an accumulated deficit as of December 31, 2023 and 2022, thus, the Company did not accrue employees' compensation and directors' remuneration.

D. 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.

(24) Income tax

A. Income tax expense

	For the years ended December 31,	
	2023	2022
Current income tax:		
Current income tax for the year	$ 428	$ 23

B. Reconciliation between income tax expense and accounting profit

	For the years ended December 31,	
	2023	2022
Income tax calculated based on loss before tax and statutory tax rate	($ 617,031)	($ 476,339)
Expenses disallowed by tax regulation	-	294
Temporary differences not recognized as deferred income tax assets	(1,125)	(1,872)
Taxble loss not recognized as deferred income tax assets	618,156	477,917
Effect from alternative minimum tax	27	23
United States withholding tax	401	-
Income tax expense	$ 428	$ 23

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

December 31, 2023			
Year incurred	Unused tax credit	Unrecognized deferred income tax assets	Expiry year
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	31,407	31,407	2041
2022	31,264	31,264	2042
2023	36,101	36,101	2043
	$ 290,084	$ 290,084	

December 31, 2022			
Year incurred	Unused tax credit	Unrecognized deferred income tax assets	Expiry year
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	31,407	31,407	2041
2022	33,489	33,489	2042
	$ 256,208	$ 256,208	

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

December 31, 2023				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Expiry year
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	86,703	86,703	86,703	2031
2022	108,879	108,879	108,879	2032
2023	95,508	95,508	95,508	2033
	$ 1,772,250	$ 1,772,250	$ 1,772,250	

December 31, 2022				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred income tax assets	Expiry year
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	86,703	86,703	86,703	2031
2022	129,296	129,296	129,296	2032
	$ 1,908,954	$ 1,908,954	$ 1,908,954	

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

December 31, 2023				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry year (Note)
2011	$ 159,085	$ 159,085	$ 159,085	2031
2012	251,522	251,522	251,522	2032
2013	288,679	288,679	288,679	2033
2014	87,115	87,115	87,115	2034
2015	615,361	615,361	615,361	2035
2016	710,089	710,089	710,089	2036
2017	847,105	847,105	847,105	2037
2018	1,089,451	1,089,451	1,089,451	Unlimited (Note)
2019	1,761,067	1,761,067	1,761,067	Unlimited (Note)
2020	1,983,526	1,983,526	1,983,526	Unlimited (Note)
2021	1,367,477	1,367,477	1,367,477	Unlimited (Note)
2022	220,901	220,901	220,901	Unlimited (Note)
2023	471,080	471,080	471,080	Unlimited (Note)
	$ 9,852,458	$ 9,852,458	$ 9,852,458	

December 31, 2022				
Year incurred	Amount filed/assessed	Unused amount	Unrecognized deferred tax assets	Expiry year (Note)
2011	$ 159,085	$ 159,085	$ 159,085	2031
2012	251,522	251,522	251,522	2032
2013	288,679	288,679	288,679	2033
2014	87,115	87,115	87,115	2034
2015	615,361	615,361	615,361	2035
2016	710,089	710,089	710,089	2036
2017	847,105	847,105	847,105	2037
2018	1,089,451	1,089,451	1,089,451	Unlimited (Note)
2019	1,761,067	1,761,067	1,761,067	Unlimited (Note)
2020	1,983,526	1,983,526	1,983,526	Unlimited (Note)
2021	1,367,477	1,367,477	1,367,477	Unlimited (Note)
2022	1,348,363	1,348,363	1,348,363	Unlimited (Note)
	$ 10,508,840	$ 10,508,840	$ 10,508,840	

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 income tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 7,943	$ 13,569

G. Tanvex Taiwan's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(25) Loss per share

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share (Notes 1 and 2)			
Loss attributable to the parent	($ 2,137,101)	128,893	($ 16.58)

	For the year ended December 31, 2022		
	Amount after tax	Weighted average number of common stock outstanding (shares in thousands)	Loss per share (in dollars)
Basic loss per share (Notes 1 and 2)			
Loss attributable to the parent	($ 1,641,130)	117,605	($ 13.95)

Note 1: Options issued to employees do not have dilutive effect, so the diluted loss per share is equal to basic loss per share.

Note 2: The Company reduced capital to make up for losses in March, 2023, thus, the calculation of the weighted average outstanding shares was retrospectively adjusted.

(26) Supplemental cash flow information

A. Investing activities with partial cash payments

	For the years ended December 31,	
	2023	2022
Acquisition of property, plant and equipment	$ 86,523	$ 93,389
Add: Opening balance of equipment payable	9,944	10,059
Less: Ending balance of equipment payable	(25,451)	(9,944)
Cash paid during the year	$ 71,016	$ 93,504

B. Investing activities without effect on the cash flows

	For the years ended December 31,	
	2023	2022
Prepaid equipment (shown as "non-current assets - others") transferred into property, plant and equipment	$ 2,285	$ 716
Property, plant and equipment transferred to intangible assets	(528)	-
	$ 1,757	$ 716

(27) Changes in liabilities from financing activities

	2023	
	Lease liabilities	Liabilities from financing activities - gross
At January 1	$ 1,839,236	$ 1,839,236
Addition	38,305	38,305
Payments of lease liabilities	(127,668)	(127,668)
Contract termination	(17,859)	(17,859)
Net exchange differences	(233)	(233)
At December 31	$ 1,731,781	$ 1,731,781

	2022	
	Lease liabilities	Liabilities from financing activities - gross
At January 1	$ 1,759,026	$ 1,759,026
Addition	26,956	26,956
Payments of lease liabilities	(130,525)	(130,525)
Net exchange differences	183,779	183,779
At December 31	$ 1,839,236	$ 1,839,236

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
AP Biosciences Inc. (AP)	Other related parties

Note 1: After the re-election of directors by the resolution of the shareholders' meeting on June 27, 2022, OBI is no longer related to the Company. However, OBI elected a new chairman on December 30, 2022. The chairman of the Company is the same person, and has therefore become related parties. Relevant disclosures are based on the transaction amount for the entire year. In addition, the Company re-elected the chairman on December 29, 2023. Therefore, OBI is not a related party to the Company from December 29, 2023, and the transactions since the Company and OBI were not anymore related parties will not be included in the calculation. Refer to Note 7(3).

Note 2: APB had fully re-elected its board of directors on May 23, 2023. Therefore, it is no longer a related party to the Company from May 23, 2023. Since the Company and APB are no longer related parties, the transactions will not be included in Note 7(3).

(3) Significant transactions with related parties

A. Commissioned service revenue

	For the years ended December 31,	
	2023	2022
Operating revenue		
OBI	$ -	$ 2,613
APB	43,689	19,791
	$ 43,689	$ 22,404

The revenue arose from commissioned agreement provided service to related parties. The transaction terms are based on the mutual agreement. Refer to Note 6(17) for the details.

B. Accounts receivable

	December 31, 2023	December 31, 2022
APB	$ -	$ 333

The revenue arose from commissioned agreement provided service to AP. The transaction terms are based on the mutual agreement. Refer to Note 6(17) for the details.

C. Contract liabilities

	December 31, 2023	December 31, 2022
APB	$ -	$ 28,069

The revenue arose from commissioned agreement provided service to related parties. The transaction terms are based on the mutual agreement. Refer to Note 6(17) for the details.

(4) Key management compensation

	For the years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 105,512	$ 54,068
Post-employment benefits	1,818	828
Share-based payments	40,381	8,104
	$ 147,711	$ 63,000

8. PLEDGED ASSETS

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

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Financial assets at amortized cost - non-current			
- Time deposits	$ 201,480	$ 203,564	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 $156,613 and $44,398 which have not yet been paid as of December 31, 2023 and 2022, respectively.

(2) The Group has entered into agreements with contract service providers in performing CRO activities. As of December 31, 2023 and 2022, the services which have not yet been incurred amounted to $21,286 and $49,037, respectively (the reimbursement of the drugs and materials used is not included).

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In order to improve working capital, the board of directors during its meeting on November 13, 2023 resolved to increase domestic cash capital and issue ordinary shares at the appropriate time in accordance with the Company's Articles of Association or relevant laws and regulations. The total number of shares shall not exceed 30,000,000 shares at a par value per share of $10. The cash capital increase was approved by the FSC on March 5, 2024, and the number of shares to be issued is expected to be 30,000,000 shares. The issuance price is authorized to be determined by the chairman of the board in accordance with laws and regulations and based on actual circumstances.

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 2023 as its strategy in 2022 to maintain the gearing ratio under 50%. As of December 31, 2023 and 2022, 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

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$ 380,752	$ 786,233
Accounts receivable	9,396	-
Accounts receivable - related parties	-	333
Financial assets at amortized cost	201,480	203,564
Other receivables	962	2,479
Guarantee deposits paid	8,928	7,620
	$ 601,518	$ 1,000,229
Financial liabilities		
Financial liabilities at amortized cost		
Other payables (related parties)	$ 192,980	$ 144,060
Other current liability	396	-
	$ 193,376	$ 144,060
Lease liabilities	$ 1,731,781	$ 1,839,236

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, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 3,850	30.69	$ 118,157
Financial liabilities			
Monetary items			
USD : NTD	$ 39	30.69	$ 1,187

	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	$ 1,300	30.72	$ 39,937
Financial liabilities			
Monetary items			
USD : NTD	$ 29	30.72	$ 891

iii. Total exchange gain, including realized and unrealized, arising from significant foreign exchange variation on monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to $1,316 and $12,484, respectively.

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

	For the year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 1,182	$ -
Financial liabilities			
Monetary items			
USD : NTD	1%	$ 12	$ -

	For the year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD : NTD	1%	$ 399	$ -
Financial liabilities			
Monetary items			
USD : NTD	1%	$ 9	$ -

(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 2023 and 2022, 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 cccurs 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. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the modified approach based on the loss rate methodology to estimate the expected credit loss.

vi. The Group wrote-off the financial assets, which cannot be reasonable expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. As at December 31, 2023 and 2022, the Group has no written-off financial assets that are still under recourse procedures.

vii. The counterparties of the Group's accounts receivable all have good credit quality and are grouped into the same category. The Group used the forecastability to adjust histrorical and timely information to establish a loss rate for estimating the loss allowance for accounts receivable. However, the expected credit impairment loss was assessed to be insignificant, and thus Group did not recognize any loss allowance.

viii. For investments in debt instruments at amortized cost, the credit rating levels are presented below:

	December 31, 2023			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortized cost	$ 201,480	$ -	$ -	$ 201,480

	December 31, 2022			
		Lifetime		
	12 months	Significant increase in credit risk	Impairment of credit	Total
Financial assets at amortized cost	$ 203,564	$ -	$ -	$ 203,564

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, 2023	Less than 1 year	Between 1 and 2 years	Over 2 years
Other payables	$ 192,980	$ -	$ -
Lease liabilities	212,988	214,578	1,554,164

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	Between 1 and 2 years	Over 2 years
Other payables	$ 144,060	$ -	$ -
Lease liabilities	199,116	206,862	1,754,442

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 and cash equivalents, accounts receivable, financial assets at amortized cost, other receivables, guarantee deposits paid, other payables, and lease liabilities are reasonably approximate to their fair values.

(4) Other matter

The Group's main business activity is in the development and research stage and has not yet generated sufficient revenue to cover its overall operations. As of December 31, 2023, the balance of cash and cash equivalents, accumulated deficit and net equity amounted to $380,752, $12,754,940 and $821,110, respectively. Therefore, the Group intends to take the following measures to continuously improve its financial situation:

A. Business plan

The Group's new drug-TX01 has obtained the Canadian drug license and plans to start sales in the first quarter of 2024. In addition, the contract development and manufacturing organization (CDMO) business has also continued to receive orders based on the original basis that generates revenue.

B. Financing plan

In order to improve working capital, the board of directors on November 13, 2023 resolved to increase domestic cash capital and issue ordinary shares at the appropriate time in accordance with the Company's Articles of Association or relevant laws and regulations. The total number of shares shall not exceed 30,000,000 shares at a par value per share of $10. The cash capital increase was approved by the FSC on March 5, 2024, and the number of shares to be issued is expected to be 30,000,000 shares. The issuance price is authorized to be determined by the chairman of the board in accordance with laws and regulations and based on actual circumstances.

C. Support from major shareholders

(a) The Group's major shareholders are committed to support its financing plan to ensure that the Company has sufficient working capital.

(b) The Group has obtained short-term financing amounting to $375,000 from the major shareholder on February 19, 2024.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Refer to table 1.

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: None.

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): Refer to table 2.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Major shareholders information: 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, 2023 and 2022 is as follows (financial assets are not included in non-current assets):

	As of and for the year ended December 31, 2023		As of and for the year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 53,702	$ 189,391	$ 22,404	$ 190,591
United States	7,709	1,759,392	-	1,974,322
	$ 61,411	$ 1,948,783	$ 22,404	$ 2,164,913

(5) Major customer information

Information on major customers accounting for 10% of the Group's operating revenue for the years ended December 31, 2023 and 2022 is as follows:

	For the year ended December 31, 2023			For the year ended December 31, 2022		
	Revenue	Percentage (%)	Segment	Revenue	Percentage (%)	Segment
A	$ 7,709	12%	Commissioned service	$ -	-	Commissioned service
B	414	1%	Sales revenue	2,612	12%	Commissioned service
C	53,288	87%	Commissioned service	19,792	88%	Commissioned service
	$ 61,411			$ 22,404		

Tanvex BioPharma, Inc. and Subsidiaries
Loans to others
For the year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
													Item	Value			
1	Tanvex Biologics, Corp.	Tanvex BioPharma USA, Inc.	Other receivables - related parties	Y	$ 138,201	$ -	$ -	2.90%	Short-term financing	$ -	Operations	$ -	None	$ -	$ 120,593	$ 120,593	

Note 1: According to the company's capital loan operating procedures, the total amount of capital loans shall not exceed 40% of the Company's net worth.
Note 2: When applying for a capital loan, the Company should follow the "Fund Loan Operation Procedures".
Note 3: The objects and limits of the Company's capital loans shall not exceed the provisions of laws and the company's "Fund Loans and Operating Procedures".

Tanvex BioPharma, Inc. and Subsidiaries

Information on investees

For the year ended December 31, 2023

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, 2023			Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognized by the company for the year ended December 31, 2023	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value			
Tanvex BioPharma, Inc.	Tanvex Biologics, Corp.	Taiwan	Research and development of biosimilar drugs, new drugs, and commissioned development service	$ 2,479,457	$ 2,479,457	247,946	100	$ 301,540	($ 89,882)	($ 89,882)	Subsidiary
Tanvex BioPharma, Inc.	Tanvex BioPharma USA, Inc.	US	Formulation and manufacturing of biosimilar drugs and new drugs development	12,684,054	10,979,789	1,000	100	395,752	(2,007,582)	(2,007,582)	Subsidiary
Tanvex BioPharma USA, Inc.	Tanvex BioPharma Canada, Inc.	Canada	Manufacturing process development and sales of new drug	-	-	-	100	-	-	-	Subsidiary

Note: The exchange rate applied in this table for net profit (loss) is the average of the whole year (USD1:TWD31.11) ; others is based on the end date of reporting period (USD1:TWD30.69).

Tanvex BioPharma, Inc. and Subsidiaries
Major shareholders information
December 31, 2023

Table 3

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Peng Lin Investment Co., Ltd.	23,539,537	17.58%
Tanvex Biologics, Inc.	12,613,108	9.42%
Allen Chao and Lee Hwa Chao Family Trust	8,498,839	6.34%

泰福生技股份有限公司

Tanvex BioPharma, Inc.

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