MEDEON BIODESIGN, INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Medeon Biodesign, Inc.

Opinion

We have audited the accompanying parent company only balance sheets of Medeon Biodesign, Inc. as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of Medeon Biodesign, Inc. as at December 31, 2022 and 2021, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Medeon Biodesign, Inc. in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for Medeon Biodesign, Inc.'s 2022 parent company only financial statements of the current period are stated as follows:

Significant equity transaction

Description

For a description of the accounting policy for investments accounted for using equity method, please refer to Note 4(11); and for the information of investments accounted for using equity method, please refer to Note 6(5).

As described in Note 6(5), the Company's subsidiary, Medeologix, Inc., acquired a 100% equity interest in Second Source Medical LLC for a consideration of USD 7,878,512 on April 8, 2022. The aforementioned equity transaction of Second Source Medical LLC was accounted for in accordance with IFRS 3, "Business Combination". As the measurement of the fair value of identifiable intangible assets arising from the equity transaction are based on management's estimation and prospects for the future operations of Second Source Medical LLC, which involved management's subjective judgement and significant estimation and the measurement results might be material to the financial statements, we consider the acquisition of equity transaction as a key audit matter.

How our audit addressed the matter

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

A. Interviewed management to understand the purpose of the equity transaction, assessed the process and the method of determination of the consideration, and reviewed the minutes of the Board of Directors' meetings and the equity transaction agreement to confirm that the relevant resolutions are consistent with the contents of the equity transaction agreement.
B. Assessed the competence and objectivity of the external appraisal expert appointed by the management and reviewed the original documentation and the reasonableness of the assumptions of the recognition and measurement of identifiable assets stated in the acquisition price allocation report made by the independent appraisal expert. The procedures performed by the auditors and the internal appraisal experts used by the auditors are as follows:
   (a) Reviewed the valuation methods and calculation formula settings used by appraisal expert.
   (b) Reviewed the expected growth rates and gross margin to compared with the historical data.
   (c) Reviewed the discount rate to compare with the similar return on assets in the market.
   (d) Assessed the measurements of the useful lives of identified intangible assets.

C. Reviewed the accounting treatments of the transaction and the presentation and disclosure of the financial statements.
D. Reviewed the bank statement and confirmed consideration of the acquisition has been paid.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing Medeon Biodesign, Inc.'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 Medeon Biodesign, Inc. or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing Medeon Biodesign, Inc.'s financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 parent company only 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 parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Medeon Biodesign, Inc.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Medeon Biodesign, Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Medeon Biodesign, Inc. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chou, Hsiao-Tzu Liang, Hua-Ling

For and on behalf of PricewaterhouseCoopers, Taiwan

February 23, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

MEDEON BIODESIGN, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 146,945	4	$ 362,255	9
1110	Current financial assets at fair value through profit or loss	6(2)	7,160	-	6,479	-
1136	Current financial assets at amortised cost	6(3)	1,015,670	27	1,568,900	37
1170	Accounts receivable, net	6(4) and 12(2)	8,775	1	7,823	-
1200	Other receivables		4,397	-	2,255	-
1210	Other receivables - related parties	7	7,656	-	7,577	-
1220	Current tax assets		-	-	629	-
1410	Prepayments		1,875	-	1,050	-
11XX	**Current Assets**		1,192,478	32	1,956,968	46
	Non-current assets					
1550	Investments accounted for using equity method	6(5)	2,530,605	68	2,296,876	54
1600	Property, plant and equipment	6(6)	1,262	-	2,447	-
1755	Right-of-use assets	6(7)	7,076	-	11,801	-
1780	Intangible assets	6(8)	1,311	-	3,180	-
1920	Guarantee deposits paid		1,990	-	1,985	-
15XX	**Non-current assets**		2,542,244	68	2,316,289	54
1XXX	**Total assets**		$ 3,734,722	100	$ 4,273,257	100

(Continued)

MEDEON BIODESIGN, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(15)	$ -	-	$ -	-
2200	Other payables		47,492	1	54,643	1
2220	Other payables - related parties	7	25,280	1	9,464	-
2230	Current tax liabilities		56,776	2	66,740	2
2280	Current lease liabilities		5,945	-	6,720	-
2300	Other current liabilities		574	-	203	-
21XX	**Current Liabilities**		136,067	4	137,770	3
2580	Non-current lease liabilities		1,213	-	5,154	-
25XX	**Non-current liabilities**		1,213	-	5,154	-
2XXX	**Total Liabilities**		137,280	4	142,924	3
	Equity					
	Share capital	6(11)				
3110	Share capital - common stock		878,401	23	732,341	17
	Capital surplus	6(12)				
3200	Capital surplus		1,343,813	36	1,349,260	31
	Retained earnings	6(13)				
3310	Legal reserve		207,182	6	-	-
3320	Special reserve		12,489	-	-	-
3350	Unappropriated retained earnings		1,135,220	30	2,071,824	49
	Other equity interest	6(14)				
3400	Other equity interest		30,940	1	(12,489)	-
3500	Treasury shares	6(11)	(10,603)	-	(10,603)	-
3XXX	**Total equity**		3,597,442	96	4,130,333	97
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 3,734,722	100	$ 4,273,257	100

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

MEDEON BIODESIGN, INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings(loss) per share)

	Items	Notes	Year ended December 31 2022 AMOUNT	%	2021 AMOUNT	%
4000	Sales revenue	6(15)	$ 209,537	100	$ 65,972	100
5000	Operating costs	6(16)(17) and 7	(26,831)	(13)	(42,299)	(64)
5900	Net operating margin		182,706	87	23,673	36
	Operating expenses	6(16)(17) and 7				
6100	Selling expenses		(6,957)	(3)	(25,229)	(38)
6200	General and administrative expenses		(57,726)	(28)	(47,883)	(73)
6300	Research and development expenses		(38,345)	(18)	(69,285)	(105)
6000	Total operating expenses		(103,028)	(49)	(142,397)	(216)
6900	Operating profit (loss)		79,678	38	(118,724)	(180)
	Non-operating income and expenses					
7100	Interest income	6(18)	8,694	4	5,973	9
7010	Other income	6(19) and 7	19,562	9	44,872	68
7020	Other gains and losses	6(2)(5)(20)	22,490	11	2,502,098	3792
7050	Finance costs	6(7)	(171)	-	(163)	-
7070	Share of loss of associates and joint ventures accounted for using equity method, net	6(5)	(507,066)	(242)	(289,124)	(438)
7000	Total non-operating income and expenses		(456,491)	(218)	2,263,656	3431
7900	**Profit (loss) before income tax**		(376,813)	(180)	2,144,932	3251
7950	Income tax expense	6(21)	(56,945)	(27)	(66,740)	(101)
8200	**Profit (loss) for the year**		($ 433,758)	(207)	$ 2,078,192	3150
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Other comprehensive loss, before tax, exchange differences on translation		$ 43,429	21	($ 5,808)	(9)
8500	**Total comprehensive income(loss) for the year**		($ 390,329)	(186)	$ 2,072,384	3141
	Basic earnings(loss) per share	6(22)				
9750	Total basic earnings(loss) per share		($ 4.95)		$ 23.78	
9850	Total diluted earnings(loss) per share		($ 4.95)		$ 23.70	

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

MEDEON BIODESIGN, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

			Capital Surplus						Retained Earnings					
	Notes	Common stock	Additional paid-in capital	Treasury share transactions	Difference between consideration and carrying amount of subsidiaries acquired or disposed	Changes in ownership interests in subsidiaries	Changes in equity of associates and joint ventures accounted for using equity method	Employee stock warrants	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Treasury shares	Total equity
2021														
Balance at January 1, 2021		$ 665,032	$ 1,630,906	$ -	$ 5,900	$ 290,247	$ -	$ 6,028	$ -	$ -	($ 525,912)	($ 6,681)	($ 20,478)	$ 2,045,042
Profit for the year		-	-	-	-	-	-	-	-	-	2,078,192	-	-	2,078,192
Other comprehensive loss for the year	6(14)	-	-	-	-	-	-	-	-	-	-	(5,808)	-	(5,808)
Total comprehensive income(loss)		-	-	-	-	-	-	-	-	-	2,078,192	(5,808)	-	2,072,384
Capital surplus used to offset accumulated deficit	6(12)	-	(235,665)	-	-	(290,247)	-	-	-	-	525,912	-	-	-
Capital surplus transferred to capital	6(12)	66,159	(66,159)	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	6(10)	-	2,010	5,602	-	-	-	(2,010)	-	-	-	-	-	5,602
Changes in ownership interests in subsidiaries		-	-	-	(65,253)	-	-	-	-	-	(5,438)	-	-	(70,691)
Disposal of investments accounted for using equity method		-	-	-	67,901	-	-	-	-	-	-	-	-	67,901
Exercise of employee stock options	6(10)	1,150	612	-	-	-	-	(612)	-	-	-	-	-	1,150
Treasury shares reissued to employees		-	-	-	-	-	-	-	-	-	(930)	-	9,875	8,945
Balance at December 31, 2021		$ 732,341	$ 1,331,704	$ 5,602	$ 8,548	$ -	$ -	$ 3,406	$ -	$ -	$ 2,071,824	($ 12,489)	($ 10,603)	$ 4,130,333
2022														
Balance at January 1, 2022		$ 732,341	$ 1,331,704	$ 5,602	$ 8,548	$ -	$ -	$ 3,406	$ -	$ -	$ 2,071,824	($ 12,489)	($ 10,603)	$ 4,130,333
Loss for the year		-	-	-	-	-	-	-	-	-	(433,758)	-	-	(433,758)
Other comprehensive income for the year	6(14)	-	-	-	-	-	-	-	-	-	-	43,429	-	43,429
Total comprehensive income(loss)		-	-	-	-	-	-	-	-	-	(433,758)	43,429	-	(390,329)
Appropriation and distribution of retained earnings														
Stock dividends of ordinary share		146,060	-	-	-	-	-	-	-	-	(146,060)	-	-	-
Cash dividends of ordinary share	6(13)	-	-	-	-	-	-	-	-	-	(73,030)	-	-	(73,030)
Legal reserve	6(13)	-	-	-	-	-	-	-	207,182	-	(207,182)	-	-	-
Special reserve	6(13)	-	-	-	-	-	-	-	-	12,489	(12,489)	-	-	-
Share-based payments	6(10)	-	-	-	-	-	3,101	-	-	-	-	-	-	3,101
Changes in ownership interests in subsidiaries		-	-	-	(8,548)	-	-	-	-	-	(64,085)	-	-	(72,633)
Balance at December 31, 2022		$ 878,401	$ 1,331,704	$ 5,602	$ -	$ -	$ 3,101	$ 3,406	$ 207,182	$ 12,489	$ 1,135,220	$ 30,940	($ 10,603)	$ 3,597,442

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

MEDEON BIODESIGN, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		($ 376,813)	$ 2,144,932
Adjustments			
Adjustments to reconcile profit (loss)			
Share-based payments	6(10)	-	5,602
Depreciation expense(including right-of-use assets)	6(6)(7)(16)	8,748	9,131
Amortization expense	6(8)(16)	1,869	2,004
Revaluation gains on current financial assets measured at fair value through profit or loss	6(2)(20)	(681)	(2,479)
Interest expense	6(7)	171	163
Dividend income		(160)	-
Interest income	6(18)	(8,694)	(5,973)
Gain on disposal of investments	6(20)	-	(2,504,096)
Share of loss of associates and joint ventures accounted for using equity method	6(5)	507,066	289,124
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(952)	71,060
Other accounts receivable		96	668
Other receivables - related parties		(79)	(7,126)
Prepayments		(825)	2,072
Changes in operating liabilities			
Current contract liabilities		-	(2,494)
Other payables		(6,788)	27,174
Other payables to related parties		15,815	(10,557)
Other current liabilities		8	(50)
Cash inflow generated from operations		138,781	19,155
Interest received		6,456	5,887
Interest paid	6(7)	(170)	(163)
Income taxes refund (paid)		(66,280)	1,363
Net cash flows from operating activities		78,787	26,242
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of current financial assets at fair value through profit or loss		-	(4,000)
Proceeds from disposal (acquisition) of financial assets at amortised cost		553,230	(510,822)
Acquisition of investments accounted for using equity method		(884,423)	(671,370)
Dividends received		18,177	55,428
Proceeds from disposal of investment using equity method		99,508	1,413,784
Acquisition of property, plant and equipment	6(6)(23)	(444)	(89)
Acquisition of intangible assets	6(8)	-	(165)
Increase in guarantee deposits paid		(5)	-
Net cash flows (used in) from investing activities		(213,957)	282,766
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities	6(7)(24)	(7,110)	(7,107)
Exercise of employee share options	6(10)	-	1,150
Treasury shares reissued to employees		-	8,945
Cash dividends paid	6(13)	(73,030)	-
Net cash flows (used in) from financing activities		(80,140)	2,988
Net (decrease) increase in cash and cash equivalents		(215,310)	311,996
Cash and cash equivalents at beginning of year		362,255	50,259
Cash and cash equivalents at end of year		$ 146,945	$ 362,255

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

MEDEON BIODESIGN, INC.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Medeon Biodesign, Inc. (the "Company") was incorporated and approved by the Ministry of Economic Affairs, R.O.C. on December 22, 2012. The Company is primarily engaged in the research and development, and marketing and sales of minimally invasive medical devices. The shares of the Company have been trading on the Taipei Exchange since July, 2016.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on February 23, 2023.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts—cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024

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

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”.

(2) Basis of preparation

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

Financial assets at fair value through profit or loss.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the parent company only financial statements are measured using the currency of the primary economic environment in which the company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

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

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

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

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash and cash equivalents

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

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

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

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company’s business model is achieved by collecting contractual cash flows.

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

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

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

(8) Accounts and notes receivable

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

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

(11) Investments accounted for using equity method/subsidiaries

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

C. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

D. The Company's share of its subsidiary and associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership; When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

E. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

F. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the nonconsolidated financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the nonconsolidated financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

H. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

I. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

J. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(12) Property, plant and equipment

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

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

C. 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:

Research and development equipment	3 years
Office equipment	3~ 5 years
Leasehold improvements	3~ 5 years

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

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

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

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

(a) The amount of the initial measurement of lease liability; and

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

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

(14) Intangible assets

Intangible assets, mainly patent and computer software are amortized on a straight-line basis over its economic benefit period of 3~8 years.

(15) Impairment of non-financial assets

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

(16) Employee benefits

A. Short-term employee benefits

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

B. Pensions

Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(17) Employee share-based payment

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

(18) Income tax

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

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

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(19) Share capital

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

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their carrying amount and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(20) Revenue recognition

A. Revenue from sale of intellectual property and revenue from contract research and development services.

The Company entered into the contract with the customer to sell the Company's certain intellectual property and to provide follow-up contract research and development services to the customer. The Company has determined that the sale of its intellectual property and follow-up contract research services are distinguishable. It is therefore accounted for as a separate performance obligation. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. The possibility of a variable price contained in the contract resulting in revenue to be written off may be significant when the uncertainty between the expected and variable price is eliminated. In this case, variable price is included in the contract. Revenue recognition is based on the different types of revenue is as follows:

(a) Revenue from sale of intellectual property

The Company entered into the contract with the customer to sale the Company's intellectual property to the customer. The Company recognises the revenue when the intellectual property is transferred to a customer at a point in time.

(b) Revenue from contract research and development services

The Company provided services related to contract research and development. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided up to the end of the reporting period as a proportion of the total services to be provided. This is determined based on a ratio of the actual costs spent relative to the total expected costs. Under the circumstances that the Company lacks reliable information in the application of the appropriate method of measuring completion, the Company could estimate the collectible completed cost obligated, it then becomes possible for the Company to recognise revenue in the range of completed cost before the outcome of reasonable obligation. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

The Company's estimates on 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 Company manufactures and sells medical devices. Sales are recognised when control of the products has transferred and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

(b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(21) Business combinations

A. The Company uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Company measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

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

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

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of investments accounted for using equity method

The Company assesses the impairment of an investment accounted for using equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered. The Company assesses the recoverable amounts of an investment accounted for under the equity method based on the present value of the Company's share of expected future cash flows of the investee, and analyses the reasonableness of related assumptions.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$ 50	$ 50
Demand deposits	146,895	362,205
Time deposits	-	-
	$ 146,945	$ 362,255

(2) Financial assets at fair value through profit or loss

	December 31, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stock	$ 4,000	$ 4,000
Valuation adjustment	3,160	2,479
	$ 7,160	$ 6,479

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	2022	2021
Financial assets mandatorily measured as at fair value through profit or loss		
Equity instruments	$ 841	$ 2,479

B. There are no financial assets at fair value through profit or loss pledged to others as collateral.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2).

(3) Current financial assets at amortised cost

	December 31, 2022	December 31, 2021
Time deposits maturing in excess of three months	$ 1,015,670	$ 1,568,900

A. There are no time deposits pledged to others as collateral.

B. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2).

(4) Accounts receivable

	December 31, 2022	December 31, 2021
Accounts receivable	$ 8,775	$ 7,823
Less: Allowance for bad debts	-	-
	$ 8,775	$ 7,823

A. The ageing analysis of accounts receivable that was past due but not impaired is as follows:

	December 31, 2022	December 31, 2021
Not past due	$ 8,775	$ 2,280
Up to 30 days	-	2,511
31 to 90 days	-	3,032
91 to 180 days	-	-
	$ 8,775	$ 7,823

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, accounts receivable was all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to $78,883.

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

D. The Company does not hold any collateral as security.

E. As at December 31, 2022 and 2021, 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 Company's notes and accounts receivable was $8,775 and $7,823, respectively.

(5) Investments accounted for using equity method

A. Long-term equity investment is as follows:

Investee	December 31, 2022	December 31, 2021
Delta Asia International Corporation	$ 1,876,293	$ 1,846,621
Medeon International, Inc.	41,044	143,553
Medeologix, Inc.	445,680	139,711
MedeonBio, Inc.	-	105,317
Prodeon Medical Corporation	167,514	61,600
Yi Chuang Biodesign, Inc.	74	74
	$ 2,530,605	$ 2,296,876

B. Details of the subsidiaries are provided in Note 4(3) in the Company's consolidated financial statements for the year ended December 31, 2022.

C. The Company increased the capital of Medeon International, Inc. through a cash investment during 2021 and in April 2022, amounting to USD 6,999,999 and USD 1,030,000, respectively.

D. The Company's subsidiary, Prodeon Medical Corporation issued 3,685,000 shares of Series A preferred stock for cash in September 2021. Offered shares are fully subscribed by the Company at the total consideration of $280,060, and increased its shareholding to approximately 80.1%. Subsequently, Prodeon Medical Corporation issued 4,935,000 shares of Series B preferred stock for cash in March 2022. Offered shares are fully held by the Company at the total consideration of $394,800, and increased its shareholding to approximately 85.05%. Also, the amendment of registration has been completed.

E. The Company sold a portion of equity investment in Delta Asia International Corporation in March 2021, totaling $86,135, and reducing its shareholding to approximately 50.75%; and sold a portion of equity investment in Delta Asia International Corporation in June 2021, reducing its shareholding to approximately 33.40%, and lost control over Delta Asia International Corporation. The sale price was $1,016,809. Fair value of remaining investment accounted for using equity method, a gain on partial disposal of subsidiary and a gain of valuation of $2,192,873, $700,128, and $1,859,045 respectively, were measured based on the market price at the disposal date. The gains were recognized in "other gains and losses on income statement". Details of the discontinued operation of the investee are provided in Note 6(10) in the Company's consolidated financial statements for the year ended December 31, 2021. Upon the completion of the above transaction, the Company sold a portion of equity investment of Delta Asia International Corporation in July 2021, totaling $310,838, and reduced its shareholding to approximately 27.84%.

F. The Company increased the capital in MedeonBio, Inc. through a cash investment in March 2021, amounting to USD 2,000,000. Offered shares are fully subscribed by the Company. The Company sold its shares of subsidiary, MedeonBio, Inc., for USD 3,334,757.19 to another subsidiary, Medeologix, Inc., in May 2022.

G. The Company acquired 80% of the equity interests in Medeologix, Inc. ("Medeologix") on December 9, 2021, totaling $140,000, and obtained control over Medeologix, Inc. Details of the business combination are provided in Note 6(26) in the Company's consolidated financial statements for the year ended December 31, 2022. Additionally, in April 2022, the Company increased the capital in Medeologix amounting to $460,000, and the Company's shareholding increased to approximately 94.49%.

H. The Company's subsidiary, Medeologix, Inc. acquired a 100% equity interest in Second Source Medical LLC for a consideration of USD 7,878,512 on April 8, 2022. The aforementioned transaction was accounted for in accordance with IFRS 3, "Business Combination". Refer to Note 6(26) of the Company's consolidated financial statements as of and for the year ended December 31, 2022 for further information.

(6) Property, plant and equipment

	2022			
	Research and development equipment	Office equipment	Leasehold improvements	Total
At January 1				
Cost	$ 13,385	$ 6,105	$ 6,430	$ 25,920
Accumulated depreciation	(11,327)	(5,716)	(6,430)	(23,473)
	$ 2,058	$ 389	$ -	$ 2,447
Opening net book amount as at January 1	$ 2,058	$ 389	$ -	$ 2,447
Additions	-	284	160	444
Depreciation charge	(1,388)	(223)	(18)	(1,629)
Closing net book amount as at December 31	$ 670	$ 450	$ 142	$ 1,262
At December 31				
Cost	$ 13,385	$ 6,389	$ 6,591	$ 26,365
Accumulated depreciation	(12,715)	(5,939)	(6,449)	(25,103)
	$ 670	$ 450	$ 142	$ 1,262

	2021			
	Research and development equipment	Office equipment	Leasehold improvements	Total
At January 1				
Cost	$ 13,607	$ 6,105	$ 6,430	$ 26,142
Accumulated depreciation	(9,691)	(5,552)	(6,430)	(21,673)
	$ 3,916	$ 553	$ -	$ 4,469
Opening net book amount as at January 1	$ 3,916	$ 553	$ -	$ 4,469
Depreciation charge	(1,858)	(164)	-	(2,022)
Closing net book amount as at December 31	$ 2,058	$ 389	$ -	$ 2,447
At December 31				
Cost	$ 13,385	$ 6,105	$ 6,430	$ 25,920
Accumulated depreciation	(11,327)	(5,716)	(6,430)	(23,473)
	$ 2,058	$ 389	$ -	$ 2,447

A. The aforementioned plants were all for its own use.

B. There are no property, plant and equipment that were pledged to others as collaterals.

(7) Leasing arrangements－lessee

A. The Company leases assets including buildings and land. Rental contracts are typically made for periods of 1 to 3 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. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Buildings and land	$ 7,076	$ 11,801
	Year ended December 31, 2022	Year ended December 31, 2021
Buildings and land	Depreciation charge	Depreciation charge
	$ 7,119	$ 7,109

C. For the years ended December 31, 2022 and 2021, the additions to right-of-use assets were $2,394 and $6,877, respectively.

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

	Year ended December 31, 2022	Year ended December 31, 2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 171	$ 163

E. For the years ended December 31, 2022 and 2021, the Company's total cash outflow for leases were $7,281 and $7,107, respectively.

(8) Intangible assets

	2022		
	Patent	Software	Total
At January 1			
Cost	$ 12,707	$ 1,404	$ 14,111
Accumulated amortisation	(10,003)	(928)	(10,931)
	$ 2,704	$ 476	$ 3,180
Opening net book amount as at January 1	$ 2,704	$ 476	$ 3,180
Amortisation charge	(1,622)	(247)	(1,869)
Closing net book amount as at December 31	$ 1,082	$ 229	$ 1,311
At December 31			
Cost	$ 12,707	$ 1,404	$ 14,111
Accumulated amortisation	(11,625)	(1,175)	(12,800)
	$ 1,082	$ 229	$ 1,311

	2021		
	Patent	Software	Total
At January 1			
Cost	$ 12,707	$ 4,225	$ 16,932
Accumulated amortisation	(8,381)	(3,532)	(11,913)
	$ 4,326	$ 693	$ 5,019
Opening net book amount as at January 1	$ 4,326	$ 693	$ 5,019
Additions	-	165	165
Amortisation charge	(1,622)	(382)	(2,004)
Closing net book amount as at December 31	$ 2,704	$ 476	$ 3,180
At December 31			
Cost	$ 12,707	$ 1,404	$ 14,111
Accumulated amortisation	(10,003)	(928)	(10,931)
	$ 2,704	$ 476	$ 3,180

Details of amortisation on intangible assets are as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
Operating costs	$	178	$	219
Selling expenses		7		18
Administrative expenses		31		70
Research and development expenses		1,653		1,697
Total	$	1,869	$	2,004

A. Patent is comprised of the related patents and professional technologies of developing minimally invasive medical devices.

B. With the aim of better management of intellectual property, the Company centralized resources on research and development of related projects to speed up commercialization and afterward asset sale in November 2015. Medeon Biosurgical, Inc. (the "MBS" Company, and the liquidation was completed on June 30, 2016), a second-tier subsidiary of the Company, transfers the technology of ClickClean^{TM}and Abclose$^{\text{TM}}$, etc. Based on a tripartite agreement with the MBS Company, Shendder, Inc. (the "Shendder" Company), and Medeon International, Inc. (the "MBI" Company). The patent rights, which owned by the MBS Company, was transferred to the shareholders, Shendder Company and MBI Company who owned approximately 42.99% and 57.01% of the shareholdings respectively, based on the equity ratio. The transfer prices are USD168,293 and USD223,178 respectively. Meanwhile, Shendder Company and MBI Company transferred the patent rights to the Company based on the cost of acquisition. The Company shall pay immediately following the date of the sale of patent rights.

C. The asset purchase agreement between Shendder Company and the Company states that if the licensing price of research and development results exceeds the transfer price, the Company should allocate 42.99 % of the profit to Shendder Company.

D. For the year ended at December 31, 2022, there was no payment to be allocated to Shendder Company and MBI Company.

(9) Pensions

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

B. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2022 and 2021, were $2,363 and $2,990, respectively.

(10) Share-based payment

A. The Company issues employee stock options to full-time employees by issuing new stock. The main content is as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Estimated resign rate	Vesting conditions
Employee stock options	2013.9.27 and 2014.8.13	2,570,000	10 years	21.0%~36.8%	Note
Employee stock options	2014.8.13	260,000	10 years	6.1%~11.6%	Note
Employee stock options	2014.11.18	820,000	10 years	6%~12%	Note
Employee stock options	2015.6.8	642,000	10 years	11.6%~23.3%	Note
Employee stock options	2015.11.3	538,000	10 years	29.5%~59.1%	Note
Treasury stock reissued to employees	2021.8.30	110,000	NA	NA	Vested immediately
Treasury stock reissued to employees	2021.12.15	80,000	NA	NA	Vested immediately

Note: When employee stock options have expired two years, stock options can be exercised based on the following schedule:

Accumulated ratio stock options that can be exercised

Expired 2 years 50%

Expired 3 years 75%

Expired 4 years 100%

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

	2022		2021	
	No. of options	Weighted-average exercise price (NTD)	No. of options	Weighted-average exercise price (NTD)
Options outstanding at January 1	319,500	$ 10~175	619,500	$ 10~175
Options forfeited	-	10~144	(185,000)	10~175
Options exercised	-	10~144	(115,000)	10~175
Options outstanding at December 31	319,500	10~144	319,500	10~175
Options exercisable at December 31	319,500	10~144	319,500	10~175

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

		December 31, 2022		December 31, 2021	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (NTD)	No. of shares (in thousands)	Exercise price (NTD)
2013.9.27	2023.9.27	-	$ 10	-	$ 10
2013.9.27	2024.8.13	-	10	-	10
2014.8.13	2024.8.13	13	10	13	10
2014.11.18	2024.11.18	10	10	10	10
2015.6.8	2025.6.8	227	126	227	154
2015.11.3	2025.11.3	70	144	70	175

D. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Grant date	Stock price (NTD)	Expected price volatility	Option life	Expected dividends rate	Risk-free interest rate	Fair value per unit (NTD)
2013.9.27	$ 10	39.93% ~ 41.53%	7 years	0%	0.78% ~ 1.66%	$ 2~2.29
2014.8.13 ~ 11.18	$ 10	39.75% ~ 40.67%	6~7 years	0%	1.37% ~ 1.48%	$ 5.55~7.07
2015.6.8	$ 204	34.75% ~ 42.35%	6~7 years	0%	1.26% ~ 1.39%	$ 10.15~13.28
2015.11.3	$ 222	44.25% ~ 45.22%	6~7 years	0%	1.01% ~ 1.09%	$ 34.14~ 40.26

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

	Year ended December 31, 2022	Year ended December 31, 2021
Equity-settled	$ -	$ 5,602

(11) Share capital/Treasury shares

A. As of December 31, 2022, the Company’s authorised capital was $1,000,000, consisting of 100,000,000 shares of ordinary stock, and the paid-in capital was $878,401 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	2022	2021
	No. of shares	No. of shares
At January 1	73,030,074	66,109,159
Stock dividends of ordinary share	14,606,015	-
Capital surplus transferred to capital	-	6,615,915
Treasury stock reissued to employees	-	190,000
Employee stock options exercised	-	115,000
Purchase of treasury shares	-	-
At December 31	87,636,089	73,030,074

B. In 2022 and 2021, the separate amount recollected due to the exercised employee stock options by the Company is $0 and $1,150, respectively.

C. Treasury Shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2021		December 31, 2021	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount	Number of shares	Carrying amount
The Company	To be reissued to employees	204,000	$ 10,603	204,000	$ 10,603

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(12) Capital surplus

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. The Company approved the proposal of loss off-setting by the shareholders' meeting on July 16, 2021 to cover accumulated deficit by capital surplus of $525,912. The amendment of registration had been completed.

C. As of July 16, 2021, the capital surplus of $66,159 and capital increase by retained earnings through the issuance of 6,615,915 of new shares with a par value of NTD 10 were approved at the shareholders' meeting. The above capital increase had been approved by the Financial Supervisory Commission and registered.

(13) Retained earnings(Accumulated deficit)

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. There is no need for such action if legal reserve meets paid-in capital, it then distributes or rotates legal reserve based on the law. The remaining earnings along with unappropriated earnings of prior years will be retained or distributed as proposed by the Board of Directors and resolved by the shareholders.

The dividend distribution policy of the Company reported to shareholders' meeting annually by the Board of Directors is based not only on the current and future investing environment, funds needed, domestic and foreign competition, and the situation of capital, but on the interest of shareholders, balanced dividend and the long-term plans for the Company. The category and ratio of the dividend from the dividend policy may be adjusted by the shareholders based on the actual profit and the situation of available funds of the year. The only restriction is that the total amount of dividend distributed must not be lower than 10 percent of the year's distributable dividend and the ratio of cash dividend distributed must not be lower than 10 percent of the total dividend.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. The distribution of earnings in respect of the year ended 31 December 2021 was proposed by the shareholders meeting on June 20, 2022 as follows:

	2021	
	Amount	Dividend per share (in dollars)
Legal reserve	$ 207,182	
Special reserve	12,489	
Cash dividends	73,030	$ 1.00
Stock dividends	146,060	$ 2.00

The abovementioned distribution of 2021 earnings were in agreement with those amounts proposed by the Board of Directors on March 24, 2022.

(14) Other equity items

	2022	2021
	Currency translation	Currency translation
At January 1	($ 12,489)	($ 6,681)
Currency translation differences:		
–Group	43,429	(5,808)
At December 31	$ 30,940	($ 12,489)

(15) Operating revenue

	Year ended December 31,	
	2022	2021
Revenue from research and development services	$ 209,537	$ 65,972

A. The Company entered into the Asset Purchase Agreement along with the Master Service Agreement and Supply Agreement for XPro™ Suture-Mediated Vascular Closure Device system (“IVC-C01”) with Terumo Medical Corporation (“Terumo”) on March 2, 2018. According to the agreements, the Company continues to provide services including product development, clinical studies, regulatory affairs, and product supply after the transaction.

The total transaction price of the aforementioned agreements is USD 50 million, consisting of the upfront cash payment of USD 20 million which is fully paid upon closing, and the additional milestone payment up to USD 30 million. The milestone payment will be paid upon achieving the following milestones: (a) completing next-generation product design verification before the end of March 2020 for USD 5 million; (b) obtaining U.S. FDA premarket approval (PMA approval) for the current generation product before the end of June 2021 for USD 10 million; (c) obtaining U.S. FDA PMA approval for the next-generation product before the end of June 2022 for USD 15 million.

Terumo is responsible for all product development costs (including regulatory and clinical related costs), except Terumo and the Company are responsible for its own respective design and development costs for the next-generation product. As agreed by both parties, if any design changes of the next-generation product lead to additional clinical studies requested by the U.S. FDA, the related costs shall be borne by the Company.

Considering the external factors and product development timeline, both parties agreed to revise the agreements accordingly and executed the Amendment in August 2020.

Consistent with the overall milestone payments of USD 30 million in the original agreements, each milestone and timeline has been adjusted as follows: (a) completing engineering verification and technology transfer of the next-generation product before the end of December 2020 for USD 2.5 million (already obtained); completing design verification of the next-generation product before the end of June 2022 for USD 1 million; (b)(i) completing FDA cGMP audit before the end of June 2021 for USD 2 million; (ii)obtaining U.S. FDA PMA approval for the product before the end of December 2021 for USD 6.5 million; (c) submitting the PMA application for the next-generation product before December 2022 for USD 3 million; obtaining FDA PMA approval for the next-generation product before the end of December 2023 for USD 7 million; (d) launching the next-generation product before December 2023 for USD 4 million; reaching a sales target of 12,500 and 25,000 units within 3 years from product launch for USD 2 million respectively. Other clauses remain unchanged except for the amendments described above. The Amendment has been approved by the Board of Directors on August 6, 2020.

However, the U.S. FDA might postpone overseas on-site audits due to the impact of the COVID-19 pandemic. Considering both parties have cooperated in good faith to move the project forward and to acknowledge the achievements of the project up to now, both parties agreed to divide the first item of milestone payment (b)(i) in the aforementioned amendment into the following two payments: (i) completing the preparation for the U.S. FDA cGMP audit before the end of June 2021 for USD 1 million (already obtained); (ii) completing the U.S. FDA cGMP on-site audit for USD 1 million (no due date specified). Except for the adjustments stated above, other milestone payments and corresponding requirements stipulated in the first Amendment remain unchanged. The Amendment has been approved by the Board of Directors on December 24, 2020.

Under the impact of COVID-19 pandemic, the U.S. FDA continued to postpone overseas on-site audits. Considering both parties have cooperated in good faith to move the project forward and to acknowledge the achievements of the project up to now, both parties agreed to adjust the milestone payment (b)(i)(ii) and (b)(ii) in the aforementioned amendment into two payments according to certain situation and signed the third amendment to asset purchase agreement. The adjustment amendments are as follows: 1.(b)(i)(ii) completing a successful FDA cGMP audit and obtaining PMA Approval for USD 1 million (no due date specified); 2.(b)(ii) obtaining a PMA approvable letter conditioning PMA approval on an FDA site inspection before the end of December 2021 for USD 6.5 million (The US$6.5 million mentioned in b(ii) above has been received in January 2022). Except for the adjustments stated above, other milestone payments and corresponding requirements stipulated in the first and second Amendment remain unchanged. The Amendment has been approved by the Board of Directors on December 11, 2021.

B. The representations and warranties provided by the Company to Terumo, under this Agreement, includes:

(a) The Company is a validly existing legal entity, which is warranted indefinitely. In case of violation, the liability cap of the Company for the breach of this warranty is equal to the transaction price.

(b) The intellectual property warranty which shall remain in effect until the first anniversary of the FDA PMA approval of the next generation product, but no later than July 2023. The liability cap of the Company for the breach of this warranty is initially $2.5 million and will increase with an amount equal to 37.5% of the total receivable milestone payments.

(c) The warranties, except for (a) and (b), shall become effective from the closing and remain valid for a period of 18 months, and the liability cap of the Company for the breach is initially USD 2.5 million and will increase with an amount equal to 12.5% of the total receivable milestone payments.

The maximum amount of liability for the breach of warranties specified above shall not exceed USD 13.75 million unless any of such losses and damages is arising from intentional breach or fraud.

C. Disaggregation of revenue from contracts with customers

The revenue of the Company can be disaggregated as follows:

2022	Revenue from research and development services
Revenue by region	
United States	$ 209,537
Timing of revenue recognition	
At a point in time	$ 209,537

2021	Revenue from research and development services
Revenue by region	
United States	$ 65,972
Timing of revenue recognition	
At a point in time	$ 65,972

D. Contract liabilities

(a)The Company has recognised the following revenue-related contract liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract relating to research and development services	$ -	$ -	$ 2,494

(b) Revenue recognised that was included in the contract liability balance at the beginning of the period

	Year ended December 31, 2022	Year ended December 31, 2021
Revenue recognised that was included in the contract liability balance at the beginning of the period	$ -	$ 2,494

(16) Expenses by nature

	2022		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	$ 14,328	$ 46,100	$ 60,428
Depreciation charges on property, plant and equipment	1,163	466	1,629
Depreciation charges on right-of-use assets	5,521	1,598	7,119
Amortisation charges	178	1,691	1,869

	2021		
	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense	$ 25,252	$ 95,989	$ 121,241
Depreciation charges on property, plant and equipment	1,456	566	2,022
Depreciation charges on right-of-use assets	5,202	1,907	7,109
Amortisation charges	219	1,785	2,004

(17) Employee benefit expense

	Year ended December 31, 2022	Year ended December 31, 2021
Wages and salaries	$ 49,287	$ 103,658
Labour and health insurance fees	4,321	4,949
Pension costs	2,363	2,990
Directors' remuneration	2,228	7,273
Other personnel expenses	2,229	2,371
	$ 60,428	$ 121,241

A. In accordance with the Articles of Incorporation of the Company, the distributable profit of the current year, after covering accumulated losses, shall be reserved no less than 1% for employees' compensation and no more than 2% for directors' remuneration.

B. For the year ended December 31, 2021, employees' compensation and directors' remuneration ware accrued at $24,000 and $5,000, respectively. The aforementioned amounts were recognized in salary expenses. For the year ended December 31, 2022, no employees' compensation and directors' remuneration were accrued due to accumulated deficit of the Company.

C. Employees' compensation and directors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(18) Interest income

	Year ended December 31,	
	2022	2021
Interest income from bank deposits	$ 8,694	$ 5,973

(19) Other income

	Year ended December 31,	
	2022	2021
Service income	$ 19,402	$ 44,846
Dividend income	160	-
Other income	-	26
Total	$ 19,562	$ 44,872

Information relating to service income is provided in Note 7(2)C.

(20) Other gains and losses

	Year ended December 31,	
	2022	2021
Gain on disposals of investment	$ -	$ 2,504,096
Gains on financial assets at fair value through profit or loss	681	2,479
Net foreign exchange (losses) and gains	21,809	(4,477)
	$ 22,490	$ 2,502,098

(21) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31, 2022	Year ended December 31, 2021
Current tax:		
Current tax on profits for the year	$ -	$ 66,740
Tax on undistributed surplus earnings	57,037	-
Adjustments in respect of prior years	(92)	-
Income tax expense	$ 56,945	$ 66,740

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2022	Year ended December 31, 2021
Tax calculated based on (loss)profit before tax and statutory tax rate	($ 75,363)	$ 428,986
Effect on income tax expense by tax regulation	63,490	(470,621)
Tax on undistributed surplus earnings	57,037	-
Temporary differences not recognised as deferred tax assets	31,061	27,712
Taxable loss not recognised as deferred tax assets	(19,188)	13,923
Prior year income tax underestimation (overestimation)	(92)	-
Effect from alternative minimum tax	-	66,740
Income tax expense	$ 56,945	$ 66,740

C. As of December 31, 2022, details of the amount the Company is entitled as investment tax credit and unrecognised deferred tax assets are as follows:

Qualifying items	Year incurred	Total deductible amount	Unused tax credits	Expiry year
Research and development	2013	$ 5,059	$ 5,059	Note
Research and development	2014	6,144	6,144	Note
Research and development	2015	14,475	14,475	Note
Research and development	2016	24,158	24,158	Note
Research and development	2017	29,625	29,625	Note
Research and development	2018	30,369	30,369	Note
		$ 109,830	$ 109,830	

Note: Under the Regulations Governing Application of Investment Tax Credits to the Funds Invested in Research and Development and Personnel Training by a Biotech and New Pharmaceuticals Company, the Company is entitled to the investment tax credits, which can be used to offset against the income tax payable starting from the time when the Company is subject to corporate income tax. Any unused tax credit is available for the following four years.

Due to the uncertainty of its realization, the aforementioned unused research and development deductible is not recognized as deferred tax assets.

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	$ 208,621	$ 141,151	$ 141,151	2027
2019	146,059	144,851	144,851	2029
2020	110,811	67,453	67,453	2030
2021	69,615	14,187	14,187	2031
	$ 535,106	$ 367,642	$ 367,642	

E. For the year ended December 31, 2022, the Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(22) Losses /Earnings per share

	Year ended December 31, 2022		
		Retrospective adjustment	
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings (Losses) per share (in dollars)
Basic earnings per share			
Loss attributable to ordinary shareholders of the parent	($ 433,758)	87,636	($ 4.95)

	Year ended December 31, 2021		
	Retrospective adjustment		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings (Losses) per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,078,192	87,383	$ 23.78
Diluted earnings per share			
Profit attributable to shareholders of the parent	$ 2,078,192	87,383	
Assumed conversation of all dilutive potential ordinary shares			
Employees' stock options	-	47	
Employees' compensation	-	265	
Profits attributable to ordinary shareholders plus assumed conversation of all dilutive potential ordinary shares	$ 2,078,192	87,695	$ 23.70

A. When calculating earnings per share of ordinary shares, the effect of distribution of stock dividends was adjusted retroactively. The effective date of distribution of stock dividends was set on August 22, 2022.

B. Due to loss in 2022, potential ordinary stocks are excluded since such stocks are antidilutive. Therefore, it is the same as basic losses per share.

(23) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31,	
	2022	2021
Purchase of property, plant and equipment	$ 444	$ -
Add: Opening balance of payable on equipment	-	89
Less: Ending balance of payable on equipment	-	-
Cash paid during the period	$ 444	$ 89

(24) Changes in liabilities from financing activities

	2022	2021
	Lease Liability	Lease Liability
At January 1	$ 11,874	$ 12,104
Changes in cash flow from financing activities	(7,110)	(7,107)
Changes in other non-cash items	2,394	6,877
At December 31	$ 7,158	$ 11,874

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Delta Asia International Corporation (Note 1)	Investment in equity method investees
Prodeon Medical Corporation	The Company's subsidiary
Yi Chuang Biodesign, Inc.	The Company's subsidiary
Medeologix, Inc.	The Company's subsidiary
Medeon International, Inc.	The Company's subsidiary
Aquedeon Medical, Inc.	The Company's second-tier subsidiary
Prodeon Medical, Inc.	The Company's second-tier subsidiary
MediBalloon, Inc.	The Company's second-tier subsidiary
Second Source Medical LLC	The Company's second-tier subsidiary
MedeonBio, Inc. (Note 2)	The Company's second-tier subsidiary

Note 1: The Company disposed part of the equity interest in Delta Asia International Corporation in June 2021. Delta Asia International Corporation ceased to be a subsidiary of the Company and accounted for as investment in associate.

Note 2: The Company sold shares of former subsidiary, MedeonBio, Inc. to another subsidiary, Medeologix, Inc. in May 2022.

(2) Significant related party transactions

A. Operating cost

	Year ended December 31,	
	2022	2021
Delta Asia International Corporation	$ 4,615	$ 3,832

The Company commissioned its subsidiary to assist in the development of medical devices. The terms of the transaction is agreed by both parties. The period of payment is 30 to 60 days.

B. Operating expense

	Year ended December 31,	
	2022	2021
MedeonBio, Inc.	$ 18,426	$ 19,998
Delta Asia International Corporation	156	2,477
	$ 18,582	$ 22,475

The Company is commissioned by its subsidiary MedeonBio, Inc. and Delta Asia International Corporation to assist in the research and promotion of medical devices. The terms of transaction is agreed by both parties. The period of payment is 30 to 60 days.

C. Other income

	Year ended December 31,	
	2022	2021
Prodeon Medical Corporation	$ 13,678	$ 43,328
Medeologix, Inc.	4,500	-
Aquedeon Medical, Inc.	1,224	1,518
Delta Asia International Corporation	-	26
	$ 19,402	$ 44,872

(a) The Company is commissioned by its subsidiary Prodeon Medical Corporation and second-tier subsidiary Aquedeon Medical, Inc. to assist in the research and management of medical devices. The terms of transaction is agreed by both parties. The Company receives payments every 3 months and the period of payment is 30 to 60 days.

(b) The Company is commissioned by the subsidiary, Medeologix, Inc. to assist in the segment management. The terms are based on mutual agreement. The Company receives payments every 3 months and the period of payment is 30 to 60 days.

(c) The transaction between the Company and Delta Asia International Corporation was the sale of materials for research and development and the period of payment is 30 to 60 days.

D. Other receivables

	December 31, 2022	December 31, 2021
Medeologix, Inc.	$ 4,725	$ -
Prodeon Medical Corporation	2,931	7,177
Aquedeon Medical, Inc.	-	373
Delta Asia International Corporation	-	27
	$ 7,656	$ 7,577

The abovementioned other receivables arose from the research and management of medical devices commissioned to the Company by the subsidiaries, Prodeon Medical Corporation, Medeologix, Inc. and second-tier subsidiary, Aquedeon. The Company receives payments every 3 months and the period of payment is 30 to 60 days. Additionally, The Company sold the materials for research and development to Delta Asia International Corporation and receives payments every 3 months. The period of payment is 30 to 60 days.

E. Other payables

	December 31, 2022	December 31, 2021
MedeonBio, Inc.	$ 18,426	$ 3,287
Medeon International, Inc.	6,854	6,177
	$ 25,280	$ 9,464

The abovementioned other payables arose from commissioning the second-tier subsidiary, MedeonBio, for research and development of medical devices and business promotion for products. Additionally, the Company shall pay the subsidiary, Medeon Int., for acquiring the intangible assets, and in which the information of payables that did not meet the payment terms based on the contract is provided in the Note 6(8) B.

(3) Key management compensation

	Year ended December 31, 2022	Year ended December 31, 2021
Salaries and other short-term employee benefits	$ 15,455	$ 24,027
Share-based payment	-	4,182
Total	$ 15,455	$ 28,209

8. Pledged Assets

None.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

A. Information relating to the profit distribution of the commercialization of research products according to the intangible asset transfer contract signed between the Company and Shendder, Inc. is provided in Note 6(8).

B. Information relating to the commitment stipulated in the Asset Purchase Agreement along with the Master Service Agreement and Supply Agreement for XPro™ Suture-Mediated Vascular Closure Device system signed with Terumo is provided in Note 6(15).

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

On January 12, 2023, the Board of Directors of the Company resolved to participate in capital increase of the subsidiary, Medeon International, Inc., by subscribing for 1,600,000 shares with the amount of USD 4,000,000.

12. Others

(1) Capital management

The Company's objectives when managing capital at this stage are to safeguard the Company's ability to continue as a going concern in order to maintain an optimal capital structure to reduce the cost of capital, and to provide stable returns for shareholders after the future operation becomes profitable. To achieve the aforementioned targets, the Company maintains or adjusts its capital structure through, but not limited to, cash capital increase to repay or replenish working capital, dividend distribution, capital reduction and others. The Company monitors and manages capital on the basis of the debt-to-equity ratio. The ratio is calculated as 'net debt' divided by 'total equity'. The net debt is calculated as 'total liability' less cash and cash equivalents. 'Total equity' is calculated as 'total equity' as shown in the balance sheet.

On December 31, 2022 and 2021, the Company's total liabilities are less than cash and cash equivalents, and therefore the debt-to-equity ratio is 0%.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 7,160	$ 6,479
Financial assets at amortised cost		
Cash and cash equivalents	146,945	362,255
Financial assets at amortised cost	1,015,670	1,568,900
Accounts receivable	8,775	7,823
Other receivables(including related parties)	12,053	9,832
Guarantee deposits paid	1,990	1,985
	$ 1,192,593	$ 1,957,274
Financial liabilities		
Financial liabilities at amortised cost		
Other accounts payable(including related parties)	$ 72,772	$ 64,107
Lease liability	$ 7,158	$ 11,874

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Company, the Company focuses its financial risk management policies on the unpredictable in financial markets.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Company operates internationally and is exposed to foreign exchange risk, primarily USD. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities, and net investment to foreign operations.

ii. Management has set up a policy to manage their foreign exchange risk against their functional currency. The company is required to coordinate with the treasury to hedge their entire foreign exchange risk. Foreign exchange risk occurs when future commercial transactions and recognised assets and liabilities uses currency that is not the main functional currency.

iii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

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

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 9,348	30.71	$ 287,077
Non-monetary items			
USD:NTD	1,337	30.71	41,044
Financial liabilities			
Monetary items			
USD:NTD	1,064	30.71	32,675

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 701	27.68	$ 19,404
Non-monetary items			
USD:NTD	8,991	27.68	248,870
Financial liabilities			
Monetary items			
USD:NTD	343	27.68	9,494

v. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021, amounted to $21,810 and ($4,477), respectively.

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

	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%	$ 2,871	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	327	-

	Year ended December 31, 2021		
	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%	$ 194	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	95	-

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of financial assets at amortised cost.

ii. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, only rated parties with a good rating are accepted. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.

iii. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Company classifies customers' accounts receivable in accordance with credit rating of customers. The Company applies the simplified approach using provision matrix to estimate expected credit loss.

vi. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2022 and 2021, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~60 days past due	180 days past due	Total
At December 31, 2022					
Expected loss rate	0.03%	0.03%	0.03%	25.00%	
Total book value	$ 8,775	$ -	$ -	$ -	$ 8,775
Loss allowance	$ -	$ -	$ -	$ -	$ -
At December 31, 2021					
Expected loss rate	0.03%	0.03%	0.03%	25.00%	
Total book value	$ 2,280	$ 2,511	$ 3,032	$ -	$ 7,823
Loss allowance	$ -	$ -	$ -	$ -	$ -

vii. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	2022	2021
	Accounts receivable	Accounts receivable
At January 1	$ -	$ -
Reversal of impairment loss	-	-
At December 31	$ -	$ -

(c) Liquidity risk

i. Cash flow forecasting is performed by treasury. Treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational and research needs.

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

Non-derivative financial liabilities

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other payables (including related parties)	$ 72,772	$ -	$ -	$ -
Lease liability	6,009	820	410	-

Non-derivative financial liabilities

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other payables (including related parties)	$ 64,107	$ -	$ -	$ -
Lease liability	6,871	5,189	-	-

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company’s investment in emerging stock market is included in Level 1

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The book value of financial assets and liabilities that does not use fair value is approximate to fair value, including cash and cash equivalents, current financial asset at amortised cost, accounts receivable, other receivables, guarantee deposits paid, accounts payable and other payables.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities is as follows:

(1) The related information of natures of the assets and liabilities is as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 7,160	$ -	$ -	$ 7,160

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 6,479	$ -	$ -	$ 6,479

(2)The methods and assumptions the Company used to measure fair value are as follows:

The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics: the quotation was measured by the average of the highest and the lowest stock price of the day.

D. For the years ended December 31, 2022 and 2021, there was no transfer between level 1 and level 2.

(4) Others

Under the impact of COVID-19 pandemic and the promotion of infection control measures by the government, there was no material effect on the operation of the Company after the evaluation. There was no doubt on the entity's ability to continue as a going concern, no impairment loss and no increase in the risk of fundraising. Management of the Company had complied with epidemic prevention and control measures announced by the Central Epidemic Command Center (CECC).

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to Table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: Please refer to Table 2.

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 (Individual transactions not exceeding $100 are not disclosed. Additionally, the related party transactions for counterparty are not disclosed.): Please refer to Table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to Table 4.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Please refer to Table 5.

14. Segment Information

Parent company only financial statements is exempted from segment information disclosure.

MEDEON BIODESIGN, INC.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2022				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
The Company	Medimaging Integrated Solution Inc.	None	Current financial assets at fair value through profit or loss	100,000	$ 7,160	0.30	$ 7,160	
The Company's subsidiary	Star Victoria Limited	None	Current financial assets at fair value through profit or loss	714	30,710	1.43	30,710	

MEDEON BIODESIGN, INC.

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2022

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Balance as at January 1, 2022 Number of shares	Balance as at January 1, 2022 Amount	Addition Number of shares	Addition Amount	Disposal Number of shares	Disposal Selling price	Disposal Book value	Disposal Gain (loss) on disposal	Balance as at December 31, 2022 Number of shares	Balance as at December 31, 2022 Amount
Medeologix, Inc.	Second Source Medical LLC	Investments accounted for using equity method	Not applicable	Second - tier subsidiary	-	$ -	-	$ 227,847	-	$ -	$ -	$ -	-	$ 184,725

NOTE：For the investment in this period.

MEDEON BIODESIGN, INC.

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction: General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Medeon Biodesign, Inc.	Medeon International, Inc.	1	Other payables- related parties	$ 6,854	Agreed by both parties	0.17
0	Medeon Biodesign, Inc.	Prodeon Medical Corporation	1	Other Revenue	13,678	Agreed by both parties	4.59
0	Medeon Biodesign, Inc.	Prodeon Medical Corporation	1	Other receviable- related parties	2,931	Agreed by both parties	0.07
0	Medeon Biodesign, Inc.	Medeologix, Inc.	1	Other Revenue	4,500	Agreed by both parties	1.51
0	Medeon Biodesign, Inc.	Medeologix, Inc.	1	Other receviable- related parties	4,725	Agreed by both parties	0.12
0	Medeon Biodesign, Inc.	Aquedeon Mediacal, Inc.	1	Other Revenue	1,224	Agreed by both parties	0.41
0	Medeon Biodesign, Inc.	MedeonBio, Inc.	1	Other payables- related parties	18,426	Agreed by both parties	0.46
0	Medeon Biodesign, Inc.	MedeonBio, Inc.	1	Operating Expense	18,426	Agreed by both parties	6.18
1	MedeonBio, Inc.	Prodeon Medical Corporation	3	Other Revenue	14,683	Agreed by both parties	4.92
1	MedeonBio, Inc.	Aquedeon Mediacal, Inc.	3	Other Revenue	29,240	Agreed by both parties	9.80
1	MedeonBio, Inc.	Aquedeon Mediacal, Inc.	3	Accounts receviable- related parties	2,709	Agreed by both parties	0.07
1	MedeonBio, Inc.	Prodeon Medical, Inc.	3	Other Revenue	19,498	Agreed by both parties	6.54
1	MedeonBio, Inc.	Prodeon Medical, Inc.	3	Operating Expense	360	Agreed by both parties	0.12
1	MedeonBio, Inc.	Second Source Medical LLC	3	Accounts receviable- related parties	2,068	Agreed by both parties	0.05
1	MedeonBio, Inc.	Second Source Medical LLC	3	Other Revenue	8,985	Agreed by both parties	3.01
1	MedeonBio, Inc.	Second Source Medical LLC	3	Operating Cost	170	Agreed by both parties	0.06
1	MedeonBio, Inc.	Second Source Medical LLC	3	Operating Expense	349	Agreed by both parties	0.12
3	Prodeon Medical Corporation	Prodeon Medical Inc.	3	Operating Expense	207,016	Agreed by both parties	69.39
3	Prodeon Medical Corporation	Prodeon Medical Inc.	3	Other payables- related parties	52,295	Agreed by both parties	1.29
6	Second Source Medical LLC	MediBalloon, Inc.	3	Accounts receviable- related parties	126	Agreed by both parties	0.00
6	Second Source Medical LLC	MediBalloon, Inc.	3	Other Revenue	399	Agreed by both parties	0.13

NOTE1： The above transactions between the Company and its subsidiaries and those between the subsidiaries have been wrote-off in the consolidated financial reports.

NOTE2： The numbers for the company in respect of inter-company transactions are as follows：

Medeon Biodesign, Inc.：0
MedeonBio, Inc.：1
Medeon International, Inc.：2
Prodeon Medical Corporation：3
Aquedeon Mediacal, Inc.：4
Prodeon Medical Inc.：5
Second Source Medical LLC：6
MediBalloon, Inc.：7

NOTE3： Relationship between transaction company and counterparty is classified into the following three categories：

(1)Parent company to subsidiary.
(2)Subsidiary to parent company.
(3)Subsidiary to subsidiary.

MEDEON BIODESIGN, INC.

Information on investees

For the year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31,2022				Investment income(loss) recognised by the Company	
Investor	Investee (Notes 1 and 2)	Location	Main business activities	Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022	for the year ended December 31, 2022	Footnote
Medeon Biodesign, Inc.	Delta Asia International	Taiwan (R.O.C)	Manufacturing and sales of medical device components	$ 149,726	$ 149,726	7,206,777	27.84	$ 1,876,293	$ 171,298	$ 47,689	
Medeon Biodesign, Inc.	Prodeon Medical Corporation	Taiwan (R.O.C)	Manufacturing and development of medical devices	967,658	572,858	16,848,500	85.05	167,514	(283,455)	(237,854)	NOTE4
Medeon Biodesign, Inc.	Yi Chuang Biodesign, Inc.	Taiwan (R.O.C)	Sales of medical devices	100	100	10,000	100.00	74	-	-	
Medeon Biodesign, Inc.	Medeologix, Inc.	Taiwan (R.O.C)	Manufacturing and sales of medical device components	600,000	140,000	30,614,174	94.49	445,680	(152,603)	(144,779)	
Medeon Biodesign, Inc.	MedeonBio, Inc.	US	Manufacturing and development of medical devices	-	159,912	2,900,000	-	-	(25,079)	(25,079)	
Medeon Biodesign, Inc.	Medeon International, Inc.	Samoa	Equity investment and commerce of medical devices	675,539	645,917	22,939,999	100.00	41,044	(147,043)	(147,043)	
Medeon International, Inc.	Panther Orphopedics, Inc.	US	Manufacturing and development of medical devices	166,080	166,080	3,833,333	-	-	(15,857)	(10,791)	NOTE1,6
Medeon International, Inc.	Aquedeon Mediacal, Inc.	US	Manufacturing and development of medical devices	375,341	375,341	6,800,000	97.14	3,098	(118,267)	(114,885)	NOTE2.3
Prodeon Medical Corporation	Prodeon Medical, Inc.	US	Manufacturing and development of medical devices	84,270	84,270	3,000	100.00	67,284	(26,511)	(26,511)	
Medeologix, Inc.	MediBalloon, Inc.	US	Manufacturing and sales of medical device components	141,059	83,159	13,500,000	100.00	101,491	(48,272)	(48,272)	NOTE5
Medeologix, Inc.	MedeonBio, Inc.	US	Manufacturing and development of medical devices	99,509	-	2,900,000	100.00	71,101	(18,345)	(18,345)	
Medeologix, Inc.	Second Soure Medical, LLC	US	Manufacturing and sales of medical device components	227,847	-	-	100.00	184,725	(48,709)	(48,709)	

Note 1：It is originally 5,999,999 US dollars.
Note 2：It is originally 13.56 million US dollars.
Note 3：Preferred stock.
Note 4：Preferred stock in the amount of 8,615,000 shares is included.
Note 5：Preferred stock in the amount of 2,500,000 shares is included.
Note 6：Panther Orthopedics, Inc. was dissolved and liquidated in December 2022, and its intangible assets were inherited by Medeon International, Inc.。

MEDEON BIODESIGN, INC.

Major shareholders information

December 31,2022

Table 5

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Center Laboratories, Inc	26,102,187	29.71
Medeon, Inc. (US)	9,953,317	11.33

MEDEON BIODESIGN, INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT1

Item	Description	Amount	
Cash on hand		$	50
Demand deposits			83,553
Foreign deposits	USD 2,062,570 ; conversion rate 30.71		63,342
		$	146,945

MEDEON BIODESIGN, INC.
STATEMENT OF CURRENT FINANCIAL ASSETS AT AMORTISED COST
DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT2

Client Name	Description	Amount	Note
Time deposits	Time deposit is TWD, the period is July 23, 2022 to February 25, 2023, and the rate is 0.88% to 0.925%.	$ 800,700	
Foreign currency time deposits	October 5, 2022 to January 17, 2023, and the rate is 1.85% ~ 3.15%.	214,970	
		$ 1,015,670	

MEDEON BIODESIGN, INC.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT3

	Beginning Balance		Addition		Decrease		Ending Balance			Market Value or Net Assets Value		
Name	Shares	Amount	Shares	Amount (Note1)	Shares	Amount (Note2)	Shares	Percentage of Ownership	Amount	Unit Price	Total Amount	Collateral
Delta Asia International	6,005,648	$ 1,846,621	1,201,129	$ 47,689	-	($ 18,017)	7,206,777	27.84%	$ 1,876,293	230.00	$ 1,657,559	None
Prodeon Medical Corporation	11,913,500	61,600	4,935,000	402,166	-	(296,252)	16,848,500	80.10%	167,514	9.94	167,514	None
Yi Chuang Biodesign, Inc.	10,000	74	-	-	-	-	10,000	100%	74	7.42	74	None
MedeonBio, Inc.	2,900,000	105,317	-	5,890	(2,900,000)	(111,207)	-	100%	-	-	-	None
Medeon International, Inc.	21,909,999	143,553	1,030,000	44,534	-	(147,043)	22,939,999	100%	41,044	1.79	41,044	None
Medeologix, Inc.	14,000,000	139,711	30,474,173	476,581		(170,612)	44,474,173	94.49%	445,680	14.56	445,680	None
		$ 2,296,876		$ 976,860		($ 743,131)			$ 2,530,605		$ 2,311,871	

Note 1：It is the number of cash capital increase, recognised investment profit(loss) and the effect of subsidiaries equity change in this period.
Note 2：It is the number of recognised investment profit(loss), the effect of subsidiaries equity change, the cash dividends received and the exchange differnce between foreign operation on translation of foreign financial reports.

MEDEON BIODESIGN, INC.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT4

Item	Amount	Note
Cost of service	$ 26,831	

MEDEON BIODESIGN, INC.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT5

Item	Selling expenses	General and Administrative expenses	Reseach and Development expenses	Total	
Wages and salaries	$ 5,026	$ 17,331	$ 16,928	$ 39,285	
Service expense	62	31,972	5,619	37,653	
Depreciation expense	235	945	884	2,064	
Amortizations	7	31	1,653	1,691	
Traveling expense	560	1,795	4,239	6,594	
Material fee	-	-	4,603	4,603	
Other	1,067	5,652	4,419	11,138	None of the balances of each remaining item is greater than the above items
	$ 6,957	$ 57,726	$ 38,345	$ 103,028	

MEDEON BIODESIGN, INC.
EMPLOYEE BENEFITS, DEPRECIATION AND AMORTISATION EXPENSES SUMMARISED BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT6

Function / Nature	Year ended December 31, 2022			Year ended December 31, 2021		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ 12,230	$ 37,057	$ 49,287	$ 22,563	$ 81,095	$ 103,658
Labour and health insurance fees	993	3,328	4,321	1,255	3,694	4,949
Pension costs	523	1,840	2,363	768	2,222	2,990
Directors' remuneration	-	2,228	2,228	-	7,273	7,273
Other personnel expenses	582	1,647	2,229	666	1,705	2,371
Depreciation charges on property, plant and equipment	1,163	466	1,629	1,456	566	2,022
Depreciation charges on right-of-use-assets	5,521	1,598	7,119	5,202	1,907	7,109
Amortisation Expense	178	1,691	1,869	219	1,785	2,004

Note：

1. As at December 31, 2022 and 2021, the Company had 48 and 55 employees, including 8 and 7 non-employee board of directors, respectively.

2.A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information：

(1) Average employee benefit expense in current year $1,455. (『Total employee benefit expense in current year- Total directors' remuneration』/『Number of employee in current year-Number of non-employee directors』)

Average employee benefit expense in previous year $2,374. (『Total employee benefit expense in previous year- Total directors’ remuneration』/『Number of employee in previous year-Number of non-employee directors』)

MEDEON BIODESIGN, INC.

EMPLOYEE BENEFITS, DEPRECIATION AND AMORTISATION EXPENSES SUMMARISED BY FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2022

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

STATEMENT6

(2) Average employees salaries in current year was $1,232. (Total wages and salarie in current year/『Number of employee in current year-Number of non-employee directors』)

Average employees salaries in previous year was $2,160. (Total wages and salarie in previous year/『Number of employee in previous year-Number of non-employee directors』).

(3) The average employees salaries decreased by -42.96 % year on year. (『Average employees salaries in current year-Average employees salaries in previous year』/Average employees salaries in previous year).

(4) Remuneration of the supervisors in current year was $0 (in dollars), remuneration of the supervisors in previous year was $0 (in dollars). (The Company has set up an audit committee, therefore there is no remuneration of the supervisors)

(5) The Company's compensation policies(including directors, supervisors, managers and emplyees):

A. Policies:

(a) Ensure that the arrangement of wages and salaries comply with related laws and could attract outstanding people.

(b) Wages and salaries of all employees should consider the normal pay of peers, the time devoted by employee, the accomplishment of goals, and the wages and salaries for employees of the same title. In other words, the Company evaluated the personnel's performance and the related rationality of the company's operating performance future risk by the short-term and long-term goals of the Company, and financial condition.

B. Institution:

(a) Guaranteed annual salary: The Company determines the employees' salaries based on the Table of Salary Range for Each Job Classification and Position after assessing the Company's internal equity and the employees' market value in respect of their responsibilities and core competencies. The salary mainly consists of base salary and meal allowance. The Company also offers a guaranteed annual salary of 13 months.

(b) Short-term rewards: The Company rewards employees with team-based bonuses based on the achievements of the Company's annual targets.

(c) Long-term incentives: The Company irregularly distributes restricted stocks and employee stock options to retain talents or to meet the capital needs.

(d) Rewards for special events: The Company pays special bonuses when there are significant profitable events.

(e) Benefits: The Company offers subsidies for birthday gifts and health examination, English training and others to improve employees' physical and mental health and enhance their capabilities.

MEDEON BIODESIGN, INC.
EMPLOYEE BENEFITS, DEPRECIATION AND AMORTISATION EXPENSES SUMMARISED BY FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT6

(f) Salaries and bonuses paid to managers shall be reviewed by the Remuneration Committee and resolved by the Board of Directors.

(g) Employees' compensation and directors' remuneration: In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 2% for directors' remuneration.