MEDEON BIODESIGN, INC.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

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, 2023 and 2022, 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 material 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, 2023 and 2022, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *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 judgement, 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 2023 parent company only financial statements of the current period are stated as follows:

Investments accounted for under equity method - Valuation of goodwill impairment

Description

Please refer to Note 4(15) for accounting policies on impairment loss on non-financial assets, Note 5(2) for the uncertainty of accounting estimates and assumptions applied to goodwill impairment valuation, Note 6(5) for details of investments accounted for under equity method, and Note 6(9) in the consolidated financial statements for details of goodwill impairment valuation.

The Company acquired Medeologix, Inc. in 2021 and acquired Second Source Medical LLC in 2022. The balance of goodwill arising from the acquisition as at December 31, 2023 was NT$ 106,737 thousand.

The evaluation report issued by external experts engaged by the Company uses cash flow forecasts prepared by management to determine the recovery amount of goodwill; however, the measurement results in a large extent depend on management's assumptions, including the discount rate and the estimated growth rate used, which are subject to management's judgements with considerable uncertainty. Therefore, the goodwill impairment assessment is a key audit matter this year.

How our audit addressed the matter

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

A. Based on our understanding of the operations and industry of the Company, evaluated the rationality of the evaluation model used by the external experts appointed by the Company.

B. We confirmed that the future cash flow used in the evaluation model is consistent with the future year budget provided by the Company. And reviewed the actual achievement of management's financial forecasts for the past year.

C. We assessed the appropriateness of key assumptions used, such as growth rate and discount rate.

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 judgement 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 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 29, 2024

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

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,031,405	43	$ 146,945	4
1110	Current financial assets at fair value through profit or loss	6(2)	11,227	1	7,160	-
1136	Current financial assets at amortised cost	6(3)	622,010	26	1,015,670	27
1170	Accounts receivable, net	6(4) and 12(2)	-	-	8,775	1
1200	Other receivables		2,890	-	4,397	-
1210	Other receivables - related parties	7	7,371	-	7,656	-
1410	Prepayments		700	-	1,875	-
11XX	**Current Assets**		1,675,603	70	1,192,478	32
	Non-current assets					
1550	Investments accounted for using equity method	6(5)	722,208	30	2,530,605	68
1600	Property, plant and equipment	6(6)	934	-	1,262	-
1755	Right-of-use assets	6(7)	5,054	-	7,076	-
1780	Intangible assets	6(8)	240	-	1,311	-
1920	Guarantee deposits paid		620	-	1,990	-
15XX	**Non-current assets**		729,056	30	2,542,244	68
1XXX	**Total assets**		$ 2,404,659	100	$ 3,734,722	100

(Continued)

MEDEON BIODESIGN, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2200	Other payables		$ 27,720	1	$ 47,492	1
2220	Other payables - related parties	7	13,456	1	25,280	1
2230	Current tax liabilities		37,968	2	56,776	2
2280	Current lease liabilities		2,234	-	5,945	-
2300	Other current liabilities		444	-	574	-
21XX	**Current Liabilities**		81,822	4	136,067	4
2580	Non-current lease liabilities		2,849	-	1,213	-
25XX	**Non-current liabilities**		2,849	-	1,213	-
2XXX	**Total Liabilities**		84,671	4	137,280	4
	Equity					
	Share capital	6(11)				
3110	Share capital - common stock		922,449	38	878,401	23
	Capital surplus	6(12)				
3200	Capital surplus		1,340,712	55	1,343,813	36
	Retained earnings	6(13)				
3310	Legal reserve		207,182	9	207,182	6
3320	Special reserve		12,489	1	12,489	-
3350	Unappropriated retained earnings(accumulated deficit)		(188,425)	(8)	1,135,220	30
	Other equity interest	6(14)				
3400	Other equity interest		36,184	1	30,940	1
3500	Treasury shares	6(11)	(10,603)	-	(10,603)	-
3XXX	**Total equity**		2,319,988	96	3,597,442	96
	Significant contingent liabilities and unrecognized contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 2,404,659	100	$ 3,734,722	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, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except losses per share amounts)

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Sales revenue	6(15)	$ 10,700	100	$ 209,537	100
5000	Operating costs	6(16)(17) and 7	(8,922)	(83)	(26,831)	(13)
5900	Net operating margin		1,778	17	182,706	87
	Operating expenses	6(16)(17) and 7				
6100	Selling expenses		-	-	(6,957)	(3)
6200	General and administrative expenses		(72,049)	(674)	(57,726)	(28)
6300	Research and development expenses		(19,283)	(180)	(38,345)	(18)
6000	Total operating expenses		(91,332)	(854)	(103,028)	(49)
6900	Operating (loss) profit		(89,554)	(837)	79,678	38
	Non-operating income and expenses					
7100	Interest income	6(18)	13,428	125	8,694	4
7010	Other income	6(19) and 7	20,982	196	19,562	9
7020	Other gains and losses	6(2)(5)(20)	(400,106)	(3739)	22,490	11
7050	Finance costs	6(7)	(89)	(1)	(171)	-
7070	Share of loss of associates and joint ventures accounted for using equity method, net	6(5)	(709,758)	(6633)	(507,066)	(242)
7000	Total non-operating income and expenses		(1,075,543)	(10052)	(456,491)	(218)
7900	**Loss before income tax**		(1,165,097)	(10889)	(376,813)	(180)
7950	Income tax expense	6(21)	(39,518)	(369)	(56,945)	(27)
8200	**Loss for the year**		($ 1,204,615)	(11258)	($ 433,758)	(207)
	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		$ 5,244	49	$ 43,429	21
8500	**Total comprehensive loss for the year**		($ 1,199,371)	(11209)	($ 390,329)	(186)
	Basic loss per share	6(22)				
9750	Total basic loss per share		($ 13.09)		($ 4.71)	
9850	Total diluted loss per share		($ 13.09)		($ 4.71)	

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, 2023 AND 2022
(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 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
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	6(13)												
Stock dividends of ordinary share		146,060	-	-	-	-	-	-	-	(146,060)	-	-	-
Cash dividends of ordinary share	6(13)	-	-	-	-	-	-	-	-	(73,030)	-	-	(73,030)
Legal reserve		-	-	-	-	-	-	207,182	-	(207,182)	-	-	-
Special reserve		-	-	-	-	-	-	-	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
2023													
Balance at January 1, 2023		$ 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
Loss for the year		-	-	-	-	-	-	-	-	(1,204,615)	-	-	(1,204,615)
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-	5,244	-	5,244
Total comprehensive income(loss)		-	-	-	-	-	-	-	-	(1,204,615)	5,244	-	(1,199,371)
Appropriation and distribution of retained earnings	6(13)												
Stock dividends of ordinary share		43,823	-	-	-	-	-	-	-	(43,823)	-	-	-
Cash dividends of ordinary share		-	-	-	-	-	-	-	-	(43,823)	-	-	(43,823)
Share-based payments	6(10)	-	-	-	-	15,040	-	-	-	-	-	-	15,040
Changes in ownership interests in subsidiaries		-	-	-	-	(18,141)	-	-	-	(31,384)	-	-	(49,525)
Exercise of employee stock options	6(11)	225	141	-	-	-	(141)	-	-	-	-	-	225
Balance at December 31, 2023		$ 922,449	$ 1,331,845	$ 5,602	$ -	$ -	$ 3,265	$ 207,182	$ 12,489	($ 188,425)	$ 36,184	($ 10,603)	$ 2,319,988

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

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 1,165,097)	($ 376,813)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense(including right-of-use assets)	6(6)(7)(16)	7,268	8,748
Amortization expense	6(8)(16)	1,369	1,869
Revaluation gains on current financial assets measured at fair value through profit or loss	6(2)(20)	(3,812)	(681)
Interest expense	6(7)	89	171
Dividend income		(180)	(160)
Interest income	6(18)	(13,428)	(8,694)
Gain on disposal of investments	6(20)	402,960	-
Share of loss of associates and joint ventures accounted for using equity method	6(5)	709,758	507,066
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		8,775	(952)
Other accounts receivable		22	96
Other receivables - related parties		285	(79)
Prepayments		1,175	(825)
Changes in operating liabilities			
Other payables		(19,771)	(6,788)
Other payables to related parties		(11,824)	15,815
Other current liabilities		(130)	8
Cash (outflow) inflow generated from operations		(82,541)	138,781
Interest received		14,913	6,456
Interest paid	6(7)	(89)	(170)
Income taxes paid		(58,326)	(66,280)
Net cash flows (used in) from operating activities		(126,043)	78,787
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of current financial assets at fair value through profit or loss		(255)	-
Acquisition of investments accounted for using equity method		(820,440)	(884,423)
Proceeds from disposal of financial assets at amortised cost		393,660	553,230
Proceeds from disposal of investment using equity method		1,479,671	99,508
Dividends received		7,387	18,177
Acquisition of property, plant and equipment	6(6)(23)	(579)	(444)
Acquisition of intangible assets	6(8)	(298)	-
Decrease (increase) in guarantee deposits paid		1,370	(5)
Net cash flows from (used in) investing activities		1,060,516	(213,957)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities	6(7)(24)	(6,415)	(7,110)
Exercise of employee share options	6(10)	225	-
Cash dividends paid	6(13)	(43,823)	(73,030)
Net cash flows used in financing activities		(50,013)	(80,140)
Net increase (decrease) in cash and cash equivalents		884,460	(215,310)
Cash and cash equivalents at beginning of year		146,945	362,255
Cash and cash equivalents at end of year		$ 1,031,405	$ 146,945

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, 2023 AND 2022
(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 29, 2024.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

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 IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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 consolidated financial statements. Owners’ equity in the nonconsolidated financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

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) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(21) 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.

(22) 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, 2023	December 31, 2022
Cash on hand	$ 50	$ 50
Demand deposits	957,017	146,895
Time deposits	74,338	-
	$ 1,031,405	$ 146,945

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

	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stock	$ 4,255	$ 4,000
Valuation adjustment	6,972	3,160
	$ 11,227	$ 7,160

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

	2023	2022
Financial assets mandatorily measured as at fair value through profit or loss		
Equity instruments	$ 3,812	$ 681

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, 2023	December 31, 2022
Time deposits maturing in excess of three months	$ 622,010	$ 1,015,670

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, 2023	December 31, 2022
Accounts receivable	$ -	$ 8,775
Less: Allowance for bad debts	-	-
	$ -	$ 8,775

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

	December 31, 2023	December 31, 2022
Not past due	$ -	$ 8,775

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, accounts receivable was all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to $7,823.

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. The Company had no accounts receivable pledged to others.

F. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable was $0 and $8,775, respectively.

(5) Investments accounted for using equity method

A. Long-term equity investment is as follows:

Investee	December 31, 2023	December 31, 2022
Delta Asia International Corporation	$ -	$ 1,876,293
Medeon International, Inc.	81,231	41,044
Medeologix, Inc.	384,988	445,680
Prodeon Medical Corporation	255,916	167,514
Yi Chuang Biodesign, Inc.	73	74
	$ 722,208	$ 2,530,605

B. Subsidiaries

(a) Details of the subsidiaries are provided in Note 4(3) in the Company's consolidated financial statements for the year ended December 31, 2023.

(b) The Company increased the capital of Medeon International, Inc. through a cash investment in April 2022 for the total consideration of USD 1,030,000. Also, the Company acquired 4,000,000 shares of common stock of Medeon International, Inc. amounting USD 4,000,000 in January 2023, and participated in the Series E preferred stock issuance amounting to USD 4,000,000 for 1,600,000 shares of Aquedeon Medical, Inc. through that subsidiary. The shareholding ratio to Aquedeon Medical, Inc. was then increased to 97.27%. Subsequently in July 2023, the employees of Aquedeon Medical, Inc. exercised the employee stock option, decreasing the shareholding ratio to 97.03%.

(c) The Company acquired 4,935,000 shares of Series B preferred stock issued by Prodeon Medical Corporation for the total consideration of $394,800 in March 2022, and the Company's shareholding ratio increased to approximately 85.05%. The Company subsequently acquired 5,737,500 shares of Series C preferred stock issued by Prodeon Medical Corporation for the total consideration of $459,000 in May 2023, and the Company's shareholding ratio increased to approximately 88.41%.

(d) The Company disposed all equity investments in Delta Asia International Corporation in May 2023, totaling $1,479,671, and therefore recognized a loss on disposal of investment at the amount of $402,960, which was recognized in “other gains and losses”. Details of the loss were provided in Note 6(20).

(e) In April 2022, the Company increased the capital in Medeologix, Inc. amounting to $460,000, and the Company’s shareholding increased to approximately 94.49%; and in February 2023, Medeologix, Inc.’s employees exercised stock options and reduced its shareholding to approximately 94.30%. In March 2023, the Company increased the capital in Medeologix, Inc., subscribing for 9,600,000 shares with the amount of $240,000, and the Company’s shareholding increased to approximately 95.6%.

(f) 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(25) of the Company’s consolidated financial statements as of and for the year ended December 31, 2023 for further information.

(g) The Company’s subsidiary, Medeologix, Inc. increased the capital of MediBalloon, Inc. and Second Source Medical LLC through a cash investment in March 2023, amounting to USD 2,000,000 and USD 2,000,000, respectively. In October 2023, the Company increased the capital in MediBalloon, Inc. amounting to USD 1,000,000.

C. Associates

(a) The basic information of the associates that are material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio		Nature of relationship	Methods of measurement
		December 31, 2023	December 31, 2022		
Delta Asia International Corporation	Taiwan	0%	27.84%	Research and development collaboration	Equity method

(b) The summarised financial information of the associates that are material to the Company is as follows:

Balance sheet

	Delta Asia International Corporation	
	December 31, 2023	December 31, 2022
Current assets	$ -	$ 570,935
Non-current assets	-	1,258,899
Current liabilities	-	(167,668)
Non-current liabilities	-	(484,384)
Total net assets	$ -	$ 1,177,782
Share in associate's net assets	-	327,895
Goodwill	-	1,548,398
Carrying amount of the associate	$ -	$ 1,876,293

Statement of comprehensive income

	Delta Asia International Corporation	
	January1, 2023 to Apri1 30, 2023	Year ended December 31, 2022
Revenue	$ 199,930	$ 426,974
Profit from continuing operations	49,535	171,297
Other comprehensive income	-	-
Total comprehensive income	$ 49,535	$ 171,297
Dividends received from associates	$ 7,206	$ 18,017

(c) Delta Asia International Corporation, which is an associate of the Company, has an open market quotation with a fair value of $1,657,559 in respect of the year ended December 31, 2022.

(d) The Company disposed all equity investments in Delta Asia International Corporation in May 2023, totaling $1,479,671, and therefore recognized a loss on disposal of investment in the amount of $402,960, which was recognized in “other gains and losses”. Details of the loss were provided in Note 6(20).

(6) Property, plant and equipment

	2023			
	Research and development equipment	Office equipment	Leasehold improvements	Total
At January 1				
Cost	$ 13,385	$ 6,389	$ 6,591	$ 26,365
Accumulated depreciation	(12,715)	(5,939)	(6,449)	(25,103)
	$ 670	$ 450	$ 142	$ 1,262
Opening net book amount as at January 1	$ 670	$ 450	$ 142	$ 1,262
Additions	-	579	-	579
Depreciation charge	(530)	(324)	(53)	(907)
Closing net book amount as at December 31	$ 140	$ 705	$ 89	$ 934
At December 31				
Cost	$ 1,502	$ 5,436	$ 4,675	$ 11,613
Accumulated depreciation	(1,362)	(4,731)	(4,586)	(10,679)
	$ 140	$ 705	$ 89	$ 934

	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

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, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings and land	$ 5,054	$ 7,076
	Year ended December 31, 2023	Year ended December 31, 2022
Buildings and land	Depreciation charge	Depreciation charge
	$ 6,361	$ 7,119

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $4,340 and $2,394, respectively.

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

	Year ended December 31, 2023	Year ended December 31, 2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 89	$ 171
Expense on short-term lease contracts	91	-

E. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $6,595 and $7,281, respectively.

(8) Intangible assets

	2023		
	Patent	Software	Total
At January 1			
Cost	$ 12,707	$ 1,404	$ 14,111
Accumulated amortisation	(11,625)	(1,175)	(12,800)
	$ 1,082	$ 229	$ 1,311
Opening net book amount as at January 1	$ 1,082	$ 229	$ 1,311
Additions	-	298	298
Amortisation charge	(1,082)	(287)	(1,369)
Closing net book amount as at December 31	$ -	$ 240	$ 240
At December 31			
Cost	$ 12,707	$ 1,702	$ 14,409
Accumulated amortisation	(12,707)	(1,462)	(14,169)
	$ -	$ 240	$ 240

	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

Details of amortisation on intangible assets are as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Operating costs	$ 108	$ 178
Selling expenses	39	7
Administrative expenses	25	31
Research and development expenses	1,197	1,653
Total	$ 1,369	$ 1,869

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. For the year ended at December 31, 2023, 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, 2023 and 2022, were $1,828 and $2,363, 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:

	2023		2022	
	No. of options	Weighted-average exercise price (NTD)	No. of options	Weighted-average exercise price (NTD)
Options outstanding at January 1	319,500	$ 10~137	319,500	$ 10~175
Options forfeited	(50,000)	10~137	-	10~144
Options exercised	(22,500)	10~137	-	10~144
Options outstanding at December 31	247,000	10~137	319,500	10~144
Options exercisable at December 31	247,000	10~137	319,500	10~144

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

		December 31, 2023		December 31, 2022	
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	-	10	13	10
2014.11.18	2024.11.18	-	10	10	10
2015.6.8	2025.6.8	227	121	227	126
2015.11.3	2025.11.3	20	137	70	144

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, 2023	Year ended December 31, 2022
Equity-settled	$ -	$ -

(11) Share capital/Treasury shares

A. As of December 31, 2023, the Company's authorised capital was $2,000,000, consisting of 200,000,000 shares of ordinary stock, and the paid-in capital was $922,449 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:

	2023	2022
	No. of shares	No. of shares
At January 1	87,636,089	73,030,074
Stock dividends of ordinary share	4,382,304	14,606,015
Employee stock options exercised	22,500	-
At December 31	92,040,893	87,636,089

B. In 2023 and 2022, the separate amount recollected due to the exercised employee stock options by the Company is $225 and $0, 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, 2023		December 31, 2022	
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

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.

(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 years ended 31 December 2022 and 2021 was proposed at the shareholders' meeting on June 19, 2023 and June 20, 2022 as follows:

	2022		2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ -		$ 207,182	
Special reserve	-		12,489	
Cash dividends (Note)	43,823	$ 0.50	73,030	$ 1.00
Stock dividends	43,823	0.50	146,060	2.00

The abovementioned distribution of 2022 earnings were in agreement with those amounts proposed by the Board of Directors on March 22, 2023.

Information about the distribution of earnings as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

Note: As authorised by the Company's Articles of Incorporation, the Board of Directors approved the distribution of cash dividends proposal in respect of the year ended December 31, 2022, through a special resolution on March 22, 2023.

(14) Other equity items

	2023		2022	
	Currency translation		Currency translation	
At January 1	$	30,940	($	12,489)
Currency translation differences:				
–Group		5,244		43,429
At December 31	$	36,184	$	30,940

(15) Operating revenue

	Year ended December 31,			
	2023		2022	
Revenue from research and development services	$	10,700	$	209,537

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.

As the impact of COVID-19 pandemic is still ongoing, 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 (already obtained). 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:

2023		Revenue from research and development services
Revenue by region		
United States	$	10,700
Timing of revenue recognition		
At a point in time	$	10,700

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

(16) Expenses by nature

	2023					
	Classified as operating costs		Classified as operating expenses		Total	
Employee benefit expense	$	4,865	$	39,529	$	44,394
Depreciation charges on property, plant and equipment		314		593		907
Depreciation charges on right-of-use assets		1,949		4,412		6,361
Amortisation charges		72		1,297		1,369

	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

(17) Employee benefit expense

	Year ended December 31, 2023	Year ended December 31, 2022
Wages and salaries	$ 35,071	$ 49,287
Labour and health insurance fees	3,456	4,321
Pension costs	1,828	2,363
Directors' remuneration	2,494	2,228
Other personnel expenses	1,545	2,229
	$ 44,394	$ 60,428

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 years ended December 31, 2023 and 2022, no employees' compensation and directors' remuneration were accrued due to accumulated deficit of the Company.

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,	
	2023	2022
Interest income from bank deposits	$ 13,428	$ 8,694

(19) Other income

	Year ended December 31,	
	2023	2022
Service income	$ 20,799	$ 19,402
Dividend income	180	160
Other income	3	-
Total	$ 20,982	$ 19,562

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

(20) Other gains and losses

	Year ended December 31,	
	2023	2022
Gain on disposals of investment	($ 402,960)	$ -
Gains on financial assets at fair value through profit	3,812	681
Net foreign exchange (losses) and gains	(958)	21,809
	($ 400,106)	$ 22,490

(21) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax:		
Current tax on profits for the year	$ 39,416	$ -
Tax on undistributed surplus earnings	-	57,037
Adjustments in respect of prior years	102	(92)
Income tax expense	$ 39,518	$ 56,945

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2023	Year ended December 31, 2022
Tax calculated based on profit (loss) before tax and statutory tax rate	($ 233,019)	($ 75,363)
Effect on income tax expense by tax regulation	126,643	63,490
Tax on undistributed surplus earnings	-	57,037
Temporary differences not recognised as deferred tax assets	15,122	31,061
Taxable loss not recognised as deferred tax assets	91,253	(19,188)
Prior year income tax underestimation (overestimation)	102	(92)
Effect from alternative minimum tax	39,417	-
Income tax expense	$ 39,518	$ 56,945

C. As of December 31, 2023, 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
2016	$ 207,538	$ 4,106	$ 4,106	2026
2017	208,621	180,794	180,794	2027
2019	146,059	144,851	144,851	2029
2020	110,811	67,453	67,453	2030
2021	69,577	11,378	11,378	2031
2023 (Estimate)	456,265	456,086	456,086	2033
	$ 1,198,871	$ 864,668	$ 864,668	

E. For the year ended December 31, 2023, the Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(22) Losses per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
Basic losses per share			
Loss attributable to ordinary shareholders of the parent	($ 1,204,615)	92,036	($ 13.09)

	Year ended December 31, 2022		
		Retrospective adjustment	
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
Basic losses per share			
Loss attributable to ordinary shareholders of the parent	($ 433,758)	92,018	($ 4.71)

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 29, 2022.

B. Due to loss in 2023 and 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,	
	2023	2022
Purchase of property, plant and equipment	$ 579	$ 444
Add: Opening balance of payable on equipment	-	-
Less: Ending balance of payable on equipment	-	-
Cash paid during the period	$ 579	$ 444

(24) Changes in liabilities from financing activities

	2023	2022
	Lease Liability	Lease Liability
At January 1	$ 7,158	$ 11,874
Changes in cash flow from financing activities	(6,415)	(7,110)
Changes in other non-cash items	4,340	2,394
At December 31	$ 5,083	$ 7,158

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 sold all of its shares of Delta Asia International Corporation in May 2023 and lost its directorship. It is now considered a non-related party. Please refer to Note 6(5).

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,	
	2023	2022
Delta Asia International Corporation	$ -	$ 4,615

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,	
	2023	2022
MedeonBio, Inc.	$ 27,027	$ 18,426
Delta Asia International Corporation	-	156
	$ 27,027	$ 18,582

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,	
	2023	2022
Prodeon Medical Corporation	$ 10,805	$ 13,678
Medeologix, Inc.	9,000	4,500
Aquedeon Medical, Inc.	994	1,224
	$ 20,799	$ 19,402

(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.

D. Other receivables

	December 31, 2023	December 31, 2022
Medeologix, Inc.	$ 4,724	$ 4,725
Prodeon Medical Corporation	2,647	2,931
	$ 7,371	$ 7,656

The abovementioned other receivables arose from the research and management of medical devices commissioned to the Company by the subsidiaries, Prodeon Medical Corporation and Medeologix, Inc.. The Company receives payments every 3 months and the period of payment is 30 to 60 days.

E. Other payables

	December 31, 2023	December 31, 2022
MedeonBio, Inc.	$ 6,605	$ 18,426
Medeon International, Inc.	6,851	6,854
	$ 13,456	$ 25,280

The abovementioned other payables arose from commissioning the second-tier subsidiary, MedeonBio, Inc. for research and development of medical devices and business promotion for products. Additionally, the Company shall pay the subsidiary, Medeon International, Inc. 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,	
	2023	2022
Salaries and other short-term employee benefits	$ 8,727	$ 15,455
Share-based payment	4,398	-
Total	$ 13,125	$ 15,455

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

A. On January 18, 2024, the Board of Directors of the Company resolved to participate in capital increase of the subsidiary, Medeologix, Inc., by the percentages of shareholding subscribing for 12,600,000 shares in the amount of NTD 315,000,000 and increasing its shareholding to approximately 96.61%.

B. On February 29, 2024, the Board of Directors of the Company resolved to private raising plans placement of the Company of cash capital increase, the issuance of common shares are less than 35,000,000 shares with a par value of NTD 10. As of February 29, 2024, the plans have not been proposed at the shareholders' meeting.

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, 2023 and 2022, 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, 2023		December 31, 2022
Financial assets				
Financial assets at fair value through profit or loss				
Financial assets mandatorily measured at fair value through profit or loss	$	11,227	$	7,160
Financial assets at amortised cost				
Cash and cash equivalents		1,031,405		146,945
Financial assets at amortised cost		622,010		1,015,670
Accounts receivable		-		8,775
Other receivables (including related parties)		10,261		12,053
Guarantee deposits paid		620		1,990
	$	1,675,523	$	1,192,593
Financial liabilities				
Financial liabilities at amortised cost				
Other accounts payable (including related parties)	$	41,176	$	72,772
Lease liability	$	5,083	$	7,158

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, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 4,421	30.71	$ 135,747
Non-monetary items			
USD:NTD	2,646	30.71	$ 81,231
Financial liabilities			
Monetary items			
USD:NTD	445	30.71	13,664

	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

v. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to ($958) and $21,809, respectively.

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

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 1,357	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	137	-

	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	-

(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, 2023 and 2022, 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, 2023					
Expected loss rate	0.03%	0.03%	0.03%	25.00%	
Total book value	$ -	$ -	$ -	$ -	$ -
Loss allowance	$ -	$ -	$ -	$ -	$ -
At December 31, 2022					
Expected loss rate	0.03%	0.03%	0.03%	25.00%	
Total book value	$ 8,775	$ -	$ -	$ -	$ 8,775
Loss allowance	$ -	$ -	$ -	$ -	$ -

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

	2023	2022
	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, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Other payables (including related parties)	$ 41,176	$ -	$ -	$ -
Lease liability	2,305	1,896	990	-

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	-

(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, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 11,227	$ -	$ -	$ 11,227

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

(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, 2023 and 2022, 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, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
The Company	Medimaging Integrated Solution Inc.	None	Current financial assets at fair value through profit or loss	102,999	$ 11,227	0.30	$ 11,227	
The Company's subsidiary	Star Victoria Limited	None	Current financial assets at fair value through profit or loss	714	30,705	1.43	30,705	

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, 2023

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, 2023		Addition		Disposal				Balance as at December 31, 2023	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Medeon Biodesign, Inc.	Delta Asia International	Investments accounted for using equity method	Not applicable	Investments accounted for using equity method	7,207	$1,876,293	-	$ -	7,207	$ 1,479,671	$ 1,882,631	($ 402,960)	-	$ -

MEDEON BIODESIGN, INC.

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets
0	Medeon Biodesign, Inc.	Medeon International, Inc.	1	Other payables- related parties	$ 6,851	Agreed by both parties	0.25
0	Medeon Biodesign, Inc.	Medeologix, Inc.	1	Other receviable- related parties	4,724	Agreed by both parties	0.17
0	Medeon Biodesign, Inc.	Medeologix, Inc.	1	Other Revenue	9,000	Agreed by both parties	4.59
0	Medeon Biodesign, Inc.	Prodeon Medical Corporation	1	Other Revenue	10,805	Agreed by both parties	5.51
0	Medeon Biodesign, Inc.	Prodeon Medical Corporation	1	Other receviable- related parties	2,647	Agreed by both parties	0.10
0	Medeon Biodesign, Inc.	MedeonBio, Inc.	1	Other payables- related parties	6,605	Agreed by both parties	0.24
0	Medeon Biodesign, Inc.	MedeonBio, Inc.	1	Operating Expense	27,027	Agreed by both parties	13.77
1	MedeonBio, Inc.	Aquedeon Medical, Inc.	3	Other Revenue	11,144	Agreed by both parties	5.68
1	MedeonBio, Inc.	Prodeon Medical, Inc.	3	Other receviable- related parties	1,367	Agreed by both parties	0.05
1	MedeonBio, Inc.	Prodeon Medical, Inc.	3	Other Revenue	17,019	Agreed by both parties	8.67
1	MedeonBio, Inc.	Second Source Medical LLC	3	Other receviable- related parties	1,413	Agreed by both parties	0.05
1	MedeonBio, Inc.	Second Source Medical LLC	3	Other Revenue	16,290	Agreed by both parties	8.30
1	MedeonBio, Inc.	MediBalloon, Inc.	3	Other Revenue	5,466	Agreed by both parties	2.79
3	Prodeon Medical Corporation	Prodeon Medical, Inc.	3	Other payables- related parties	67,605	Agreed by both parties	2.46
3	Prodeon Medical Corporation	Prodeon Medical, Inc.	3	Operating Expense	368,294	Agreed by both parties	187.65
7	MediBalloon, Inc.	Second Source Medical LLC	3	Other receviable- related parties	1,242	Agreed by both parties	0.05
7	MediBalloon, Inc.	Second Source Medical LLC	3	Other Revenue	2,353	Agreed by both parties	1.20
7	MediBalloon, Inc.	Second Source Medical LLC	3	Operating Expense	5,228	Agreed by both parties	2.66
7	MediBalloon, Inc.	Medeologix, Inc.	3	Other payables- related parties	1,409	Agreed by both parties	0.05
7	MediBalloon, Inc.	Medeologix, Inc.	3	Other Revenue	1,488	Agreed by both parties	0.76
7	MediBalloon, Inc.	Medeologix, Inc.	3	Operating Expense	1,970	Agreed by both parties	1.00

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
Medeologix, Inc.：8

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, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31,2023: Number of shares	Shares held as at December 31,2023: Ownership (%)	Shares held as at December 31,2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income(loss) recognised by the Company for the year ended December 31, 2023	Footnote
Medeon Biodesign, Inc.	Delta Asia International	Taiwan (R.O.C)	Manufacturing and sales of medical device components	$ -	$ 149,726	-	0.00	$ -	$ 49,636	$ 13,544	
Medeon Biodesign, Inc.	Prodeon Medical Corporation	Taiwan (R.O.C)	Manufacturing and development of medical devices	1,426,658	967,658	22,586,000	88.41	255,916	(365,870)	(318,811)	NOTE3
Medeon Biodesign, Inc.	Yi Chuang Biodesign, Inc.	Taiwan (R.O.C)	Sales of medical devices	100	100	10,000	100.00	73	(1)	(1)	
Medeon Biodesign, Inc.	Medeologix, Inc.	Taiwan (R.O.C)	Manufacturing and sales of medical devices	840,000	600,000	40,214,174	95.60	384,988	(338,623)	(323,961)	
Medeon Biodesign, Inc.	Medeon International, Inc.	Samoa	Equity investment and commerce of medical devices	796,979	675,539	26,939,999	100.00	81,231	(80,529)	(80,529)	
Medeon International, Inc.	Aquedeon Mediacal, Inc.	US	Manufacturing and development of medical devices	512,374	375,341	8,400,000	97.03	43,285	(82,905)	(80,535)	NOTE1.2
Prodeon Medical Corporation	Prodeon Medical, Inc.	US	Manufacturing and development of medical devices	84,270	84,270	3,000	100.00	89,616	22,956	22,956	
Medeologix, Inc.	MediBalloon, Inc.	US	Manufacturing and sales of medical devices	234,603	141,353	16,500,000	100.00	92,750	(102,392)	(102,392)	
Medeologix, Inc.	MedeonBio, Inc.	US	Manufacturing and development of medical devices	99,509	99,509	2,900,000	100.00	34,100	(37,832)	(37,832)	
Medeologix, Inc.	Second Source Medical, LLC	US	Manufacturing and sales of medical devices	288,807	227,847	-	100.00	152,549	(94,962)	(94,962)	

Note 1：It is originally 17,560,000 US dollars.
Note 2：Preferred stock.
Note 3：Preferred stock in the amount of 14,357,500 shares is included.

MEDEON BIODESIGN, INC.

Major shareholders information

December 31,2023

Table 5

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Center Laboratories, Inc	27,411,028	29.71
Medeon, Inc. (US)	10,450,911	11.32

MEDEON BIODESIGN, INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT1

Item	Description	Amount	
Cash on hand		$	50
Demand deposits			957,017
Foreign demand deposits	USD 2,421,048；conversion rate 30.71		74,338
		$	1,031,405

MEDEON BIODESIGN, INC.
STATEMENT OF CURRENT FINANCIAL ASSETS AT AMORTISED COST
DECEMBER 31, 2023
(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 30, 2023, to February 25, 2024. and the rate is 1.13% to 1.30%.	$ 560,600	
Foreign currency time deposits	Time deposits is USD 2,000,000, October 17, 2022 to January 17, 2024, and the rate is 4.00%	61,410	
		$ 622,010	

MEDEON BIODESIGN, INC.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(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 Corporation	7,206,777	$ 1,876,293	-	$ 13,544	(7,206,777)	($ 1,889,837)	-	0.00%	$ -	-	$ -	None
Prodeon Medical Corporation	16,848,500	167,514	5,737,500	459,000	-	(370,598)	22,586,000	88.41%	255,916	11.33	255,916	None
Yi Chuang Biodesign, Inc.	10,000	74	-	-	-	(1)	10,000	100.00%	73	7.36	73	None
Medeon International, Inc.	22,939,999	41,044	4,000,000	121,440	-	(81,253)	26,939,999	100.00%	81,231	3.02	81,231	None
Medeologix, Inc.	30,614,174	445,680	9,600,000	240,000		(300,692)	40,214,174	95.60%	384,988	9.57	384,988	None
		$ 2,530,605		$ 833,984		($ 2,642,381)			$ 722,208		$ 722,208	

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, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT4

Item	Amount		Note
Cost of service	$	4,086	
Depreciation expense		2,263	
Amortization expense		72	
Utilities expense		516	
Professional service fees		260	
Other expenses		1,725	Balance of individual accounts is under 5% of this account's balance.
	$	8,922	

MEDEON BIODESIGN, INC.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT5

Item	General and Administrative expenses	Reseach and Development expenses	Total	
Wages and salaries	$ 26,802	$ 6,677	$ 33,479	
Service expense	34,994	3,122	38,116	
Depreciation expense	1,844	3,161	5,005	
Amortizations	64	1,233	1,297	
Traveling expense	75	197	272	
Other	8,270	4,893	13,163	Balance of individual accounts is under 5% of this account's balance.
	$ 72,049	$ 19,283	$ 91,332	

MEDEON BIODESIGN, INC.
EMPLOYEE BENEFITS, DEPRECIATION AND AMORTISATION EXPENSES SUMMARISED BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT6

Function / Nature	Year ended December 31, 2023			Year ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ 4,086	$ 30,985	$ 35,071	$ 12,230	$ 37,057	$ 49,287
Labour and health insurance fees	406	3,050	3,456	993	3,328	4,321
Pension costs	217	1,611	1,828	523	1,840	2,363
Directors' remuneration	-	2,494	2,494	-	2,228	2,228
Other personnel expenses	156	1,389	1,545	582	1,647	2,229
Depreciation charges on property, plant and equipment	314	593	907	1,163	466	1,629
Depreciation charges on right-of-use-assets	1,949	4,412	6,361	5,521	1,598	7,119
Amortisation Expense	72	1,297	1,369	178	1,691	1,869

Note：

1. As at December 31, 2023 and 2022, the Company had 35 and 47 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 $1,552. (『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 $1,455. (『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, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT6

(2) Average employees salaries in current year was $1,299. (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 $1,232. (Total wages and salarie in previous year/『Number of employee in previous year-Number of non-employee directors』).
(3) The average employees salaries decreased by5.44 % 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 and previous year was both $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.

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.