Maxigen Biotech Inc.

PARENT COMPANY ONLY FINANCIAL

STATEMENTS AND INDEPENDENT AUDITORS'

REPORT

DECEMBER 31, 2022 AND 2021

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Maxigen Biotech Inc.

Opinion

We have audited the accompanying parent company only balance sheet of Maxigen Biotech Inc., Ltd. (the "Company") as at December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the year then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

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

The key audit matters in relation to the parent company only financial statements for the year ended December 31, 2022 are outlined as follows:

Existence and occurrence of top ten customers

Description

The Company and its subsidiaries (listed as investments accounted for under equity method) are primarily engaged in production and sales of biomedical materials and care products. Except for Taiwan, the Company's and its subsidiaries' (listed as investments accounted for under equity method) customers are spread in America, Europe, Mainland China and South East Asia, the transaction terms for each customer were not the same, the audit procedures required more human resource, and the revenue from the Company's and its subsidiaries' (listed as investments accounted for under equity method) top 10 customers presented significant proportion in the operating revenue of consolidated financial statements. Thus, we considered existence and occurrence of top 10 sales customers as a key audit matter.

Please refer to Note 4(25) for accounting policies on revenue recognition and Note 6(18) for details of sales revenue and Note 6(5) for details of investments accounted for under equity method.

How our audit addressed the matter

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

A. Understood and tested the internal control of sales revenue recognition of top 10 customers, and tested the effectiveness of internal control in relation to the sales revenue.

B. Sampled and verified the sales orders and delivery documents of top 10 customers, and confirmed that the sales revenue transaction actually occurred.

C. Sampled and verified the sales returns and discounts of top 10 customers, and confirmed the existence of sales revenue recognition.

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 the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing the Company'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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Company 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 the Company 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 auditor's 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.

Hsu, Ming-Chuan

Chih, Ping-Chiun

For and on behalf of PricewaterhouseCoopers, Taiwan
March 22, 2023

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and report of independent accountants 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.

Maxigen Biotech Inc.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 764,600	53	$ 497,271	39
1136	Current financial assets at amortised cost	6(2)	10,316	1	26,872	2
1150	Notes receivable, net	6(3)	28,999	2	47,629	4
1170	Accounts receivable, net	6(3)	47,165	3	45,625	4
1180	Accounts receivable due from related parties, net	7	65,263	4	28,311	2
1200	Other receivables		17	-	4,110	-
1210	Other receivables due from related parties	7	1,205	-	46	-
130X	Current inventories	6(4)	63,657	4	78,954	6
1410	Prepayments	6(6)	11,942	1	49,759	4
1470	Other current assets		889	-	184	-
11XX	**Current assets**		994,053	68	778,761	61
	Non-current assets					
1550	Investments accounted for using equity method	6(5)	8,511	1	8,496	1
1600	Property, plant and equipment	6(7)	434,622	30	456,062	36
1755	Right-of-use assets	6(8)	-	-	9,391	1
1760	Investment property, net	6(9)	8,828	1	8,859	1
1780	Intangible assets	6(10)	1,161	-	1,830	-
1840	Deferred tax assets	6(25)	3,164	-	393	-
1900	Other non-current assets	6(6)(12)	6,674	-	5,111	-
15XX	**Non-current assets**		462,960	32	490,142	39
1XXX	**Current tax assets**		$ 1,457,013	100	$ 1,268,903	100

(Continued)

Maxigen Biotech Inc.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(18)	$ 3,690	-	$ 9,822	1
2150	Notes payable		-	-	100	-
2170	Accounts payable		14,841	1	17,536	1
2180	Accounts payable to related parties	7	21,626	2	23,281	2
2200	Other payables	6(11)	75,587	5	52,610	4
2220	Other payables to related parties	7	1,579	-	54	-
2230	Current tax liabilities	6(25)	27,132	2	9,281	1
2280	Current lease liabilities		-	-	2,362	-
2300	Other current liabilities		63	-	21	-
21XX	**Current liabilities**		144,518	10	115,067	9
	Non-current liabilities					
2570	Deferred tax liabilities		547	-	-	-
2580	Non-current lease liabilities		-	-	7,278	1
2600	Other non-current liabilities	6(5)	16,291	1	4,840	-
25XX	**Non-current liabilities**		16,838	1	12,118	1
2XXX	**Liabilities**		161,356	11	127,185	10
	Equity					
	Share capital	6(14)				
3110	Ordinary share		846,991	58	769,992	61
	Capital surplus	6(15)				
3200	Capital surplus		281,902	19	264,392	20
	Retained earnings	6(16)				
3310	Legal reserve		28,322	2	19,604	2
3320	Special reserve		2,961	-	2,985	-
3350	Unappropriated retained earnings		138,518	10	87,706	7
	Other equity interest	6(17)				
3400	Other equity interest		(3,037)	-	(2,961)	-
3XXX	**Equity**		1,295,657	89	1,141,718	90
3X2X	**Total liabilities and equity**		$ 1,457,013	100	$ 1,268,903	100

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

Maxigen Biotech Inc.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Items	Notes	Year ended December 31			
			2022		2021	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(18) and 7	$ 521,159	100	$ 511,304	100
5000	Operating costs	6(4)(14)(24)(25) and 7	(167,697)	(32)	(250,949)	(49)
5900	Net operating margin		353,462	68	260,355	51
5910	Unrealized profit from sales	6(5)	(13,818)	(3)	-	-
5950	Net operating margin		339,644	65	260,355	51
	Operating expenses	6(14)(24)(25)				
6100	Selling expenses		(46,269)	(9)	(39,032)	(8)
6200	General and administrative expenses		(62,684)	(12)	(52,457)	(10)
6300	Research and development expenses		(99,632)	(19)	(75,681)	(15)
6450	Impairment loss determined in accordance with IFRS 9		(4,716)	(1)	(3,024)	-
6000	Total operating expenses		(213,301)	(41)	(170,194)	(33)
6900	Operating profit		126,343	24	90,161	18
	Non-operating income and expenses					
7100	Interest income		3,084	1	470	-
7010	Other income	6(20) and 7	1,144	-	11,453	2
7020	Other gains and losses	6(21)	32,924	6	(3,205)	(1)
7050	Finance costs	6(22)	(68)	-	(194)	-
7070	Share of profit (loss) of associates and joint ventures accounted for using equity method, net	6(5)	2,359	1	(1,285)	-
7000	Total non-operating income and expenses		39,443	8	7,239	1
7900	**Profit (loss) before income tax**		165,786	32	97,400	19
7950	Income tax expense	6(25)	(26,382)	(5)	(9,733)	(2)
8200	**Profit (loss) for the year**		$ 139,404	27	$ 87,667	17
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gains (losses) on remeasurements of defined benefit plans		$ 1,127	-	$ 269	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(5)(17)	(76)	-	24	-
8300	**Other comprehensive loss for the year**		$ 1,051	-	$ 293	-
8500	**Total comprehensive income for the year**		$ 140,455	27	$ 87,960	17
	Earnings per share (In dollars)					
9750	Basic earnings per share	6(26)	$	1.65	$	1.09
9850	Diluted earnings per share	6(26)	$	1.64	$	1.09

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

Maxigen Biotech Inc.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Retained Earnings: Legal reserve	Retained Earnings: Special reserve	Retained Earnings: Total unappropriated retained earnings (accumulated deficit)	Financial statements translation differences of foreign operations	Amount
For the year ended December 31, 2021								
Balance at January 1, 2021		$ 694,650	$ 89,181	$ 13,289	$ 2,931	$ 63,161	($ 2,985)	$ 860,227
Profit for the year		-	-	-	-	87,667	-	87,667
Other comprehensive loss for the year	6(17)	-	-	-	-	269	24	293
Total comprehensive income (loss)		-	-	-	-	87,936	24	87,960
Appropriations of 2020 earnings								
Legal reserve		-	-	6,315	-	(6,315)	-	-
Special reserve		-	-	-	54	(54)	-	-
Cash dividends		-	-	-	-	(56,267)	-	(56,267)
Share-based payments	6(13)(24)	-	3,203	-	-	(755)	-	2,448
Seasoned equity offering		75,342	172,008	-	-	-	-	247,350
Balance at December 31, 2021		$ 769,992	$ 264,392	$ 19,604	$ 2,985	$ 87,706	($ 2,961)	$ 1,141,718
For the year ended December 31, 2022								
Balance at January 1, 2022		$ 769,992	$ 264,392	$ 19,604	$ 2,985	$ 87,706	($ 2,961)	$ 1,141,718
Profit for the year		-	-	-	-	139,404	-	139,404
Other comprehensive income (loss) for the year	6(17)	-	-	-	-	1,127	(76)	1,051
Total comprehensive income		-	-	-	-	140,531	(76)	140,455
Appropriations of 2021 earnings								
Legal reserve		-	-	8,718	-	(8,718)	-	-
Reversal of special reserve		-	-	-	(24)	24	-	-
Stock dividends		76,999	-	-	-	(76,999)	-	-
Share-based payments	6(13)(24)	-	17,510	-	-	(4,026)	-	13,484
Balance at December 31, 2022		$ 846,991	$ 281,902	$ 28,322	$ 2,961	$ 138,518	($ 3,037)	$ 1,295,657

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

Maxigen Biotech Inc.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 165,786	$ 97,400
Adjustments			
Adjustments to reconcile profit (loss)			
Impairment loss determined in accordance with IFRS 9	6(3)	4,716	3,024
Gain on disposal of property, plant and equipment	6(21)	(1,026)	(295)
Gains arising from lease modifications		(256)	-
Share of (profit) loss of subsidiaries accounted for under equity method	6(5)	(2,359)	1,285
Depreciation	6(6)(7)(23)	28,713	31,705
Amortisation	6(23)	869	1,031
Interest income	6(19)	(3,084)	(470)
Interest expense	6(22)	68	194
Compensation cost arising from employee stock options	6(15)	13,484	2,448
Unrealized profit from sales	6(5)	13,818	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		18,630	(12,065)
Accounts receivable		(6,256)	(1,922)
Accounts receivable due from related parties		(36,952)	(3,809)
Other receivables		4,093	1,548
Other receivables due from related parties	7	(1,159)	(6)
Inventories		15,297	8,030
Prepayments		37,817	(30,463)
Other current assets		(705)	235
Changes in operating liabilities			
Contract liabilities - current		(6,132)	7,405
Notes payable		(100)	100
Accounts payable		(2,695)	(10,369)
Accounts payable to related parties	7	(1,655)	18,185
Other payables		23,206	12,333
Other payables to related parties	7	1,525	54
Other current liabilities		42	10
Cash inflow generated from operations		265,685	125,588
Interest received		3,084	470
Interest paid		(68)	(191)
Income tax paid		(10,755)	(8,395)
Net cash flows from operating activities		257,946	117,472

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Maxigen Biotech Inc.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in financial assets at amortised cost		$ 16,556	($ 13,741)
Acquisition of property, plant and equipment	6(27)	(11,819)	(14,258)
Proceeds from disposal of property, plant and equipment		6,281	295
Acquisition of intangible assets		(150)	(1,188)
Decrease (increase) in refundable deposits		2,002	(1,482)
Increase in prepayments for purchase of equipment		(2,473)	-
Decrease in other non-current assets		35	27,877
Net cash flows from (used in) investing activities		10,432	(2,497)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of principal portion of lease liabilities	6(7)(28)	(950)	(2,320)
(Decrease) Increase in other non-current liabilities		(99)	99
Cash dividends paid		-	(56,267)
Proceeds from issuing shares	6(14)	-	247,350
Net cash flows (used in) from financing activities		(1,049)	188,862
Net increase in cash and cash equivalents		267,329	303,837
Cash and cash equivalents at beginning of year	6(1)	497,271	193,434
Cash and cash equivalents at end of year	6(1)	$ 764,600	$ 497,271

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

MAXIGEN BIOTECH INC. AND SUBSIDIARIES

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 AND 2021

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

1. HISTORY AND ORGANISATION

Maxigen Biotech Inc. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in collagen purification, research and development, production and sales of implantable medical device, and production, manufacturing, wholesale and retail of cosmetics. TCI CO., LTD. held 22.83% equity shares in the Company.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 22, 2023.

3. Application of New Standards, Amendments and Interpretations

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

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

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

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

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

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

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

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

Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment 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 financial statements are measured using the currency of the primary economic environment in which the entity 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

(a) 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:

i. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expense presented in each comprehensive income statement are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(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 deferred unconditionally for at least 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 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 amortised cost

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.

(7) 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.

(8) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income, financial assets at amortised cost and accounts receivable that contain a significant financing component, 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.

(9) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(11) Investments accounted for using equity method / subsidiary

A. Subsidiaries are all entities (including structured entity) 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. Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company's interest in the subsidiaries. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acqusition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company should continue to recognize losses in proportion to its ownership.

D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transaction 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 recognized directly in equity.

E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss.All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss, on the same basis as would be required if all the related assets or liabilities were disposed of. That is, other comprehensive income in relation to the subsidiary should be reclassified to profit or loss.

F. According to "Regulations Governing the Preparation of Financial Reports by Securities Issuers", profit and other comprehensive income in the separate financial statements should be the same as profit and other comprehensive income attributable to shareholders of the parent in the consolidated financial statements, and the equity in the separate financial statements should be the same as the equity attributable to shareholders of the parent in the consolidated financial statements.

(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 are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method 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:

Buildings and structures	15 ~ 50 years
Machinery and equipment	3 ~ 8 years
Transportation equipment	3 ~ 6 years
Office equipment	3 ~ 6 years
Leasehold assets	5 ~ 10 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 the following:

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.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(14) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 15 ~ 50 years.

(15) Intangible assets

A. Trademarks, patents and business rights

Separately acquired trademarks, patents and business rights are stated at historical cost. Trademarks, patents and business rights acquired in a business combination are recognised at fair value at the acquisition date. Trademarks, patents and business rights have a finite useful life and are amortised on a straight-line basis over their estimated useful lives of 15 to 20 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

C. Technology authorisation and certification fee

Technology authorisation and certification fee is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 7 years.

(16) 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.

(17) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

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

(18) Derecognition of financial liabilities

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

(19) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount 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.

(20) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and are recognised as expenses in the period in which the employees render service.

B. Pensions

(a) Defined contribution plan

For the 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.

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on the defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. 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 accrued amounts and the subsequently actual distributed amounts resolved by the shareholders is accounted for as changes in estimates.

(21) 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.

(22) 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 in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the parent company only 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 and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

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

(23) Share capital

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.

(24) 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.

(25) Revenue recognition

A. The Company manufactures and sells consumer products related to biomedical materials. Sales are recognised when control of the products has transferred, being when the products are delivered to the buyer, the buyer has full discretion over the channel and price to sell the products, 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.

B. The products are often sold with price break based on aggregate sales. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated price break. Accumulated experience is used to estimate and provide for the price break, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date.

(26) Government grants

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

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

The preparation of these separate 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. The related information is addressed below:

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

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 489	$ 217
Checking accounts and demand deposits	196,717	281,714
Time deposits	567,394	215,340
Total	$ 764,600	$ 497,271

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

B. As of December 31, 2022 and 2021, the Company had restricted time deposits in performance guarantee accounts due to government grants and customs for negotiation in the amounts of $1,500 and $13,032 which were classified as 'financial assets at amortised cost', please refer to Note 8.

(2) Financial assets at amortized cost

Items	December 31, 2022	December 31, 2021
Current items:		
Time deposits	$ 10,316	$ 26,872

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

	Year ended December 31	
	2022	2021
Interest income	$ 297	$ 386

B. The Company's financial assets at amortised cost comprise of the time deposits in banks with good credit rating.

C. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was $10,316 and $26,872, respectively.

D. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.

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

(3) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 28,999	$ 47,629
Less: Loss allowance	-	-
	$ 28,999	$ 47,629
Accounts receivable	$ 54,905	$ 48,649
Less: Loss allowance	(7,740)	(3,024)
	$ 47,165	$ 45,625

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

	December 31, 2022	December 31, 2021
Not past due	$ 74,145	$ 88,270
Up to 30 days	2,019	380
31 to 90 days	-	-
91 to180 days	-	4,604
Over 180 days	-	-
	$ 76,164	$ 93,254

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2021, the balance of receivables from contracts with customers amounted to $46,727.

C. The Company has no notes and accounts receivable pledged to others as collateral.

D. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable was $28,999 and $47,629 ; $47,165 and $45,625, respectively.

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

(4) Inventories

	December 31,2022		
	Cost	Allowance for valuation loss	Carrying amount
Raw materials	$ 29,506	($ 4,817)	$ 24,689
Work in progress	24,863	-	24,863
Finished goods	14,222	(117)	14,105
	$ 68,591	($ 4,934)	$ 63,657

	December 31, 2021		
	Cost	Allowance for valuation loss	Carrying amount
Raw materials	$ 31,625	($ 5,988)	$ 25,637
Work in progress	21,732	(1,670)	20,062
Finished goods	5,564	(555)	5,009
Inventory in transit	28,246	-	28,246
	$ 87,167	($ 8,213)	$ 78,954

The cost of inventories recognised as expense for the years ended December 31, 2022 and 2021, was $167,697 and $250,949, respectively, including the amounts of $1,689 and $12,804, respectively, that the Company wrote down from cost to net realisable value accounted for as cost of goods sold.

(5) Investments accounted for using equity method

	2022	2021
At January 1	$ 8,496	$ 8,555
At the beginning of credit balance of investments accounted for using equity method transferred to other non-current liabilities	(4,722)	(3,520)
Share of profit or loss of investments accounted for using equity method	2,359	(1,285)
Unrealized profit from sales	(13,818)	-
Changes in other equity items	(76)	24
Credit balance of investments accounted for using equity method transferred to other non-current liabilities	16,272	4,722
At December 31	$ 8,511	$ 8,496

	December 31, 2022	December 31, 2021
HORAY INC.	$ 8,511	$ 8,496
Maxigen Biotech (Shanghai) Co., Ltd.	(16,272)	-
Maxigen Biotech International Investment Corporation Limited (Note)	-	(4,722)
	(7,761)	3,774
Add: Credit balance of investments accounted for under equity method (shown as ‘2600 Other noncurrent liabilities’)	16,272	4,722
	$ 8,511	$ 8,496

Information about the Company’s subsidiaries is provided in Note 4(3) of the 2022 consolidated financial statements.

Note : The Company dissolution and liquidation were completed on August 10, 2022.

(6) Other current assets and other non-current assets

	December 31,2022	December 31, 2021
Other current assets		
Prepaid expenses	$ 11,592	$ 47,801
Prepayments to suppliers	138	1,680
Prepaid insurance premiums	212	278
Total	$ 11,942	$ 49,759

	December 31,2022	December 31, 2021
Other non-current assets		
Prepayment for equipment	$ 2,473	$ -
Net defined benefit asset	3,993	2,901
Guarantee deposits paid	208	2,210
	$ 6,674	$ 5,111

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery and eqipment	Transportation equipment	Office equipment	Leasehold improvements	Unfinished Construction	Total
At January 1, 2022								
Cost	$ 133,225	$ 302,483	$ 128,739	$ 1,256	$ 29,553	$ 23,696	$ 18,793	$ 637,745
Accumulated depreciation	-	(55,694)	(84,088)	(1,118)	(21,294)	(19,489)	-	(181,683)
	$ 133,225	$ 246,789	$ 44,651	$ 138	$ 8,259	$ 4,207	$ 18,793	$ 456,062
2022								
At January 1	$ 133,225	$ 246,789	$ 44,651	$ 138	$ 8,259	$ 4,207	$ 18,793	$ 456,062
Additions	-	630	3,334	1,274	2,251	-	4,101	11,590
Disposals	-	-	(5,031)	-	(224)	-	-	(5,255)
Transfers	-	-	1,005	-	238	-	(1,293)	(50)
Depreciation charge	-	(10,592)	(12,171)	(393)	(3,577)	(992)	-	(27,725)
At December 31	$ 133,225	$ 236,827	$ 31,788	$ 1,019	$ 6,947	$ 3,215	$ 21,601	$ 434,622
At December 31, 2022								
Cost	$ 133,225	$ 303,113	$ 118,652	$ 1,531	$ 29,700	$ 18,911	$ 21,601	$ 626,733
Accumulated depreciation	-	(66,286)	(86,864)	(512)	(22,753)	(15,696)	-	(192,111)
	$ 133,225	$ 236,827	$ 31,788	$ 1,019	$ 6,947	$ 3,215	$ 21,601	$ 434,622

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Leasehold improvements	Unfinished Construction	Total
At January 1, 2021								
Cost	$ 133,225	$ 301,798	$ 111,504	$ 3,356	$ 26,404	$ 21,863	$ 26,034	$ 624,184
Accumulated depreciation	-	(45,165)	(69,758)	(2,892)	(18,140)	(18,631)	-	(154,586)
	$ 133,225	$ 256,633	$ 41,746	$ 464	$ 8,264	$ 3,232	$ 26,034	$ 469,598
2021								
At January 1	$ 133,225	$ 256,633	$ 41,746	$ 464	$ 8,264	$ 3,232	$ 26,034	$ 469,598
Additions	-	685	4,269	-	3,197	447	7,178	15,776
Transfers	-	-	13,007	-	26	1,386	(14,419)	-
Depreciation charge	-	(10,529)	(14,371)	(326)	(3,228)	(858)	-	(29,312)
At December 31	$ 133,225	$ 246,789	$ 44,651	$ 138	$ 8,259	$ 4,207	$ 18,793	$ 456,062
At December 31, 2021								
Cost	$ 133,225	$ 302,483	$ 128,739	$ 1,256	$ 29,553	$ 23,696	$ 18,793	$ 637,745
Accumulated depreciation	-	(55,694)	(84,088)	(1,118)	(21,294)	(19,489)	-	(181,683)
	$ 133,225	$ 246,789	$ 44,651	$ 138	$ 8,259	$ 4,207	$ 18,793	$ 456,062

The Company has not provided property, plant and equipment pledged to others as collateral.

(8) Leasing arrangements-lessee

A. The Company leases various assets including buildings. Rental contracts are typically made for periods of 5 to 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	December 31, 2022	December 31, 2021
	Carrying amount	Carrying amount
Buildings	$ -	$ 9,391

	Year ended December 31	
	2022	2021
	Depreciation charge	Depreciation charge
Buildings	$ 957	$ 2,362

C. For the years ended December 31, 2022 and 2021, there were no additions to right-of-use assets .

D. Information on profit or loss in relation to lease contracts is as follows:

	Year ended December 31	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 68	$ 194
Expense on short-term lease contracts	$ 41	$ -
Expense on leases of low-value assets	$ 126	$ 199
Gain or loss on lease modification	$ 256	$ -

E. For the years ended December 31, 2022 and 2021, the additions total cash outflow for leases were $1,117 and $2,713, respectively.

(9) Investment property

	Land	Buildings and structures	Total
At January 1, 2022			
Cost	$ 7,949	$ 1,578	$ 9,527
Accumulated depreciation and impairment	-	(668)	(668)
	$ 7,949	$ 910	$ 8,859
2022			
At January 1	$ 7,949	$ 910	$ 8,859
Accumulated depreciation and impairment	-	(31)	(31)
At December 31	$ 7,949	$ 879	$ 8,828
At December 31, 2022			
Cost	$ 7,949	$ 1,578	$ 9,527
Accumulated depreciation and impairment	-	(699)	(699)
	$ 7,949	$ 879	$ 8,828

	Land	Buildings and structures	Total
At January 1, 2021			
Cost	$ 7,949	$ 1,578	$ 9,527
Accumulated depreciation and impairment	-	(637)	(637)
	$ 7,949	$ 941	$ 8,890
2021			
At January 1	$ 7,949	$ 941	$ 8,890
Depreciation charge	-	(31)	(31)
At December 31	$ 7,949	$ 910	$ 8,859
At December 31, 2021			
Cost	$ 7,949	$ 1,578	$ 9,527
Accumulated depreciation and impairment	-	(668)	(668)
	$ 7,949	$ 910	$ 8,859

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31	
	2022	2021
Rental income from investment property	$ 238	$ 381
Direct operating expenses arising from the investment property that generated rental income during the year	$ 16	$ 31
Direct operating expenses arising from the investment property that did not generate rental income during the year	$ 15	$ -

B. The fair value of the investment property held by the Company as at December 31, 2022 and 2021 was $22,839 and $19,359, respectively. The valuation was estimated from the average transaction price in the location of investment property and was categorised within Level 3 fair value.

(10) Intangible assets

	Trademarks and patents	Business rights	Technology authorisation and certification fee	Computer software	Total
At January 1, 2022					
Cost	$ 1,200	$ 4,800	$ 8,643	$ 2,355	$ 16,998
Accumulated amortisation and impairment	(920)	(4,800)	(8,087)	(1,361)	(15,168)
	$ 280	$ -	$ 556	$ 994	$ 1,830
2022					
At January 1	$ 280	$ -	$ 556	$ 994	$ 1,830
Additions	-	-	100	100	200
Amortisation charge	(120)	-	(218)	(531)	(869)
At December 31	$ 160	$ -	$ 438	$ 563	$ 1,161
At December 31, 2022					
Cost	$ 1,200	$ 4,800	$ 8,743	$ 2,455	$ 17,198
Accumulated amortisation and impairment	(1,040)	(4,800)	(8,305)	(1,892)	(16,037)
	$ 160	$ -	$ 438	$ 563	$ 1,161

	Trademarks and patents	Business rights	Technology authorisation and certification fee	Computer software	Total
At January 1, 2021					
Cost	$ 1,200	$ 4,800	$ 8,464	$ 1,346	$ 15,810
Accumulated amortisation and impairment	(800)	(4,800)	(7,765)	(772)	(14,137)
	$ 400	$ -	$ 699	$ 574	$ 1,673
2021					
At January 1	$ 400	$ -	$ 699	$ 574	$ 1,673
Additions	-	-	179	1,009	1,188
Amortisation charge	(120)	-	(322)	(589)	(1,031)
At December 31	$ 280	$ -	$ 556	$ 994	$ 1,830
At December 31, 2021					
Cost	$ 1,200	$ 4,800	$ 8,643	$ 2,355	$ 16,998
Accumulated amortisation and impairment	(920)	(4,800)	(8,087)	(1,361)	(15,168)
	$ 280	$ -	$ 556	$ 994	$ 1,830

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

	Year ended December 31	
	2022	2021
Operating costs	$ 32	$ 18
Selling expenses	158	193
General & administrative expenses	461	498
Research and development expenses	218	322
	$ 869	$ 1,031

(11) Other payables

	December 31, 2022	December 31, 2021
Salary and bonus payable	$ 25,773	$ 24,551
Employees' dividends and directors' remuneration payable	25,900	15,489
Payable on machinery and equipment	2,145	2,374
Other payables	21,769	10,196
	$ 75,587	$ 52,610

(12) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 127)	($ 2,715)
Fair value of plan assets	4,120	5,616
Net defined benefit asset	$ 3,993	$ 2,901

(c) Movements in net defined benefit liabilities are as follows:

	2022		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
At January 1	($ 2,715)	$ 5,616	$ 2,901
Interest(expense) income	(21)	42	21
Settlement profit or loss	1,604	(1,661)	(57)
	(1,132)	3,997	2,865
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	427	427
Change in financial assumptions	184	-	184
Experience adjustments	516	-	516
	700	427	1,127
Pension fund contribution	-	1	1
Paid pension	305	(305)	-
At December 31	($ 127)	$ 4,120	$ 3,993

	2021		
	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
At January 1	($ 2,898)	$ 5,516	$ 2,618
Interest(expense) income	(15)	28	13
	(2,913)	5,544	2,631
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	71	71
Change in demographic assumption	(58)	-	(58)
Change in financial assumptions	97	-	97
Experience adjustments	159	-	159
	198	71	269
Pension fund contribution	-	1	1
At December 31	($ 2,715)	$ 5,616	$ 2,901

(d) The Bank of Taiwan was commissioned to manage the fund of the Company's defined benefit pension plan assets in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that Fund and therefore, the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2022	2021
Discount rate	1.500%	0.750%
Future salary increase	2.000%	2.000%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

Sensitivity analysis of the effect on present value of defined benefit obligation due f rom the changes of main actuarial assumptions was as follows:

	Discount rate		Future salary increase	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 4)	$ 4	$ 4	($ 4)
December 31, 2021				
Effect on present value of defined benefit obligation	($ 94)	$ 98	$ 95	($ 92)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method utilised in sensitivity analysis is the same as the method utilised in calculating net pension liability on the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with previous period.

(f) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2023 amounts to $1.

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2022 and 2021 were $4,228 and $4,384, respectively.

(13) Share-based payment

A. For the year ended December 31, 2022, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee share options	November 3, 2021	2,630,000	6 years	Service for 2 years can be vested with 40% Service for 3 years can be vested with 80% Service for 4 years can be vested with 100%
Employee share options	August 3, 2022	770,000	6 years	Service for 2 years can be vested with 40% Service for 3 years can be vested with 80% Service for 4 years can be vested with 100%

The abovementioned share-based payment arrangements all are equity-settled.

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

	Year ended December 31			
	2022		2021	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	2,630,000	$ 50.80	-	$ -
Options granted	770,000	41.20	2,630,000	50.80
Options expired	(365,000)	48.70	-	-
Options outstanding at December 31	3,035,000	$ 48.62	2,630,000	$ 50.80

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

Type of arrange ment	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Employee share options	November 3, 2021	50.8	50.8	43.63%~ 47.84%	5	-	0.41%~ 0.44%	18.94~ 19.37
Employee share options	August 3, 2021	41.2	41.2	45.89%~ 48.46%	5	-	1.00%~ 1.03%	15.11~ 16.98

Note: Expected price volatility rate was estimated using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

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

	Year ended December 31	
	2022	2021
Equity-settled-the Company	$ 13,484	$ 2,448
Cash-settled-parent company (accounted as ‘3350 undistributed earnings’)	4,026	755
	$ 17,510	$ 3,203

(14) Share capital

A.On December 31, 2022, the Company’s authorised capital was $1,000,000, and the paid-in capital was $846,991 with a par value of $10 per share. All proceeds from shares issued have been collected. Movements in the number of the Company’s ordinary shares outstanding are as follows:

	2022	2021
At January 1 (in thousands of shares)	76,999	69,465
Cash capital increase-private placement	-	7,534
Stock dividends	7,700	-
At December 31 (in thousands of shares)	$ 84,699	$ 76,999

B. To increase the Company’s working capital, the stockholders at their annual stockholders’ meeting on July 12, 2021 adopted a resolution to raise additional cash through private placement with the effective date set on August 6, 2021. The maximum number of shares to be issued through the private placement is 11,000 thousand shares at a subscription price of $41.03 (in dollars) per share. The amount of capital raised through the private placement was $247,350 which had been registered. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

(15) 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. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(16) Retained earnings

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. Stock dividends should be appropriated at a rate of 10% per annum. The remainder, if any, to be retained or to be appropriated shall be resolved by the stockholders at the stockholders’ meeting.

B. The Company’s dividend policy is summarised below: as the Company operates in a volatile business environment and is in the stable growth stage, the residual dividend policy is adopted taking into consideration the Company's financial structure, operating results and future expansion plans. According to the dividend policy adopted by the Board of Directors, at least 50% of the Company's distributable earnings as of the end of the period shall be appropriated as dividends, and share dividends shall account for at least 50% of the total dividends distributed, the remaining can be distributed as cash dividend.

C. 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.

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

E. The Company recognised dividends distributed to owners amounting to $76,999 ($10 (in dollars) per share) and $56,267 ($0.73 (in dollars) per share) for the years ended December 31, 2021 and 2020, respectively.

(17) Other equity items

	2022	2021
	Foreign currency translation	Foreign currency translation
At January 1	$ 2,961	$ 2,985
Currency translation differences	76	(24)
At December 31	$ 3,037	$ 2,961

(18) Operating revenue

	Year ended December 31	
	2022	2021
Sales of goods	$ 513,895	$ 505,352
Other operating revenue	7,264	5,953
Revenue from contracts with	$ 521,159	$ 511,304

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time in the following major product lines:

	Year ended December 31,	
	2022	2021
	From external customers	From external customers
Biomedical products	$ 476,630	$ 414,874
Consumer products	44,529	96,430
Total	$ 521,159	$ 511,304

B. Contract assets and liabilities

As of December 31, 2022, December 31, 2021 and January 1, 2021, the Company did not recognised contract assets in relation to revenue from customers' contract. In addition, the Company recognised contract liabilities as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities – advance receipts	$ 3,690	$ 9,822	$ 2,417

(a) Significant changes in contract assets and liabilities: None.

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

	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Advance receipts	$ 9,463	$ 3,398

(19) Interest income

	Year ended December 31	
	2022	2021
Interest income from bank deposits	$ 2,781	$ 71
Interest income from financial assets measured at amortised cost	297	386
Imputed interest income on deposits	6	13
	$ 3,084	$ 470

(20) Other income

	Year ended December 31	
	2022	2021
Rental revenue	$ 272	$ 415
Grant revenues	296	10,125
Other income, others	576	913
	$ 1,144	$ 11,453

(21) Other gains and losses

	Year ended December 31	
	2022	2021
Gains on disposal of property, plant and equipment	$ 1,026	$ 295
Gains arising from lease modifications	256	-
Foreign exchange losses	31,674	(3,469)
Miscellaneous disbursements	(32)	(31)
	$ 32,924	($ 3,205)

(22) Finance costs

	Year ended December 31	
	2022	2021
Interest expense		
Interest on lease liabilities	$ 68	$ 194

(23) Expenses by nature

	Year ended December 31	
	2022	2021
Employee benefit expense	$ 145,631	$ 126,344
Depreciation charges on property, plant and equipment	27,725	29,312
Depreciation expenses on investment property	31	31
Depreciation charges on right-of-use assets	957	2,362
Amortisation charges on intangible assets	869	1,031

(24) Employee benefit expense

	Year ended December 31	
	2022	2021
Wages and salaries	$ 113,542	$ 105,898
Employee stock options (Note)	13,484	2,448
Labour and health insurance fees	9,894	9,042
Pension costs	4,267	4,371
Other personnel expenses	4,447	4,585
	$ 145,631	$ 126,344

Note: It was equity-settled.

A. 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' and supervisors' remuneration. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 5% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at $18,977 and $11,289, respectively; while directors' remuneration was accrued at $5,004 and $4,200, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' and supervisors' remuneration were estimated and accrued based on 10% and not higher than 5% of distributable profit for the year ended December 31, 2022, respectively.

For the year ended December 31, 2021, the employees' compensation and directors' remuneration resolved by the Board of Directors amounted to $11,289 and $4,200, respectively, which were in agreement with those amounts recognised in the 2021 financial statements.

C. Information about employees' compensation and directors' and supervisors' 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.

(25) Income tax

A. Income tax expense

Components of income tax expense:

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	$ 35,283	$ 16,080
Prior year income tax overestimation	(6,677)	(7,030)
Tax on undistributed surplus earnings	112	26
Effects by investment tax credits	(112)	(26)
Total current tax	28,606	9,050
Deferred tax:		
Origination and reversal of temporary differences	(2,224)	683
Total deferred tax	(2,224)	683
Income tax expenses	$ 26,382	$ 9,733

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2022	2021
Income tax calculated by applying statutory rate to the profit before tax	$ 33,157	$ 19,480
Expenses disallowed by tax regulation	373	882
Prior year unrecognised deferred tax assets	(471)	(3,599)
Prior year income tax overestimation	(6,677)	(7,030)
Tax on undistributed surplus earnings	112	26
Effects by investment tax credits	(112)	(26)
Income tax expenses	$ 26,382	$ 9,733

C. Amounts of deferred tax assets or liabilities as a result of temporary differences were as follows:

	2022		
	At January 1	Recognised in profit or loss	At December 31
－Deferred tax assets:			
Temporary differences:			
Allowance for valuation loss on inventories	$ 328	($ 131)	$ 197
Others	65	2,902	2,967
	$ 393	$ 2,771	$ 3,164
-Deferred tax liabilities:			
Others	$ -	($ 547)	($ 547)
	$ -	($ 547)	($ 547)
Total	$ 393	$ 2,224	$ 2,617

	2021		
	At January 1	Recognised in profit or loss	At December 31
－Deferred tax assets:			
Temporary differences:			
Allowance for valuation loss on inventories	$ 1,293	($ 965)	$ 328
Others	(217)	282	65
Total	$ 1,076	($ 683)	$ 393

D. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(26) Earnings per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 139,404	84,699	$ 1.65
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	139,404	84,699	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	458	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 139,404	$ 85,157	$ 1.64

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 87,667	80,220	$ 1.09
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	87,667	80,220	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	263	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 87,667	$ 80,483	$ 1.09

Note：The above-mentioned weighted average circulation of shares has been retrospectively adjusted according to the stock dividend distribution ratio approved by the 2022 shareholders' meeting.

(27) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31	
	2022	2021
Purchase of property, plant and equipment	$ 11,590	$ 15,776
Add: Opening balance of payable on equipment	2,374	856
Less: Ending balance of payable on equipment	(2,145)	(2,374)
Cash paid during the period	$ 11,819	$ 14,258

(28) Changes in liabilities from financing activities

	Year ended December 31	
	2022	2021
	Lease liability	Lease liability
At January 1,	$ 9,640	$ 11,960
Changes in cash flow from financing activities	(950)	(2,320)
Changes in other non-cash items	(8,690)	-
At December 31	$ -	$ 9,640

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

TCI CO., LTD. (incorporated in R.O.C.) is the Company's ultimate parent company which directly held 22.83% of equity interest in the Company.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
TCI CO., LTD.	Ultimate parent
HORAY INC.	Subsidiary
Maxigen Biotech (Shanghai) Co., Ltd.	Subsidiary
NuVasive Inc.	Other related parties
Zhongjia Investment Development Co., Ltd.	Other related parties
Dahua Venture Capital Co., Ltd.	Other related parties
GENE & NEXT INC. (GENE & NEXT)	Other related parties
TCI LIVING CO., LTD. (TCI LIVING)	Other related parties
PETFOOD BIOTECHNOLOGY CO., LTD.	Other related parties

(3) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2022	2021
Sales of goods:		
NuVasive Inc.	$ 74,903	$ 77,908
Subsidiary	3,384	11,897
Ultimate parent	3,224	3,592
Other related parties	1,829	25
	$ 83,340	$ 87,212

Goods are sold based on the terms that would be available to third parties.

B. Purchases:

	Year ended December 31	
	2022	2021
Purchases of goods:		
NuVasive Inc.	$ 17,450	$ 28,468
Ultimate parent	35,138	6,311
	$ 52,588	$ 34,779

Goods sold to related parties are based on normal commercial terms and conditions.

C. Receivables from related parties:

	December 31,2022	December 31, 2021
Accounts receivable:		
Subsidiary	$ 53,335	$ 11,619
NuVasive Inc.	11,862	8,992
Ultimate Parent	66	7,700
	$ 65,263	$ 28,311
Other receivables:		
Subsidiary	$ 43	$ 41
Ultimate parent	1,162	5
	$ 1,205	$ 46

Receivables from related parties arise from sales of goods. The receivables are due 60-90 days after the date of sale. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

D. Payables to related parties:

	December 31, 2022		December 31, 2021	
Accounts payable:				
NuVasive Inc.	$	10,221	$	16,654
Ultimate parent		11,405		6,627.00
	$	21,626	$	23,281
Other payables:				
Ultimate parent	$	1,274	$	23
Other related parties		305		31
	$	1,579	$	54

Accounts payable to related parties are mainly arising from purchases of goods and the payables bear no interest.

(4) Key management compensation

	Year ended December 31			
	2022		2021	
Short-term employee benefits	$	16,658	$	13,401
Post-employment benefits		180		240
Share-based payment		7,150		1,351
Total	$	23,988	$	14,992

8. PLEDGED ASSETS

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

	Book value				
Pledged asset	December 31, 2022		December 31, 2021		Purpose
Financial assets at amortised cost - current	$	1,500	$	13,032	Performance guarantee account due to government grants and customs for negotiation

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

As of December 31, 2022 and 2021, in coordination with the research and development of innovations and forward-looking technologies plan of the Ministry of Economic Affairs, the Company had issued guaranteed notes according to the grant contract was $0 and $43,200, respectively.

10. Significant disaster loss

None.

11. Significant events after the balance sheet date

None.

12. Others

(1) Capital management

The Company's capital management is based on the scale of the industry which the Company is in, along with the industry's future cost and product development to set an appropriate market share. Furthermore, the Company determines an appropriate capital structure by planning a corresponding capital expenditure, calculating operation funds in accordance with operating plans, and considering the operating profits and cash flows that can be generated by products' competitiveness.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 764,600	$ 497,271
Financial assets at amortised cost	10,316	26,872
Notes receivable	28,999	47,629
Accounts receivable	47,165	45,625
Accounts receivable-due from related parties	65,263	28,311
Other receivables	17	4,110
Other receivables-due from related parties	1,205	46
Guarantee deposits paid	208	2,210
	$ 917,773	$ 652,074

	December 31, 2022	December 31, 2021
Financial liabilities		
Financial liabilities at amortised cost		
Accounts payable	$ 14,841	$ 17,536
Accounts payable-to related parties	21,626	23,281
Other accounts payable	75,587	52,610
Guarantee deposits received	19	119
	$ 112,073	$ 93,546
Lease liability	$ -	$ 9,640

B. Financial risk management policies

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 exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities

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

		December 31, 2022		
(Foreign currency: functional currency)		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets				
Monetary items				
USD:NTD	USD	$ 6,266	30.7100	$ 192,429
RMB:NTD	RMB	21,508	4.4080	94,807
EUR:NTD	EUR	263	32.7200	8,605
Financial liabilities				
Monetary items				
USD:NTD	USD	$ 468	30.7100	$ 14,372
RMB:NTD	RMB	1,072	4.40800	4,725
EUR:NTD	EUR	40	32.7200	1,309
AUD:NTD	AUD	24	20.8300	500

		December 31, 2021		
(Foreign currency: functional currency)		Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets				
Monetary items				
USD:NTD	USD	$ 9,323	27.680	$ 258,061
RMB:NTD	RMB	5,672	4.344	24,639
EUR:NTD	EUR	143	31.320	4,479
Financial liabilities				
Monetary items				
USD:NTD	USD	$ 976	27.6800	$ 27,016
RMB:NTD	RMB	8	4.3440	35

iii. The total exchange profit or loss, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2022 and 2021, amounted to $31,674 and ($3,469), respectively.

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

	Year ended December 31, 2022				
	Sensitivity analysis				
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss before tax		Effect on other comprehensive income	
Financial assets					
Monetary items					
USD:NTD	1%	$	1,924	$	-
RMB:NTD	1%		948		-
EUR:NTD	1%		86		-
Financial liabilities					
Monetary items					
USD:NTD	1%	$	144	$	-
RMB:NTD	1%		47		-
EUR:NTD	1%		13		-
AUD:NTD	1%		5		-

	Year ended Ddecember 31, 2021				
	Sensitivity analysis				
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss before tax		Effect on other comprehensive income	
Financial assets					
Monetary items					
USD:NTD	1%	$	2,581	$	-
RMB:NTD	1%		246		-
EUR:NTD	1%		45		-
Financial liabilities					
Monetary items					
USD:NTD	1%	$	270	$	-
RMB:NTD	1%		0.35		-

(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 debt instruments stated at amortised cost.

ii. The Company manages their credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' 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 in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. 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.

iv. The Company adopts the management of credit risk, the default occurs when the contract payments are past due over certain days.

v. The Company classifies customers' accounts receivable in accordance with credit risk on trade. The Company applies the modified approach based on the loss rate methodology to estimate the expected credit loss.

vi. The Company used the cosideration of forecastability to adjust historical and timely information to assess the default possibility of accounts receivable, others. On December 31, 2022 and 2021, the loss rate methodology were as follows:

	Group 1	Group 2	Group 3	Group 4	Total
At December 31,2022					
Expected loss rate	0.03%	6.76%	39.91%	100%	
Total book value	$ 74,159	$ 2,155	$ -	$ 7,590	$ 83,904
Loss allowance	$ 14	$ 136	$ -	$ 7,590	$ 7,740
At December 31, 2021					
Expected loss rate	0%~0.03%	5.03%	39.17%	100%	
Total book value	$ 88,270	$ 380	$ 7,628	$ -	$ 96,278
Loss allowance	$ 17	$ 19	$ 2,988	$ -	$ 3,024

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

	2022	
	Accounts receivable	Notes receivable
At January 1	$ 3,024	$ -
Provision for impairment	4,716	-
At December 31	$ 7,740	$ -

	2021	
	Accounts receivable	Notes receivable
At January 1	$ -	$ -
Provision for impairment	3,024	-
At December 31	$ 3,024	$ -

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable external regulatory or legal requirements.

ii. As of December 31, 2022 and 2021, there were no undrawn financing facilities.

iii. 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 maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2022	Between 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Notes payable	$ -	$ -	$ -	$ -
Accounts payable (including related parties)	36,467	-	-	-
Other payables(including related parties)	77,166	-	-	-
Lease liability	-	-	-	-
Guarantee deposits received	-	-	19	-

December 31, 2021	Between 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Notes payable	$ 100	$ -	$ -	$ -
Accounts payable (including related parties)	40,817	-	-	-
Other payables (including related parties)	52,664	-	-	-
Lease liability	2,362	2,362	5,133	-
Guarantee deposits received	-	-	119	-

(3) Fair value

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.

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.The Company's fair value information of financial assets and financial liabilities not measured at fair value is provided in Note 12(2)A.

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

D. For the years ended December 31, 2022 and 2021, there was no transfer into or out from Level 3.

13. Supplementary disclosures

(1) Significant transactions information

A. Loans to others: None.

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

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 1.

(2) Information on investees

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

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 3.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 3.

(4) Major shareholders information

Major shareholders information: Please refer to table 4.

14. Segment information

None.

Maxigen Biotech Inc. and subsidiaries

Significant inter-company transactions during the reporting periods

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Maxigen Biotech Inc	HORAY INC.	1	Sales of goods	$ 3,384	The price and terms on sales are available to third parties.	0.56%
0	Maxigen Biotech Inc	Maxigen Biotech (Shanghai) Co., Ltd.	1	Accounts receivable	51,278	Collection period was longer than non-related parties.	3.55%
0	Maxigen Biotech Inc	HORAY INC.	1	Accounts receivable	2,057	The price and terms on sales are available to third parties.	0.14%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1)Parent company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Maxigen Biotech Inc. and subsidiaries

Information on investees

Year ended December 31, 2022

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2022	Initial investment amount: Balance as at December 31, 2021	Shares held as at December 31, 2022: Number of shares	Shares held as at December 31, 2022: Ownership (%)	Shares held as at December 31, 2022: Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income(loss) recognised by the Company for the year ended December 31, 2022	Footnote
Maxigen Biotech Inc.	HORAY INC.	Taiwan	Trading of cosmetics and beauty care products	$ 5,000	$ 5,000	500	100	$ 8,511	$ 15	$ 15	None.
Maxigen Biotech Inc.	Maxigen Biotech International Investment Corporation Limited	Samoa	Reinvested business	72,276	72,276	-	-	-	(11)	(11)	Note3

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1)The columns of ‘Investee’, ‘Location’, ‘Main business activities’, Initial investment amount’ and ‘Shares held as at December 31, 2022’ should fill orderly in the Company’s (public company’s) information on investees and every directly or indirectly controlled investee’s investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the ‘footnote’ column.

(2)The ‘Net profit (loss) of the investee for the year ended December 31, 2022’ column should fill in amount of net profit (loss) of the investee for this period.

(3)The ‘Investment income (loss) recognised by the Company for the year ended December 31, 2022’ column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary’s net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Note 3: The Company dissolution and liquidation were completed on August 10, 2022.

Maxigen Biotech Inc. and subsidiaries

Information on investments in Mainland China

Year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2022	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022 — Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022 — Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee as of December 31, 2022	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2022	Book value of investments in Mainland China as of December 31, 2022	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2022	Footnote
Maxigen Biotech (Shanghai) Co., Ltd.	Trading of cosmetics and beauty care products	USD 1,800	Note 1	$ 58,193	$ -	$ -	$ 58,193	$ 2,355	100.00	($ 11,463)	($ 16,272)	$ -	Note 2 Note 3

Note 1: Reinvestments in a company in Mainland China through parent company in Taiwan .

Note 2: The amount recognised was based on the financial statements that were audited by R.O.C. parent company's CPA firm.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
Maxigen Biotech Inc.	$ 58,193	$ 55,278	$ 777,394

Note 3：The numbers in this table are expressed in New Taiwan dollars, except for: assets and liabilities presents at RMB$1：NTD$4.4080, USD$1：NTD$30.71. Income presents at RMB$1：NTD$4.4218. USD$1：NTD$29.8489.

Note 4：The amount is the higher of limits on accumulated investment amounts or 60% of consolidated net assets was based on Investment Commission, MOEA Regulation No. 09704604680 announced on August 29, 2008.

Maxigen Biotech Inc. and subsidiaries

Major shareholders information

December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

	Shares	
Name of major shareholders	Name of shares held (unit: shares)	Ownership (%)
TCI CO., LTD.	19,337,869	22.83%
FORMOSA BIOMEDICAL TECHNOLOGY CORPORATION	8,287,658	9.78%
NuVasive Inc.	4,532,000	5.35%