MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of MEDIGEN BIOTECHNOLOGY CORPORATION (the "Consolidated FS of the Affiliates"), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2022 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the Consolidated Financial Statements of MEDIGEN BIOTECHNOLOGY CORPORATION and its subsidiaries (the "Consolidated FS of the Group") in accordance with International Financial Reporting Standard 10, as well as that, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, MEDIGEN BIOTECHNOLOGY CORPORATION does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
MEDIGEN BIOTECHNOLOGY CORPORATION
By

Chang, Shi-Chung, Chairman
March 30, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Medigen Biotechnology Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Medigen Biotechnology Corp. and subsidiaries (the "Group") as at December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Existence of sales revenue from major customer

Description

Refer to Note 4(28) for accounting policies on revenue recognition, and Note 6(21) for details of operating revenue account.

The Group's consolidated subsidiary, WINSTON MEDICAL SUPPLY CO., LTD., is engaged in the sales of generic drug and aesthetic medicine products, and has a large number of customers including hospitals, clinics, pharmacies, medicine companies and channel vendors in the country. As the revenue from major customers for the current year was significant, and revenue has a high inherent risk in nature, we considered the existence of sales revenue from major customers a key audit matter.

How our audit addressed the matter

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

1. Understood, assessed and performed sampling test on the consistency and effectiveness of internal controls over sales revenue recognition from major customers, such as inspecting customers' credit data, controls of credit facility, basis of sales revenue recognition and collection procedures.
2. Obtained the basic information of sales revenue from major customers, including the representative and major shareholders, establishment address, capital amount, primary operating items, and confirmed the reality of major customers and the reasonableness of transactions.
3. Obtained details of revenue from major customers in the current year, performed sampling test on related contracts, orders, delivery documents, invoice and collections, etc. in order to confirm whether the transactions indeed occurred.
4. Performed sampling test and examined whether the subsequent sales returns and discounts and subsequent collection were abnormal.

Realisability assessment of deferred income tax assets

Description

Refer to Note 4(25) for accounting policies on income taxes, Note 5(2) for accounting estimates and assumptions of deferred income tax assets, and Note 6(28) for details of significant accounting items of deferred income tax assets.

As of December 31, 2022, the Group had deferred income tax assets generated from the tax credit and loss carry forwards applicable for Act for the Development of Biotech and Pharmaceutical Industry in the amount of NT$ 308,614 thousand.

The Group assesses the realisability of deferred income tax assets by using expected future sales revenue growth rate, gross profit rate, usable tax credit and other assumptions. As these assumptions contain a high degree of uncertainty and involves managements' significant accounting judgement and estimates, Thus, we considered the realisability assessment of deferred income tax a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding on managements' estimation procedures and basis of the Group's financial forecast of future operations.
2. Discussed financial forecast of future operations with management, and compared with historical results for the reasonableness.
3. Reviewed the reasonableness of sales revenue growth rate, gross profit rate and other significant assumptions used by management, and whether the usable tax credit was met with related regulations, and examined the accuracy of tax credit amount.

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

Description

Refer to Note 4(18) for accounting policies on non-financial assets impairment, Note 5(2) for accounting estimates and assumptions of impairment assessment of property, plant and equipment, right-of-use assets and intangible assets, Notes 6(9) and 6(10) for details of property, plant and equipment and right-of-use assets, and Note 6(11) for details of intangible assets.

As described in Note 6(9) to 6(11), as at December 31, 2022, the carrying amount of the Group's property, plant and equipment, right-of-use assets and intangible assets amounted to NT$2,310,756 thousand, constituting 23% of the consolidated total assets.

Some of the Group's operating entities assesses the recoverable amount using value in use. As the assessment of cash-generating units involves management's subjective judgement, including the estimation of future cash flows and discount rate, the aforementioned assumptions contain a high degree of uncertainty, and the estimated results have a significant impact on the valuation of value in use, we considered the impairment assessment of property, plant and equipment, right-of-use assets and intangible assets a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding of the reasonableness of the Group's cash-generating units' future cash flows estimation procedures.
2. Discussed financial forecast of future operations with management, and compared with historical results for the reasonableness.
3. Reviewed the reasonableness of sales revenue growth rate, gross profit rate and other significant assumptions used by management, as well as the parameters of discount rate used, including the reasonableness of the risk-free rate for cost of equity capital, industry risk coefficient and the rate of return of similar assets in the market.

Assessment of allowance for inventory valuation losses

Description

Refer to Note 4(13) for accounting policy on inventory valuation, Note 5(2) for accounting estimates and assumptions in relation to inventory valuation, and Note 6(6) for details of inventory.

As described in Note 6(6), as at December 31, 2022, the Group's inventory and allowance for inventory valuation losses amounted to NT$1,206,484 thousand and NT$513,869 thousand, respectively, constituting 7% of the consolidated total assets.

Some of the Group's operating entities are primarily engaged in the manufacture and sales of vaccines, generic drugs and aesthetic medicine products. Such inventories are subject to normal depletion, obsolescence or lack of market value, thus there is a risk of inventory valuation loss or obsolescence. Inventories are measured at the lower of cost and net realisable value. The net realisable value is identified using the item by item approach. Taking into consideration that the amounts of inventory and allowance for inventory valuation loss have a significant impact on the financial statements and the determination of net realizable value at the balance sheet date is subject to management's judgement and estimation, we considered the assessment of allowance for inventory valuation loss a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding of the Company's operations and industry nature and assessed the provision policy on allowance for inventory valuation loss.
2. Obtained an understanding of the warehouse management processes, reviewed the annual physical inventory count plan and participated in the annual inventory count in order to evaluate the effectiveness of procedures used by the management to identify and control obsolete inventories.
3. Verified the accuracy of inventory age attribution to ensure the consistency in the report statement information and its policies.
4. Tested the report statement used in the inventory valuation and assessed the adequacy of allowance for inventory valuation loss.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of Medigen Biotechnology Corp. as at and for the years ended December 31, 2022 and 2021.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the international Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the 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 consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Juanlu, Man-Yu Lin, Ya-Hui

For and on behalf of PricewaterhouseCoopers, Taiwan

March 30, 2023

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

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

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,040,633	20	$ 2,144,580	26
1110	Financial assets at fair value through profit or loss - current	6(2)	54,225	-	53,599	1
1136	Current financial assets at amortised cost, net	6(4)	2,979,940	30	800,000	10
1140	Current contract assets	6(21)	8,638	-	347,785	4
1150	Notes receivable, net	6(5)	120,042	1	57,126	1
1170	Accounts receivable, net	6(5)	263,919	3	380,272	5
1180	Accounts receivable due from related parties, net	7	5,715	-	15,037	-
1200	Other receivables	6(30)	8,253	-	6,935	-
1210	Other receivables due from related parties	7	41	-	4,353	-
130X	Inventory	6(6)	692,615	7	752,874	9
1470	Other current assets	6(7), 7 and 8	558,805	6	355,721	4
11XX	**Current Assets**		6,732,826	67	4,918,282	60
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	205,634	2	54,000	1
1550	Investments accounted for using equity method	6(8)	101,696	1	309,711	4
1600	Property, plant and equipment	6(9) and 8	1,918,498	19	1,995,830	24
1755	Right-of-use assets	6(10)	279,186	3	193,501	2
1780	Intangible assets	6(11)	113,072	1	124,250	2
1840	Deferred income tax assets	6(28)	480,938	5	522,175	6
1900	Other non-current assets	8	150,424	2	81,745	1
15XX	**Non-current assets**		3,249,448	33	3,281,212	40
1XXX	**Total assets**		$ 9,982,274	100	$ 8,199,494	100

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MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(12) and 8	$ 328,000	3	$ 300,000	4
2130	Current contract liabilities	6(21) and 7	130,398	1	244,423	3
2150	Notes payable		34,771	-	44,494	1
2170	Accounts payable		150,238	2	119,442	1
2200	Other payables		319,394	3	308,034	4
2280	Current lease liabilities		13,126	-	3,317	-
2320	Long-term liabilities, current portion	6(13) and 8	28,862	-	21,340	-
2399	Other current liabilities		47,534	1	23,855	-
21XX	**Current Liabilities**		1,052,323	10	1,064,905	13
	Non-current liabilities					
2500	Non-current financial liabilities at fair value through profit or loss	6(2)	19,250	-	-	-
2530	Bonds payable	6(14)	1,677,850	17	-	-
2540	Long-term borrowings	6(13) and 8	451,307	5	470,772	6
2570	Deferred income tax liabilities	6(28)	14,241	-	14,348	-
2580	Non-current lease liabilities		275,319	3	196,638	3
2640	Net defined benenit liability, non-current	6(15)	10,691	-	10,833	-
2670	Other non-current liabilities		10,280	-	15,894	-
25XX	**Non-current liabilities**		2,458,938	25	708,485	9
2XXX	**Total Liabilities**		3,511,261	35	1,773,390	22
	Equity attributable to owners of parent					
	Share capital	6(17)				
3110	Common stock		1,394,463	14	1,393,625	17
3140	Advance receipts for share capital		-	-	225	-
	Capital surplus	6(16)(18)(30)				
3200	Capital surplus		1,561,666	15	1,108,539	13
	Accumulated deficit	6(19)				
3350	Accumulated deficit		(727,979)	(7)	(52,817)	(1)
	Other equity interest	6(20)				
3400	Other equity interest		(34,123)	-	(55,184)	-
31XX	**Equity attributable to owners of the parent**		2,194,027	22	2,394,388	29
36XX	Non-controlling interest		4,276,986	43	4,031,716	49
3XXX	**Total equity**		6,471,013	65	6,426,104	78
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 9,982,274	100	$ 8,199,494	100

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

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for loss per share in New Taiwan dollars)

	Items	Notes	Year ended December 31 2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
4000	Sales revenue	6(21) and 7	$ 1,055,947	100	$ 3,922,012	100
5000	Operating costs	6(6)(26)(27)	(968,487)	(92)	(1,370,698)	(35)
5900	Net operating margin		87,460	8	2,551,314	65
5920	Realized profit from sales	6(8)	-	-	1,362	-
5950	Net operating margin		87,460	8	2,552,676	65
	Operating expenses	6(26)(27) and 7				
6100	Selling expenses		(160,752)	(15)	(93,259)	(2)
6200	General and administrative expenses		(241,554)	(23)	(283,347)	(7)
6300	Research and development expenses		(1,330,997)	(126)	(1,407,360)	(36)
6450	Impairment (loss) profit determined in accordane with IFRS 9	12(2)	(21,133)	(2)	20,494	-
6000	Total operating expenses		(1,754,436)	(166)	(1,763,472)	(45)
6900	Operating (loss) profit		(1,666,976)	(158)	789,204	20
	Non-operating income and expenses					
7100	Interest income	6(22) and 7	8,883	1	3,160	-
7010	Other income	6(23)	75,863	7	447,721	11
7020	Other gains and losses	6(24)	11,283	1	14,216	-
7050	Finance costs	6(25)	(39,453)	(3)	(19,068)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(8)	(262,213)	(25)	(98,799)	(2)
7000	Total non-operating income and expenses		(205,637)	(19)	347,230	9
7900	**Loss (profit) before income tax**		(1,872,613)	(177)	1,136,434	29
7950	Income tax expense	6(28)	(58,874)	(6)	(65,733)	(1)
8200	**(Loss) profit for the year**		($ 1,931,487)	(183)	$ 1,070,701	28

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MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for loss per share in New Taiwan dollars)

	Items	Notes	Year ended December 31 2022 AMOUNT	2022 %	2021 AMOUNT	2021 %
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Actuarial losses on remeasurements of defined benefit plan	6(15)	($ 614)	-	($ 400)	-
8316	Unrealised gain (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)(20)	82,225	8	(21,129)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(20)(28)	122	-	2,267	-
8310	Other comprehensive income (loss) that will not be reclassified to profit or loss		81,733	8	(19,262)	(1)
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(20)	(1,266)	-	(13,703)	-
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss	6(20)(28)	6	-	1,447	-
8360	Components of other comprehensive loss that will be reclassified to profit or loss		(1,260)	-	(12,256)	-
8300	**Total other comprehensive income (loss) for the year**		$ 80,473	8	($ 31,518)	(1)
8500	**Total comprehensive (loss) income for the year**		($ 1,851,014)	(175)	$ 1,039,183	27
	Profit (loss), attributable to:					
8610	Owners of the parent		($ 675,874)	(64)	($ 52,614)	(1)
8620	Non-controlling interest		($ 1,255,613)	(119)	$ 1,123,315	29
	Comprehensive income attributable to:					
8710	Owners of the parent		($ 658,955)	(62)	($ 67,355)	(1)
8720	Non-controlling interest		($ 1,192,059)	(113)	$ 1,106,538	28
	Basic and diluted loss per share	6(29)				
9750	Basic and diluted loss per share		($ 4.86)		($ 0.38)	

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

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent														
		Capital		Capital Reserves							Equity interest					
	Notes	Share capital - common stock	Advance receipts for share capital	Capital surplus, additional paid-in capital	Difference between the price for acquisition or disposal of subsidiaries and carrying amount	Capital surplus, changes in ownership interests in subsidiaries	Employee stock warrants	Capital surplus, restricted stock	Capital surplus, others	Accumulated deficit	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Other equity, others	Total	Non-controlling interest	Total equity
2021																
Balance at January 1		$ 1,389,856	$1,130	$ 3,317	$ 325,954	$ 472,376	$ 18,567	$ 15,591	$ 265,503	($ 631,375)	($ 5,161)	($ 26,603)	($ 13,737)	$ 1,815,418	$ 2,684,052	$ 4,499,470
(Loss) profit for the year		-	-	-	-	-	-	-	-	(52,614)	-	-	-	(52,614)	1,123,315	1,070,701
Other comprehensive loss	6(20)	-	-	-	-	-	-	-	-	(203)	(5,789)	(8,749)	-	(14,741)	(16,777)	(31,518)
Total comprehensive income		-	-	-	-	-	-	-	-	(52,817)	(5,789)	(8,749)	-	(67,355)	1,106,538	1,039,183
Capital surplus used to offset accumulated deficit	6(19)	-	-	-	(325,954)	(39,918)	-	-	(265,503)	631,375	-	-	-	-	-	-
Changes in ownership interests in subsidiaries	6(16)(30)	-	-	-	-	18,424	-	-	-	-	-	-	-	18,424	111,070	129,494
Changes in equity of associates accounted for using equity method, net	6(8)	-	-	-	-	-	-	-	166,581	-	-	-	-	166,581	110,280	276,861
Issuance of new shares due to the exercise of stock options by employees	6(17)	3,769	(905)	14,109	-	-	(5,701)	-	-	-	-	-	-	11,272	-	11,272
Compensation costs of employee stock options	6(16)	-	-	-	-	-	3,727	-	-	-	-	-	-	3,727	-	3,727
Compensation cost of restricted stocks	6(16)(20)	-	-	-	-	-	-	-	-	-	-	-	4,855	4,855	-	4,855
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(30)	-	-	-	441,466	-	-	-	-	-	-	-	-	441,466	42,308	483,774
Change in non-controlling interests	4(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	(22,532)	(22,532)
Balance at December 31		$ 1,393,625	$ 225	$ 17,426	$ 441,466	$ 450,882	$ 16,593	$ 15,591	$ 166,581	($ 52,817)	($ 10,950)	($ 35,352)	($ 8,882)	$ 2,394,388	$ 4,031,716	$ 6,426,104
2022																
Balance at January 1		$ 1,393,625	$ 225	$ 17,426	$ 441,466	$ 450,882	$ 16,593	$ 15,591	$ 166,581	($ 52,817)	($ 10,950)	($ 35,352)	($ 8,882)	$ 2,394,388	$ 4,031,716	$ 6,426,104
Loss for the year		-	-	-	-	-	-	-	-	(675,874)	-	-	-	(675,874)	(1,255,613)	(1,931,487)
Other comprehensive income (loss)	6(20)	-	-	-	-	-	-	-	-	712	(24)	16,231	-	16,919	63,554	80,473
Total comprehensive income		-	-	-	-	-	-	-	-	(675,162)	(24)	16,231	-	(658,955)	(1,192,059)	(1,851,014)
Changes in ownership interests in subsidiaries	6(16)(30)	-	-	-	-	90,834	-	-	-	-	-	-	-	90,834	1,400,890	1,491,724
Changes in equity of associates accounted for using equity method, net	6(8)	-	-	-	-	-	-	-	15,126	-	-	-	-	15,126	(19,494)	(4,368)
Issuance of new shares due to the exercise of stock options by employees	6(17)	838	(225)	2,748	-	-	(951)	-	-	-	-	-	-	2,410	-	2,410
Compensation costs of employee stock options	6(16)	-	-	-	-	-	1,603	-	-	-	-	-	-	1,603	-	1,603
Compensation cost of restricted stocks	6(16)(20)	-	-	-	-	-	-	-	-	-	-	-	4,854	4,854	-	4,854
Difference between consideration and carrying amount of subsidiaries acquired or disposed	6(30)	-	-	-	378,040	-	-	-	-	-	-	-	-	378,040	51,702	429,742
Effects from organisation structure adjustment of the Group	4(3)	-	-	-	(34,273)	-	-	-	-	-	-	-	-	(34,273)	34,273	-
Change in non-controlling interests	4(3)	-	-	-	-	-	-	-	-	-	-	-	-	-	(30,042)	(30,042)
Balance at December 31		$ 1,394,463	$ -	$ 20,174	$ 785,233	$ 541,716	$ 17,245	$ 15,591	$ 181,707	($ 727,979)	($ 10,974)	($ 19,121)	($ 4,028)	$ 2,194,027	$ 4,276,986	$ 6,471,013

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

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		($ 1,872,613)	$ 1,136,434
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(9)(26)	157,477	156,387
Depreciation charges on right-of-use assets	6(10)(26)	19,777	8,950
Amortisation expense	6(11)(26)	14,392	33,091
Excepted credit loss (gain)	12(2)	21,133	(20,494)
Net loss on financial assets and liabilities at fair value through profit or loss	6(2)(24)	16,649	101
Interest expense	6(25)	12,386	13,161
Interest expense on lease liabilities	6(10)(25)	7,712	5,907
Interest expense on corporate bonds	6(25)	19,355	-
Interest income	6(22)	(8,850)	(3,081)
Other interest income	6(22)	(33)	(79)
Share-based payments	6(16)(27)	82,066	77,397
Losses on disposals of property, plant and equipment	6(9)(24)	-	250
Loss (gain) on disposals of investments	6(2)(24)	7	(61)
Gain arising from lease modfications	6(24)	(4)	-
Gain on disposal of investments accounted for using equity method	6(24)	-	(10,964)
Share of loss of subsidiary - associates and joint ventures accounted for using equity method	6(8)	262,213	98,799
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss		(832)	561
Current contract assets		339,147	(343,745)
Notes receivable		(62,916)	13,067
Accounts receivable		117,664	(299,087)
Accounts receivable due from related parties		(13,122)	(7,999)
Other receivables		(1,134)	678
Other receivables due from related parties		4,312	5,136
Inventory		60,291	(429,015)
Other current assets		(194,340)	(193,312)
Changes in operating liabilities			
Current contract liabilities		(114,025)	130,503
Notes payable		(9,723)	106
Accounts payable		30,796	67,869
Accounts payable to related parties		-	(14,040)
Other payables		(7,083)	118,765
Other current liabilities		15,821	(2,303)
Net defined benefit liability, non-current		(142)	(507)
Cash (outflow) inflow generated from operations		(1,103,619)	542,475
Interest received		8,850	3,081
Interest paid		(20,098)	(19,068)
Income taxes paid		(23,352)	(8,370)
Net cash flows (used in) from operating activities		(1,138,219)	518,118

(Continued)

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income		($ 69,409)	($ 54,000)
Acquisition of financial assets at amortised cost		(2,979,940)	(1,900,000)
Proceeds from repayments of financial assets at amortised cost		800,000	1,100,000
Acquisition of property, plant and equipment	6(31)	(54,875)	(130,501)
Proceeds from disposal of property, plant and equipment	6(31)	-	126,000
Decrease (increase) in refundable deposits		3,658	(5,741)
Acquisition of intangible assets	6(11)	(3,214)	(1,591)
Increase in prepayments for business facilities		(93,281)	(12,456)
Decrease in restricted assets, current		(8,198)	(6,510)
Acquisition of investments accounted for using equity method		(30,127)	(20,911)
Proceeds from disposal of investments accounted for using equity method		-	23,003
Increase in prepayments for investments		(17,731)	(27,795)
Net cash flows used in investing activities		(2,453,117)	(910,502)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(32)	308,000	370,000
Repayments of short-term borrowings	6(32)	(280,000)	(545,000)
Proceeds from issuing bonds	6(14)	1,755,250	-
Repayments of long-term borrowings	6(32)	(11,943)	(15,651)
Payments of lease liabilities	6(32)	(16,968)	(6,834)
Exercise of employee share options		2,410	11,272
Increase (decrease) in guarantee deposits received		3,310	(654)
Disposal of ownership interests in subsidiaries (without losing control)	6(30)	434,264	480,073
Proceeds from non-controlling interest participated in subsidiaries cash capital increase	6(30)	1,326,185	60,679
Cash dividends to non-controlling interests	4(3)	(30,042)	(22,532)
Net cash flows from financing activities		3,490,466	331,353
Effect of exchange rate changes		(3,077)	(964)
Net decrease in cash and cash equivalents		(103,947)	(61,995)
Cash and cash equivalents at beginning of year		2,144,580	2,206,575
Cash and cash equivalents at end of year		$ 2,040,633	$ 2,144,580

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

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Medigen Biotechnology Corporation (the "Group") was incorporated as a Group limited by shares under the provisions of the Group Act of the Republic of China (R.O.C.). The Group and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the research and development of new drugs and vaccines, cytotherapy, advanced nucleic acid testing, generic drugs, aesthetic medicine products and the production and sale of vaccine-related products. The Group' shares were listed in the Taipei Exchange starting from November 2011.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 30, 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 the 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 Group's financial condition and financial performance based on the Group's assessment.

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

New standards, interpretations and amendments endorsed by the FSC effective from 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 Group's financial condition and financial performance based on the Group's assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
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 Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations 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 consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) 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 judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group 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. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

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

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

(e) When the Group loses control of a subsidiary, the Group 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 recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2022	Ownership (%) December 31, 2021	Description
The Company	TBG Diagnostics Limited.	Biotechnology service and retail and wholesale business of medical instrument	51.76	51.76	Note 2
The Company	TDL Holding Co.	Investment business	100	-	Note 4
The Company	Medigen Vaccine Biologics Corporation	Research and development and wholesale business of vaccines and biopharmaceutical, and retail and wholesale business of medical	19.74	20.96	Note 1
The Company	WINSTON MEDICAL SUPPLY CO., LTD.	Manufacturing and marketing of chemistry medicine, ophthalmic anti-infectives, aesthetic medicine, dietary supplement and other medicines and products	59.22	59.22	

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2022	December 31, 2021	
The Company	Medigen Biotechnology (Xiamen) Corporation	Research and development of clinical new medicine, supports of production technology and consult of related technology and after-sale service	100	100	
The Company	Medigen Biotechnology (Beijing) Corporation	Investment business	100	100	
Medigen Vaccine Biologics Corporation	MVC BioPharma Ltd.	Investment business	100	100	
Medigen Vaccine Biologics Corporation	Medigen Capital Corporation	Investment business	100	-	Note 3
TBG Diagnostics Limited.	TDL Holding Co.	Investment business	-	100	Note 4
TDL Holding Co.	Texas BioGene, Inc.	Biotechnology service and retail and wholesale business of medical instrument	100	100	
TDL Holding Co.	TBG Biotechnology Corp.	Biotechnology service and retail and wholesale business of medical instrument	100	100	
WINSTON MEDICAL SUPPLY CO., LTD.	UMO INTERNATIONAL CO., LTD.	Retail and wholesale of skincare products and makeup	100	100	
WINSTON MEDICAL SUPPLY CO., LTD.	SHINY LILY CO., LTD.	Retail and wholesale of western medicine	100	100	

Note 1: On March 5, 2021, May 7, 2021, July 30, 2021, November 10, 2021, March 1, 2022, May 3, 2022 and November 7, 2022, the Board of Directors of Medigen Vaccine Biologics Corporation approved the conversion of employee stock options into ordinary shares; and on March 1, 2022, approved the cash capital increase, however, the Company did not acquire shares proportionally to its interest, and 10% of the capital increase were retained to be acquired by employees. Additionally, the Company disposed some shares of Medigen Vaccine Biologics Corporation in the period from January 2021 to December 2022, thus the Company's shareholding ratio decreased from 22.03% to 19.74%. Currently, the Company was the largest shareholder, and other shareholders are disaggregated, therefore, the Company still had control over Medigen Vaccine Biologics Corporation which was continually included in the consolidated financial statements. However, in the subsequent period, the Company would continually assess whether the Company still had control over Medigen Vaccine Biologics Corporation.

Note 2: On August 30, 2021, the Company's subsidiary, TBG Diagnostics Limited (ASX: stock symbol: TDL), was delisted by the Australian Securities Exchange Ltd. (ASX) after the closing on August 27, 2021, based on the announcement of Listing Rule17.15. This situation had no effects on the Company's financial business.

Note 3: On November 10, 2021, the Board of Directors of the Company's subsidiary, Medigen Vaccine Biologics Corporation, resolved to establish MVC Capital Corporation by investing $200,000. Additionally, the establishment has been approved on January 6, 2022.

Note 4: Because the Company was optimistic about the prospects of the future development of molecular diagnostics business, on April 21, 2022, the Board of Directors of the Company approved to carry out a reorganisation of the Group and planned to acquire all of the equity interest in TDL Holding Co., which was wholly owned by the subsidiary, TBG Diagnostics Limited, in the amount no higher than AUD 6.5 million by cash. Additionally, on October 28, 2022, the shareholders during the extraordinary general meeting of TBG Diagnostics Limited approved to dispose all of the equity interest in its subsidiary, TDL Holding Co., to the Company, for a consideration of AUD 6.3 million (NT$130,032 thousand), and the settlement date was on November 2, 2022. After the reorganisation of the Group, the Company's equity interest in TDL Holding Co. increased from 51.76% indirect ownership to 100% direct ownership, resulting to a decrease of $34,273 in the Company's capital surplus.

C. Subsidiaries not included in the consolidated financial statements:

None.

D. Adjustments for subsidiaries with different balance sheet dates:

Not applicable.

E. Significant restrictions

None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2022 and 2021, the non-controlling interest amounted to $4,276,986 and $4,031,716, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2022		December 31, 2021	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Medigen Vaccine Biologics Corporation	Hsinchu	3,993,585	80.26%	$ 3,697,687	79.04%
WINSTON MEDICAL SUPPLY CO., LTD.	Tainan	211,457	40.78%	197,725	40.78%
TBG Diagnostics Limited	Australia	71,944	48.24%	136,304	48.24%
		$ 4,276,986		$ 4,031,716	

Summarised financial information of the subsidiaries:

Balance sheets

	Medigen Vaccine Biologics Corporation	
	December 31, 2022	December 31, 2021
Current assets	$ 5,440,501	$ 3,545,966
Non-current assets	1,852,826	1,753,045
Current liabilities	(355,232)	(439,087)
Non-current liabilities	(1,963,452)	(183,867)
Total net assets (Note)	$ 4,974,643	$ 4,676,057

	WINSTON MEDICAL SUPPLY CO., LTD.	
	December 31, 2022	December 31, 2021
Current assets	$ 432,024	$ 345,683
Non-current assets	391,906	414,614
Current liabilities	(213,828)	(183,265)
Non-current liabilities	(89,826)	(92,005)
Total net assets (Note)	$ 520,276	$ 485,027

	TBG Diagnostics Limited	
	December 31, 2022	December 31, 2021
Current assets	$ 124,017	$ 11,455
Non-current assets	28,470	277,110
Current liabilities	(3,349)	(6,010)
Non-current liabilities	-	-
Total net assets	$ 149,138	$ 282,555

Note: On December 31, 2022 and 2021, the amounts of advance receipts for shares of Medigen Vaccine Biologics Corporation were $4,744 and $8,260, respectively, and belonged to non-controlling interests.

Statements of comprehensive income

	Medigen Vaccine Biologics Corporation	
	Year ended December 31	
	2022	2021
Revenue	$ 365,042	$ 3,280,994
(Loss) profit before income tax	(1,476,167)	1,410,258
Income tax expense	-	-
(Loss) profit for the year	(1,476,167)	1,410,258
Other comprehensive income (loss), net of tax	82,488	(105)
Total comprehensive loss	($ 1,393,679)	$ 1,410,153
Comprehensive (loss) income attributable to non-controlling interest	($ 1,114,640)	$ 1,114,528

	WINSTON MEDICAL SUPPLY CO., LTD.	
	Year ended December 31	
	2022	2021
Revenue	$ 577,392	$ 510,979
Profit before income tax	139,500	98,404
Income tax expense	(29,374)	(20,660)
Profit for the year	110,126	77,744
Other comprehensive loss, net of tax	(1,204)	(117)
Total comprehensive income	$ 108,922	$ 77,627
Comprehensive income attributable to non-controlling interest	$ 43,775	$ 32,645
Dividends paid to non-controlling interest	$ 30,042	$ 22,532

	TBG Diagnostics Limited	
	Year ended December 31	
	2022	2021
Revenue	$ -	$ -
Loss before income tax	(248,241)	(50,592)
Income tax expense	-	-
Loss for the year	(248,241)	(50,592)
Other comprehensive loss, net of tax	(2,990)	(34,356)
Total comprehensive loss	($ 251,231)	($ 84,948)
Comprehensive loss attributable to non-controlling interest	($ 121,194)	($ 40,635)

Statements of cash flows

	Medigen Vaccine Biologics Corporation	
	Year ended December 31	
	2022	2021
Net cash (used in) provided by operating activities	($ 1,073,011)	$ 552,872
Net cash provided by (used in) investing activities	(2,244,363)	(1,102,897)
Net cash provided by financing activities	3,323,091	51,176
Increase (decrease) in cash and cash equivalents	5,717	(498,849)
Cash and cash equivalents, beginning of year	1,176,617	1,675,466
Cash and cash equivalents, end of year	$ 1,182,334	$ 1,176,617

	WINSTON MEDICAL SUPPLY CO., LTD.	
	Year ended December 31	
	2022	2021
Net cash provided by operating activities	$ 120,326	$ 143,796
Net cash used in investing activities	(8,642)	(6,101)
Net cash provided by (used in) financing activities	(76,394)	(123,898)
Increase in cash and cash equivalents	35,290	13,797
Cash and cash equivalents, beginning of year	116,366	102,569
Cash and cash equivalents, end of year	$ 151,656	$ 116,366

	TBG Diagnostics Limited	
	Year ended December 31	
	2022	2021
Net cash used in operating activities	($ 17,661)	($ 34,786)
Net cash (used in) provided by investing activities	129,968	22,974
Net cash provided by financing activities	-	-
Increase (decrease) in cash and cash equivalents	112,307	(11,812)
Cash and cash equivalents, beginning of year	11,112	22,924
Cash and cash equivalents, end of year	$ 123,419	$ 11,112

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Group's functional and the Group's presentation 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 group entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

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

ii. Income and expenses for each statement of comprehensive income 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 Group 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.

(5) Classification of current and non-current items

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(6) Cash equivalents

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

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

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

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

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

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

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

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

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

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

(10) Accounts and notes receivable

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

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

(11) Impairment of financial assets

For financial assets at amortised cost, including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Group 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 Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

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

(13) 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 costs of completion and applicable variable selling expenses.

(14) Investments accounted for using equity method / associates

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

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

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

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

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

(15) 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 Group 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. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	5 ～ 50 years
Machinery and equipment	2 ～ 15 years
Office equipment	3 ～ 20 years
Testing equipment	2 ～ 10 years
Leasehold improvements	The earlier of the lease term or useful life
Other equipment	3 ～ 10 years

(16) 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 Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

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

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.

(17) Intangible assets

A. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 to 10 years.

B. Drug licenses and special technique

Separately acquired drug licenses are stated at cost and amortised on a straight-line basis over its estimated useful lives of 5 years.

Drug licenses acquired in a business combination are the licenses approved and issued by the Food and Drug Administration of the Ministry of Health and Welfare. They are recognised at fair value at the acquisition date and amortised over their estimated useful lives of 15 years.

Special technique is stated initially at its cost and amortised on a straight-line basis over its estimated useful life of 10 ~ 20 years.

C. Goodwill

Goodwill arises in a business combination accounted for by applying the acquisition method.

D. Vaccine patent

Vaccine patent is stated at cost and amortised on a straight-line basis over its estimated useful life of 15 years.

(18) Impairment of non-financial assets

A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is 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.

B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(19) Borrowings

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

(20) Accounts and notes 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.

(21) Convertible bonds payable

Convertible bonds payable issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

E. When bondholders exercise conversion options, the liability component of the bonds (including bonds payable and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(22) Derecognition of financial liabilities

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

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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 with the Group 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 government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

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

iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group'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 Group 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' remuneration

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

(24) <u>Employee share-based payment</u>

A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are 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.

B. Employee restricted shares:

(a) Restricted stocks issued to employees 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.

(b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.

(c) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Group will redeem at no consideration and retire those stocks.

(25) 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 Group 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 balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group 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. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(26) 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.

(27) Dividends

Dividends are recorded in the Group's financial statements in the period in which they are resolved by the Group'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.

(28) Revenue recognition

A. Sales of goods

(a) The Group is engaged in the manufacture and sells of biopharmaceuticals, Covid-19 vaccines, virus test kits, western medicines, medical instruments, aesthetic medicine products and food products, etc. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer'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 customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from these sales is recognised based on the price specified in the contract, net of sales returns, volume discounts, and sales discounts and allowances, 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. Some contracts include multiple deliverables, such as storage, custody and delivery of Covid-19 vaccine and other services. The nature of this service is simple. It does not include an integration service and could be performed by another party. It is therefore accounted for as a separate performance obligation. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. Revenue from providing services is recognised in the accounting period in which the services are rendered. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised. Accumulated experience is used to estimate such returns using the expected value method.

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

B. Technical service revenue

The Group provides technical services on human leukocyte antigen (HLA) tissue-typing, cellular therapy and test service, cytotherapy technical supporting service and ophthalmic drug development and technical service. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the number of delivered report relative to the total number of committed report. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

C. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Group recognises the incremental costs of obtaining a contract as an expense when incurred although the Group expects to recover those costs.

(29) Government grants

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

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group's chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

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

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

None.

(2) Critical accounting estimates and assumptions

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

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

B. Realisability of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Assessment of the realisability of deferred tax assets involves critical accounting judgements and estimates of the management, including the assumptions of expected future sales revenue growth rate and gross profit rate, available tax credits, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred tax assets.

C. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the impact of market demand from different channels and short expiration date of medicines, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 1,247	$ 1,156
Checking accounts and demand deposits	1,984,282	2,143,424
Time deposits	25,042	-
Cash equivalents - bonds sold under repurchase agreement	30,062	-
Total	$ 2,040,633	$ 2,144,580

A. The Group 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. The Group has no cash and cash equivalents pledged to others.

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

Asset items	December 31, 2022	December 31, 2021
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Shares	$ 16,035	$ 16,010
Beneficiary certificates	54,400	53,600
Valuation adjustment	(16,210)	(16,011)
Total	$ 54,225	$ 53,599

Liability items	December 31, 2022	December 31, 2021
Non-current items:		
Financial liabilities held for trading		
Derivative instruments	$ 2,800	$ -
Valuation adjustment	16,450	-
Total	$ 19,250	$ -

A. The Group recognised net loss amounting to $16,656 and $40 on financial assets and liabilities at fair value through profit or loss for the years ended December 31, 2022 and 2021, respectively.

B. The Group had no financial assets at fair value through profit or loss pledged to others as collateral.

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2022	December 31, 2021
Non-current items:		
Equity instruments		
Foreign unlisted shares	$ 206,815	$ 137,406
Valuation adjustment	(1,181)	(83,406)
Total	$ 205,634	$ 54,000

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2022	2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 82,225	($ 21,129)

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 fair value through other comprehensive income held by the Group was $205,634 and $54,000, respectively.

D. The Group has no financial assets at fair value through other comprehensive income pledged to others as collateral.

(4) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Time deposits (over three months)	$ 2,979,940	$ 800,000
Interest rate range	0.965%~4.15%	0.53%

A. The Group recognised interest income of $2,100 and $2,338 on financial assets at amortised cost for the years ended December 31, 2022 and 2021.

B. 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 Group was $2,979,940 and $800,000, respectively.

C. The Group has no financial assets at amortised cost pledged to others as collateral.

D. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 120,042	$ 57,126
Accounts receivable	$ 263,954	$ 381,619
Less: Allowance for uncollectible accounts	(35)	(1,347)
	$ 263,919	$ 380,272

A. As of December 31, 2022 and 2021, accounts receivable and notes receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables from contracts with customers amounted to $141,150.

B. The Group had no notes and accounts receivable pledged to others as collateral.

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 notes and accounts receivable held by the Group was $383,961 and $437,398, respectively.

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

(6) Inventories

	December 31, 2022		
	Cost	Allowance for valuation loss	Carrying amount
Goods	$ 43,496	($ 34,325)	$ 9,171
Raw materials	388,922	(139,491)	249,431
Supplies	317,461	(14,079)	303,382
Work in progress and semi-finished goods	126,773	(30,201)	96,572
Finished goods	329,832	(295,773)	34,059
Total	$ 1,206,484	($ 513,869)	$ 692,615

	December 31, 2021		
	Cost	Allowance for valuation loss	Carrying amount
Goods	$ 68,527	($ 50,608)	$ 17,919
Raw materials	268,479	(4,102)	264,377
Supplies	120,227	(7,666)	112,561
Work in progress and semi-finished goods	28,067	(479)	27,588
Finished goods	335,936	(5,507)	330,429
Total	$ 821,236	($ 68,362)	$ 752,874

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2022	2021
Cost of goods sold	$ 465,808	$ 1,308,600
Loss on decline in market value	445,507	48,168
Loss on abandonment of inventory	46,848	4,722
	$ 958,163	$ 1,361,490

(7) Other current assets

	December 31, 2022	December 31, 2021
Performance guarantees	$ 60,450	$ 173,290
Prepayments	382,349	99,586
Excess business tax paid (or Net Input VAT)	57,297	24,174
Current restricted assets	42,316	50,514
Others	16,393	8,157
	$ 558,805	$ 355,721

Information about restricted cash classified as current restricted assets is provided in Note 8.

(8) Investments accounted for using equity method

	2022	2021
At January 1	$ 309,711	$ 133,395
Addition of investments accounted for using equity method	57,922	20,911
Disposal of investments accounted for using equity method	-	(12,039)
Share of loss of investments accounted for using equity method (Note)	(262,213)	(98,799)
Changes in capital surplus	(4,368)	276,861
Changes in other equity items	644	(11,980)
Realised profit from sales	-	1,362
At December 31	$ 101,696	$ 309,711

	December 31, 2022	December 31, 2021
Associates:		
U-GEN BIOTECHNOLOGY INC. (formerly TBG INC.)	$ 31,884	$ 214,134
CELLXPERT BIOTECHNOLOGY CORP.	69,812	95,577
	$ 101,696	$ 309,711

(Note) It was calculated based on the actual proportion of capital injection for the years ended December 31, 2022 and 2021.

A. In April 2021, the Company's investments accounted for using the equity method, U-GEN, issued new shares, and the Company's subsidiary, TBG Diagnostics Limited, did not acquire shares proportionally to its interest, thereby decreasing the equity interest by 1.16%. In May 2021, the Company's subsidiary, TBG Diagnostics Limited, disposed 8,059 thousand shares in U-GEN for a consideration of $23,003, thereby decreasing the shareholding ratio from 43.08% to 38.46%. In December 2021, the Company's investments accounted for using the equity method, U-GEN, issued new shares, and the Company's subsidiary, TBG Diagnostics Limited, did not acquire shares proportionally to its interest, thereby decreasing the equity interest by 1.1%. In January 2022, the Company's second-tier subsidiary, MVC Capital Corporation, acquired a 0.48% equity interest in U-GEN for $27,795. In March 2022, the Company's investments accounted for using the equity method, U-GEN, issued new shares, and the Company's subsidiary, TBG Diagnostics Limited, and second-tier subsidiary, MVC Capital Corporation, did not acquire shares proportionally to its interest, thereby decreasing the equity interest by 0.82%. In December 2022, the Company's investments accounted for using the equity method, U-GEN, issued new shares, the Company's second-tier subsidiary, MVC Capital Corporation, acquired a 0.46% equity interest in U-GEN for $57,922, and the Company's subsidiary, TBG Diagnostics Limited, did not acquire shares proportionally to its interest, thereby decreasing the equity interest by 0.17%.

B. The basic information of the associates that are material to the Group is as follows:

Company name	Principal place of business	Shareholding ratio December 31, 2022	Shareholding ratio December 31, 2021	Nature of relationship	Methods of measurement
CELLXPERT BIOTECHNOLOGY CORP.	China	26.25%	26.25%	Strategic investments	Equity method
U-GEN (formerly TBG INC.)	Cayman islands	37.31%	37.36%	Strategic investments	Equity method

C. The summarised financial information of the associates that are material to the Group is as follows:

Statements of comprehensive income

	TBG Biotechnology (Xiamen) Corp. Period from January 1, 2021 to March 31, 2021
Revenue	$ 11,773
Profit for the year from continuing operations	$ 22,170
Other comprehensive income, net of tax	-
Total comprehensive income	$ 22,170

Balance sheets

	CELLXPERT BIOTECHNOLOGY CORP.	
	December 31, 2022	December 31, 2021
Current assets	$ 135,667	$ 113,701
Non-current assets	175,310	231,271
Current liabilities	(92,553)	(48,729)
Non-current liabilities	(45,105)	(86,884)
Total net assets	$ 173,319	$ 209,359
Carrying amount of the associate	$ 69,812	$ 95,577

Statements of comprehensive income

	CELLXPERT BIOTECHNOLOGY CORP.	
	Year ended December 31	
	2022	2021
Revenue	$ 41,571	$ 2,094
Loss for the year from continuing operations	($ 63,100)	($ 116,157)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	($ 63,100)	($ 116,157)

Balance sheets

	U-GEN (formerly TBG INC.)	
	December 31, 2022	December 31, 2021
Current assets	$ 254,654	$ 311,943
Non-current assets	26,069	359,417
Current liabilities	(132,015)	(98,073)
Non-current liabilities	(70,839)	(94)
Total net assets	$ 77,869	$ 573,193
Carrying amount of the associate	$ 31,884	$ 214,134

Statements of comprehensive income

	U-GEN (formerly TBG INC.)	
	Year ended December 31	
	2022	2021
Revenue	$ -	$ -
Loss for the year from continuing operations	($ 637,039)	($ 93,308)
Other comprehensive income (loss), net of tax	329	(11,226)
Total comprehensive loss	($ 636,710)	($ 104,534)

D. In March 2021, after the reorganisation of the Company's subsidiary, TBG Diagnostics Limited, the Group's shareholding ratio in U-GEN decreased. As of December 31, 2022, the Group only held 37.31% equity interests, even though the Group was the single largest shareholder of U-GEN, the total number of shares held by other three major shareholders (not related parties) exceeded the number of shares held by the Group, also, the Group did not hold over 50% of the seats in the Board of Directors in U-GEN, which indicates that the Group has no actual ability to direct the relevant activities of U-GEN, thus, the Group has no control, but only has significant influence, over U-GEN.

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(9) Property, plant and equipment

	2022								
	Land	Buildings and structures	Machinery and equipment	Office equipment	Testing equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1									
Cost	$ 354,039	$ 1,500,203	$ 838,218	$ 37,927	$ 207,418	$ 2,552	$ 94,695	$ 4,695	$ 3,039,747
Accumulated depreciation	-	(369,305)	(394,642)	(34,425)	(175,373)	(1,658)	(68,514)	-	(1,043,917)
	$ 354,039	$ 1,130,898	$ 443,576	$ 3,502	$ 32,045	$ 894	$ 26,181	$ 4,695	$ 1,995,830
Opening net book amount	$ 354,039	$ 1,130,898	$ 443,576	$ 3,502	$ 32,045	$ 894	$ 26,181	$ 4,695	$ 1,995,830
Additions - acquired separately	-	5,361	36,840	665	8,023	478	3,501	14,425	69,293
Reclassifications	-	323	11,338	-	2,667	-	1,102	(4,582)	10,848
Depreciation charge	-	(67,024)	(66,880)	(1,827)	(14,247)	(457)	(7,042)	-	(157,477)
Net exchange differences	-	-	-	4	-	-	-	-	4
Closing net book amount	$ 354,039	$ 1,069,558	$ 424,874	$ 2,344	$ 28,488	$ 915	$ 23,742	$ 14,538	$ 1,918,498
At December 31									
Cost	$ 354,039	$ 1,505,887	$ 884,440	$ 38,599	$ 218,108	$ 3,030	$ 99,022	$ 14,538	$ 3,117,663
Accumulated depreciation	-	(436,329)	(459,566)	(36,255)	(189,620)	(2,115)	(75,280)	-	(1,199,165)
	$ 354,039	$ 1,069,558	$ 424,874	$ 2,344	$ 28,488	$ 915	$ 23,742	$ 14,538	$ 1,918,498

2021	Land	Buildings and structures	Machinery and equipment	Office equipment	Testing equipment	Leasehold improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1									
Cost	$ 354,039	$ 1,494,926	$ 663,481	$ 37,154	$ 206,749	$ 1,887	$ 94,926	$ 17,902	$ 2,871,064
Accumulated depreciation	-	(302,839)	(337,041)	(31,274)	(165,868)	(1,171)	(61,187)	-	(899,380)
	$ 354,039	$ 1,192,087	$ 326,440	$ 5,880	$ 40,881	$ 716	$ 33,739	$ 17,902	$ 1,971,684
Opening net book amount	$ 354,039	$ 1,192,087	$ 326,440	$ 5,880	$ 40,881	$ 716	$ 33,739	$ 17,902	$ 1,971,684
Additions - acquired separately	-	3,610	100,746	1,661	8,862	665	86	4,695	120,325
Disposals	-	-	(243)	-	-	-	(7)	-	(250)
Reclassifications	-	1,666	76,597	105	-	-	-	(17,902)	60,466
Depreciation charge	-	(66,465)	(59,964)	(4,136)	(17,698)	(487)	(7,637)	-	(156,387)
Net exchange differences	-	-	-	(8)	-	-	-	-	(8)
Closing net book amount	$ 354,039	$ 1,130,898	$ 443,576	$ 3,502	$ 32,045	$ 894	$ 26,181	$ 4,695	$ 1,995,830
At December 31									
Cost	$ 354,039	$ 1,500,203	$ 838,218	$ 37,927	$ 207,418	$ 2,552	$ 94,695	$ 4,695	$ 3,039,747
Accumulated depreciation	-	(369,305)	(394,642)	(34,425)	(175,373)	(1,658)	(68,514)	-	(1,043,917)
	$ 354,039	$ 1,130,898	$ 443,576	$ 3,502	$ 32,045	$ 894	$ 26,181	$ 4,695	$ 1,995,830

A. For the years ended December 31, 2022 and 2021, no interest was capitalised to property, plant and equipment.

B. The significant components of buildings and structures include electromechanical air conditioning and fire protection engineering, which are depreciated over 3 and 15 years, respectively.

C. Reclassifications are transfers from prepayments for business facilities (shown as other non-current assets)

D. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(10) Lease transactions－lessee

A. The Group leases various assets including land, buildings, business vehicles and photocopiers. Except for land and buildings, for which rental contracts are made for periods of 10 to 48 years, the remaining assets are typically made for periods of 2 to 8 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
Land	$ 175,818	$ 179,569
Buildings	100,374	8,499
Transportation equipment (Business vehicles)	2,619	5,433
Other equipment	375	-
	$ 279,186	$ 193,501

	Year ended December 31	
	2022	2021
	Depreciation charge	Depreciation charge
Land	$ 3,996	$ 3,990
Buildings	11,720	1,289
Transportation equipment (Business vehicles)	3,687	3,206
Other equipment	374	465
	$ 19,777	$ 8,950

The movements of right-of-use assets of the Group during 2022 and 2021 are as follows:

	2022				
	Land	Buildings	Transportation equipment (Business vehicles)	Other equipment	Total
At January 1	$ 179,569	$ 8,499	$ 5,433	$ -	$ 193,501
Additions	-	103,595	-	749	104,344
Lease modification	245	-	873	-	1,118
Depreciation charge	(3,996)	(11,720)	(3,687)	(374)	(19,777)
At December 31	$ 175,818	$ 100,374	$ 2,619	$ 375	$ 279,186

	2021				
	Land	Buildings	Transportation equipment (Business vehicles)	Other equipment	Total
At January 1	$ 183,559	$ 5,419	$ 4,908	$ 465	$ 194,351
Additions	-	-	3,972	-	3,972
Lease modification	-	4,369	(241)	-	4,128
Depreciation charge	(3,990)	(1,289)	(3,206)	(465)	(8,950)
At December 31	$ 179,569	$ 8,499	$ 5,433	$ -	$ 193,501

C. 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	$ 7,712	$ 5,907
Expense on short-term lease contracts	4,187	9,986
Gain arising from lease modfications	4	-

D. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were $28,867 and $22,727, respectively.

(11) Intangible assets

	2022				
	Software	Drug licenses and special technique	Goodwill	Vaccine patent	Total
At January 1					
Cost	$ 25,382	$ 292,135	$ 76,175	$ 48,987	$ 442,679
Accumulated amortisation	(20,515)	(267,977)	-	(29,937)	(318,429)
	$ 4,867	$ 24,158	$ 76,175	$ 19,050	$ 124,250
Opening net book amount	$ 4,867	$ 24,158	$ 76,175	$ 19,050	$ 124,250
Additions-acquired separately	3,214	-	-	-	3,214
Amortisation charge	(2,518)	(8,608)	-	(3,266)	(14,392)
Closing net book amount	$ 5,563	$ 15,550	$ 76,175	$ 15,784	$ 113,072
At December 31					
Cost	$ 28,596	$ 292,135	$ 76,175	$ 48,987	$ 445,893
Accumulated amortisation	(23,033)	(276,585)	-	(33,203)	(332,821)
	$ 5,563	$ 15,550	$ 76,175	$ 15,784	$ 113,072

	2021				
	Software	Drug licenses and special technique	Goodwill	Vaccine patent	Total
At January 1					
Cost	$ 23,554	$ 292,135	$ 76,175	$ 48,987	$ 440,851
Accumulated amortisation	(18,436)	(240,231)	-	(26,671)	(285,338)
	$ 5,118	$ 51,904	$ 76,175	$ 22,316	$ 155,513
Opening net book amount	$ 5,118	$ 51,904	$ 76,175	$ 22,316	$ 155,513
Additions-acquired separately	1,591	-	-	-	1,591
Reclassifications	237	-	-	-	237
Amortisation charge	(2,079)	(27,746)	-	(3,266)	(33,091)
Closing net book amount	$ 4,867	$ 24,158	$ 76,175	$ 19,050	$ 124,250
At December 31					
Cost	$ 25,382	$ 292,135	$ 76,175	$ 48,987	$ 442,679
Accumulated amortisation	(20,515)	(267,977)	-	(29,937)	(318,429)
	$ 4,867	$ 24,158	$ 76,175	$ 19,050	$ 124,250

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

	Year ended December 31	
	2022	2021
Selling expenses	$ 317	$ 151
Administrative expenses	1,781	1,420
Research and development expenses	12,294	31,520
	$ 14,392	$ 33,091

B. For the years ended December 31, 2022 and 2021, the Group had no interest capitalisation of intangible assets.

C. Goodwill is identified as generic drug segment and aesthetic medicine product segment according to operating segment.

D. The aforementioned drug licenses and special technique primarily include the drug licenses acquired in a business combination, special technique in the research and development of new anti-cancer drugs acquired from licensing, special technique in the research and development of vaccines acquired from licensing and special technique in the research and development of monoclonal antibody acquired externally.

E. For the year ended December 31, 2008, the Group signed a strategic alliance contract with Oncolys Biopharma Inc. who authorised related expertise (primarily used in anticancer) to the Group for use in of human subject research. The Group in jointly responsible for the development expenses, and the Group can share the royalty based on a certain percentage after the expertise generates commercial profit. On April 8, 2019, it was authorised to Chugai Pharmaceutical Co., Ltd. by Oncolys Biopharma Inc., and the authorised areas were Japan and Taiwan. On October 19, 2021, the Group received the notice of announcement from Oncolys Biopharma Inc. indicating that Oncolys Biopharma Inc. has informed Chugai Pharmaceutical Co., Ltd. to terminate the authorisation contract earlier. Further, on February 25, 2022, Oncolys Biopharma Inc. formally notified the Group that the effective date of termination of the authorisation contract will be October 15, 2022. Oncolys Biopharma Inc. and the Group will continue to develop OBP-301 and accept the clinical trial which was formerly performed by Chugai Pharmaceutical Co., Ltd.

F. In February 2017, the Group processed the unblinding of PI-88 Phase III clinical trial data and statistical analysis procedures, and externally announced on February 28, 2017. The data analysis result showed that the drug safety of PI-88 was good and was in the acceptable range. For the whole efficacy, the primary endpoint of the treatment group who applied PI-88 was not significantly better than the control group, however it did not reach the statistical significance which was asked by the clinical trial. In the clinical trial, the efficacy analysis of sub-group was found that, in the group with microvascular invasion, the treatment group who applied PI-88 was better than control group on the primary endpoint of "disease-free survival", and the difference belongs to a marginally significant level. According to the research analysis result of the aforementioned PI-88 Phase III clinical trial which the Group had published in the European Society for Medical Oncology (ESMO) and consulted the medicines competent authority of each country and searched for international collaboration. On December 18, 2019, the Group had authorised the global (excluding Taiwan) rights of development and commercialisation to CELLXPERT BIOTECHNOLOGY CORP.. Refer to Note 9(2)E for details.

G. The aforementioned vaccine patents pertain to rights of vaccine production technology, clinical trial and the result of market development obtained from CESCO BIOENGINEERING CO., LTD. and Schweitzer Biotech Company Ltd..

(12) Short-term borrowings

Type of borrowings	December 31, 2022	Interest rate	Collateral
Secured bank borrowings	$ 228,000	1.77%~2.56%	Land, buildings and structures, restricted assets and securities
Unsecured bank borrowings	100,000	1.99%~2.33%	None.
	$ 328,000		

Type of borrowings	December 31, 2021	Interest rate	Collateral
Secured bank borrowings	$ 250,000	1.16%~1.90%	Land, buildings and structures, restricted assets and securities
Unsecured bank borrowings	50,000	1.42%	None.
	$ 300,000		

(13) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2022
Installment-repayment borrowings				
Secured borrowings from Taiwan Cooperative Bank	Interests was repayable monthly from August 2014 to August 2017 while the principal and interests were repayable monthly from September 2017 to August 2029 (however, interest was repayable monthly in the grace period from January 2018 to June 2023).	2.05%	Land, buildings and structures	$ 48,000
"	Interests was repayable monthly from June 2015 to June 2018 while the principal and interests were repayable monthly from June 2018 to June 2035 (however, interest was repayable monthly in the grace period from July 2018 to June 2023).	1.92%	Land, buildings and structures	178,000
"	Borrowing period is from May 9, 2014 to May 9, 2034; principal grace period is 3 years; interest is repayable monthly and principal is equally amotised in 204 instalments from the fourth year	1.92%	Land, buildings and structures	36,933
"	Borrowing period is from February 2, 2015 to February 2, 2035; principal grace period is 3 years; interest is repayable monthly and principal is equally amotised in 204 instalments from the fourth year	1.92%	Land, buildings and structures	17,893

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Secured borrowings from Shanghai Commercial and Savings Bank	Borrowing period is from November 2020 to November 2023; interest is repayable monthly; principal is repayable monthly and equally amortised	2.50%	Restricted assets	3,055
Installment-repayment borrowings				
Secured borrowings from Sunny Bank Ltd.	The principal and interests were repayable monthly from April 17, 2018 to April 17, 2038 (however, interest was repayable monthly in the grace period from September 2018 to August 2024).	1.99%	Land, buildings and structures	196,288
				480,169
Less: Current portion				(28,862)
				$ 451,307

Type of borrowings	Borrowing period and repayment term	Interest rate	Collateral	December 31, 2021
Installment-repayment borrowings				
Secured borrowings from Taiwan Cooperative Bank	Interests was repayable monthly from August 2014 to August 2017 while the principal and interests were repayable monthly from September 2017 to August 2029 (however, interest was repayable monthly in the grace period from January 2018 to June 2022).	1.42%	Land, buildings and structures	$ 48,000
	Interests was repayable monthly from June 2015 to June 2018 while the principal and interests were repayable monthly from June 2018 to June 2035 (however, interest was repayable monthly in the grace period from July 2018 to June 2022).	1.42%	Land, buildings and structures	181,000
"	Borrowing period is from May 9, 2014 to May 9, 2034; principal grace period is 3 years; interest is repayable monthly and principal is equally amortised in 204 instalments from the fourth year	1.42%	Land, buildings and structures	40,168
"	Borrowing period is from February 2, 2015 to February 2, 2035; principal grace period is 3 years; interest is repayable monthly and principal is equally amotised in 204 instalments from the fourth year	1.50%	Land, buildings and structures	19,363
Secured borrowings from Shanghai Commercial and Savings Bank	Borrowing period is from November 2020 to November 2023; interest is repayable monthly; principal is repayable monthly and equally amortised	2.50%	Restricted assets	6,388

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021
Secured borrowings from Sunny Bank Ltd.	The principal and interests were repayable monthly from April 17, 2018 to April 17, 2038 (however, interest was repayable monthly in the grace period from September 2018 to August 2022).	1.45%	Land, buildings and structures	197,193
				492,112
Less: Current portion				(21,340)
				$ 470,772

(14) Bonds payable

	December 31, 2022	December 31, 2021
Bonds payable	$ 1,750,000	$ -
Less: Discount on bonds payable	(72,150)	-
	$ 1,677,850	$ -

A. The issuance of domestic convertible bonds by the Company's subsidiary - Medigen Vaccine Biologics Corporation:

(a) The terms of the first domestic unsecured convertible bonds issued by Medigen Vaccine Biologics Corporation are as follows

i. Medigen Vaccine Biologics Corporation issued $1,750,000, 0% first domestic unsecured convertible bonds, as approved by the regulatory authority. The bonds mature 3 years from the issue date (May 9, 2022 ~ May 9, 2025) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on May 9, 2022.

ii. The bondholders have the right to ask for conversion of the bonds into common shares of Medigen Vaccine Biologics Corporation during the period from the date after three months of the bonds issue to the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

iii. The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the increase in the number of ordinary shares issued (including private placement) by Medigen Vaccine Biologics Corporation occurs subsequently, including but not limited to issuance of common stock for cash, capital increase out of earnings or capital reserves, company merger, transfer of shares from other companies to issue new shares, stock splits and cash capital increase to participate in the issuance of overseas depositary receipts, etc. The conversion price was NT$278 (in dollars) per share on the issue date. In response to Medigen Vaccine Biologics Corporation’s capital increase out of cash and earnings, the conversion price was adjusted to NT$277.5 and NT$187.1 (in dollars) on July 1, 2022 and August 9, 2022, respectively.

iv. The bondholders have the right to require Medigen Vaccine Biologics Corporation to redeem any bonds at the price of the bonds’ face value upon two years from the issue date.

v. Medigen Vaccine Biologics Corporation may repurchase all the bonds outstanding in cash at the bonds’ face value at any time after the following events occur: (i) the closing price of Medigen Vaccine Biologics Corporation’s common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.

vi. Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of convertible bonds, the equity conversion options amounting to $89,930 were separated from the liability component and were recognised in ‘capital surplus—share options’ in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in ‘financial liabilities at fair value through profit or loss’ in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation was 1.7882%.

(15) 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 Labor Standards Act. 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 and its domestic subsidiaries contribute 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 and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by the end of 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 and its domestic subsidiaries 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	($ 19,506)	($ 18,201)
Fair value of plan assets	8,815	7,368
Net defined benefit liability	($ 10,691)	($ 10,833)

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
At January 1	($ 18,201)	$ 7,368	($ 10,833)
Interest (expense) income	(132)	53	(79)
	(18,333)	7,421	(10,912)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	559	559
Change in financial assumptions	1,004	-	1,004
Experience adjustments	(2,177)	-	(2,177)
	(1,173)	559	(614)
Pension fund contribution	-	835	835
Paid pension	-	-	-
At December 31	($ 19,506)	$ 8,815	($ 10,691)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2021			
At January 1	($ 18,613)	$ 7,273	($ 11,340)
Interest (expense) income	(74)	23	(51)
	(18,687)	7,296	(11,391)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	111	111
Change in demographic assumptions	(263)	-	(263)
Change in financial assumptions	635	-	635
Experience adjustments	(883)	-	(883)
	(511)	111	(400)
Pension fund contribution	-	958	958
Paid pension	997	(997)	-
At December 31	($ 18,201)	$ 7,368	($ 10,833)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Group's defined benefit pension plan 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 Group has no right to participate in managing and operating that fund and hence the Group 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	1.16%~1.5%	0.69%~0.75%
Future salary increases	1%~2.25%	1~2%

Future mortality rate was all estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 937)	$ 1,015	$ 994	($ 927)
December 31, 2021				
Effect on present value of defined benefit obligation	($ 956)	$ 1,042	$ 1,018	($ 943)

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 of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to $1,915.

(g) As of December 31, 2022, the weighted average duration of the retirement plan is 7~11.9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 4,407
1 to 2 year(s)	497
2 to 5 years	5,312
5 to 10 years	3,482
	$ 13,698

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 plans of the Group for the years ended December 31, 2022 and 2021, were $17,571 and $17,012, respectively.

(16) Share-based payment

A. For the years ended December 31, 2022 and 2021 the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2018.12.12	1,410 thousand shares	6 years	2 to 4 years' service
Employee stock options	2019.3.12	90 thousand shares	6 years	2 to 4 years' service
Restricted stocks to employees	2019.12.31	300 thousand shares	Explanation (a)	Explanation (a)

(a) After the employee restricted shares were distributed to employees, for those employees who have reached the Company's requirement of "operating performance target", shares shall be vested several times in accordance with the Company's regulations on the issuance of employee restricted shares.

After the employee restricted shares were distributed to employees, if there were violations with labor contract and work rules, the Company would collect back the employee restricted shares, which were distributed but the vesting conditions were not reached, without prices and cancelled them.

(b) After the employee restricted shares were distributed to employees, and before reaching the vesting conditions, employees may not sell, pledge, transfer, gift to another person, set real right, or otherwise dispose, excluding inheritance. Before the vesting conditions of employee restricted shares which were issued by the Company were achieved, other rights including but not limited to dividends, bonuses and capital surplus, and share options and voting rights of the cash capital increase, etc., are the same as the Company's issued ordinary shares.

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

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

	2022		2021	
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	No. of options (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	1,063	$ 41.60	1,352	$ 41.12
Options exercised	(61)	39.35	(286)	39.35
Options expired	(9)	39.35	(3)	39.35
Options outstanding at December 31	993	41.76	1,063	41.60
Options exercisable at December 31	971	41.20	676	41.12

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

	Year ended December 31	
	2022	2021
Equity-settled	$ 6,457	$ 8,582

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

		December 31, 2022		December 31, 2021	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)	No. of shares (in thousands)	Exercise price (in dollars)
2018.11.29	2024.12.11	903	$ 39.35	973	$ 39.35
2018.11.29	2025.03.11	90	65.90	90	65.90

E. 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 arrangement	Grant date	Stock price	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	2018.12.12	39.35	39.35	45.84%	4 years	0%	0.7194%	14.27
Employee stock options	2018.12.12	39.35	39.35	48.84%	4.5 years	0%	0.7487%	15.97
Employee stock options	2018.12.12	39.35	39.35	48.86%	5 years	0%	0.7759%	16.78
Employee stock options	2019.03.12	65.9	65.90	46.42%	4 years	0%	0.6383%	24.10
Employee stock options	2019.03.12	65.9	65.90	48.61%	4.5 years	0%	0.6542%	26.54
Employee stock options	2019.03.12	65.9	65.90	49.95%	5 years	0%	0.6697%	28.55
Restricted stocks to employees	2019.12.31	61.97	-	-	-	-	-	61.97

Note: The Company's expected price volatility of granted share-based payments adopted the average volatility of the Company's monthly average price which was announced by Taipei Exchange.

F. Details of the share-based payment arrangements of the Company's subsidiary - Medigen Vaccine Biologics Corporation are as follows:

(a) The share-based payment arrangements of Medigen Vaccine Biologics Corporation for the years ended December 31, 2022 and 2021 are as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2017.07.19	2,135 thousand shares	6 years	2 to 4 years' service
Employee stock options	2018.04.18	365 thousand shares	6 years	2 to 4 years' service
Employee stock options	2018.11.05	3,035 thousand shares	6 years	2 to 4 years' service
Employee stock options	2019.08.13	465 thousand shares	6 years	2 to 4 years' service
Employee stock options	2021.03.23	2,500 thousand shares	6 years	2 to 4 years' service
Cash capital increase reserved for employee preemption	2022.05.31	508 thousand shares	0.074 years	Vested immediately

(b) Details of the share-based payment arrangements are as follows:

	2022		2021	
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	No. of options (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	4,501	$ 140.45	3,715	$ 34.47
Options granted	-	-	2,500	226.50
Options exercised	(1,187)	33.20	(1,664)	33.46
Options expired	(179)	118.55	(50)	129.81
Options outstanding at December 31	3,135	121.76	4,501	140.45
Options exercisable at December 31	657	24.03	1,044	35.55

(c) On March 1, 2022, the Board of Directors of Medigen Vaccine Biologics Corporation has resolved to increase capital and reserved 10% for employee preemption. The compensation cost recognised for the year ended December 31, 2022 was $7,474.

(d) The compensation cost recognised by Medigen Vaccine Biologics Corporation due to options granted amounted $68,135 and $68,815 for the years ended December 31, 2022 and 2021, respectively.

(e) Expenses incurred on share-based payment transactions of Medigen Vaccine Biologics Corporation are shown below:

	Year ended December 31	
	2022	2021
Equity-settled	$ 75,609	$ 68,815

(f) The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		December 31, 2022		December 31, 2021	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (Note) (in dollars)	No. of shares (in thousands)	Exercise price (Note) (in dollars)
2017.07.19	2023.07.18	17	19.90	191	29.50
2018.04.18	2024.04.17	75	26.60	279	39.50
2018.11.05	2024.11.04	475	24.80	1,306	36.75
2019.08.13	2025.08.12	185	18.60	250	27.65
2021.03.23	2027.03.22	2,383	152.80	2,475	226.50

Note: The price of employee stock option certificates issued has been adjusted in accordance with the stock subscription regulations with August 9, 2022 as the ex-rights base date.

(g) The fair value of stock options granted by the Company's subsidiary - Medigen Vaccine Biologics Corporation on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Fair value of stocks (in dollars)	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock	2017.7.19	25.82	29.50	40.77%	4 years	-	0.7128%	7.27
Employee stock	2017.7.19	25.82	29.50	42.35%	4.5 years	-	0.7383%	8.12
Employee stock	2017.7.19	25.82	29.50	42.40%	5 years	-	0.7643%	8.64
Employee stock	2018.4.18	39.45	39.50	40.05%	4 years	-	0.6595%	12.62
Employee stock	2018.4.18	39.45	39.50	39.65%	4.5 years	-	0.6909%	13.26
Employee stock	2018.4.18	39.45	39.50	40.14%	5 years	-	0.7242%	14.12
Employee stock	2018.11.5	36.75	36.75	40.55%	4 years	-	0.7180%	11.94

Type of arrangement	Grant date	Fair value of stocks (in dollars)	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock	2018.11.5	36.75	36.75	40.60%	4.5 years	-	0.7530%	12.66
Employee stock	2018.11.5	36.75	36.75	40.16%	5 years	-	0.7939%	13.22
Employee stock	2019.8.13	27.65	27.65	39.13%	4 years	-	0.5253%	8.62
Employee stock	2019.8.13	27.65	27.65	39.15%	4.5 years	-	0.5308%	9.13
Employee stock	2019.8.13	27.65	27.65	39.16%	5 years	-	0.5395%	9.61
Employee stock	2021.3.23	226.50	226.50	41.05%	4 years	-	0.2921%	73.00
Employee stock	2021.3.23	226.50	226.50	39.74%	4.5 years	-	0.3055%	75.00
Employee stock	2021.3.23	226.50	226.50	39.65%	5 years	-	0.3172%	78.70
Cash capital increase reserved for employee preemption	2022.5.31	223.50	220.00	53.63%	0.074 years	-	0.7326%	14.70

Note: The expected price volatility rate was estimated based on the stock volatility of the same industry or the volatility of the monthly average price announced by the Taipei Exchange.

G. Details of the share-based payment arrangements of the Company's subsidiary - WINSTON MEDICAL SUPPLY CO., LTD. are as follows:

(a) The share-based payment arrangements of WINSTON MEDICAL SUPPLY CO., LTD. for the years ended December 31, 2022 and 2021 are as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2015.06.10	1,205 thousand shares	6 years	2 to 4 years' service

(b) Details of the share-based payment arrangements are as follows:

	2021	
	No. of options (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1	250	$ 20
Options exercised	(250)	20
Options outstanding at December 31	-	-
Options exercisable at December 31	-	-

(c) As at December 31, 2022 and 2021, there were no options outstanding.

(d) The fair value of stock options granted by the Company's subsidiary - WINSTON MEDICAL

SUPPLY CO., LTD. on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Fair value (in dollars)	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock options	2015.6.10	11.18	10	36.36%	4 years	-	0.960%	3.79
Employee stock options	2015.6.10	11.18	10	35.87%	4.5 years	-	1.020%	3.95
Employee stock options	2015.6.10	11.18	10	35.89%	5 years	-	1.090%	4.14

Note: Expected price volatility rate was estimated by 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.

(e) On June 10, 2015, the original exercise price of the employee stock options granted by WINSTON MEDICAL SUPPLY CO., LTD. was NT$10 (in dollars). WINSTON MEDICAL SUPPLY CO., LTD. reduced capital to offset accumulated deficits, and the ratio of capital reduction was 50%. After adjustment, the exercise price was NT$20 (in dollars).

H. Details of the share-based payment arrangements of the Company's subsidiary - TBG Diagnostics Limited are as follows:

(a) The share-based payment arrangements of TBG Diagnostics Limited for the years ended December 31, 2022 and 2021 are as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Employee stock options	2016.05.13	2,000 thousand shares	5 years	2 years' service
		1,000 thousand shares	5 years	3 years' service
		1,000 thousand shares	5 years	4 years' service
		950 thousand shares	5 years	Meet KPI targets

(b) Details of the share-based payment arrangements are as follows:

	2022		2021	
	No. of options (in thousands)	Weighted-average exercise price (in dollars)	No. of options (in thousands)	Weighted-average exercise price (in dollars)
Options outstanding at January 1 and December 31	1,500	$ 7.79	1,500	$ 7.79
Options exercisable at December 31	1,500	-	1,500	7.79

(c) Among the employee stock options granted by the Company's subsidiary, TBG Diagnostics Limited, on May 13, 2016, 3,400 thousand shares were granted to employees of the second-tier subsidiary, TBG Biotechnology Corp., and the second-tier subsidiary did not recognise compensation costs both for the years ended December 31, 2022 and 2021.

(d) There were no expenses incurred on share-based payment transactions of TBG Diagnostics Limited both for years ended December 31, 2022 and 2021.

(e) The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		December 31, 2022		December 31, 2021	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)	No. of shares (in thousands)	Exercise price (in dollars)
2016.05.13	2021.05.13	1,125	$ 7.19	1,125	$ 7.19
2016.05.13	2021.05.13	375	9.59	375	9.59

(f) The fair value of stock options granted by the Company's subsidiary -TBG Diagnostics Limited on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility (Note)	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Employee stock	2016.5.13	4.8	7.19	105%	5 years	-	1.780%	2.637
Employee stock	2016.5.13	4.8	7.19	105%	5 years	-	1.780%	3.117
Employee stock	2016.5.13	4.8	9.59	105%	5 years	-	1.780%	3.117
Employee stock	2016.5.13	4.8	7.19	105%	5 years	-	1.780%	3.117

Note: Expected price volatility rate was calculated by using the stock prices announced by the Australian Securities Exchange.

(17) Share capital

A. As of December 31, 2022, the Group's authorised capital was $2,500,000, consisting of 250,000 thousand shares of ordinary stock (including 21,000 thousand shares reserved for employee stock options), and the paid-in capital was $1,394,463 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Group's ordinary shares outstanding are as follows (in thousand shares):

	2022	2021
At January 1	139,363	138,986
Employee options which were executed in the previous year and were registered in the current period	22	113
Employee stock options exercised	61	286
Employee options exercised but unregistered	-	(22)
At December 31	139,446	139,363

(18) Capital surplus

Pursuant to the R.O.C. Group 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 Group has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(19) Retained earnings (accumulated deficits to be covered)

A. Under the Group's Articles of Incorporation, the current years' earnings, if any, shall first be used to pay all taxes and offset prior year's operating losses, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance, and then, the Group appropriates or reverses special reserve as requirements or regulations when necessary. The remainder, if any, should be combined with beginning undistributed earnings (including adjusted undistributed earnings amounts) to be retained or to be appropriated which shall be proposed by the Board of Directors and resolved by the stockholders at their meetings.

B. The Group's dividend policies were that dividends should be distributed in the forms of shares (including retained earnings or capital surplus) or cash. The Board of Directors proposed the appropriation of earnings with reference to the operating status, capital requirement and earnings of current year (reducing the provision in accordance with regulations and appropriation of directors' and supervisors' remuneration and employees' bonus), and the appropriation of earnings should be approved by the shareholders. The amount of cash dividends should not exceed 50% of distributable dividends, however, if there will be significant capital expenditure plans in the future, the dividends could all be distributed in shares after obtaining approval from the shareholders.

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 Group's paid-in capital.

D. In accordance with the regulations, the Group 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.

E. On June 6, 2022 and August 2, 2021, the shareholders of the Group approved the offset of deficits for the years ended December 31, 2021 and 2020, and the 2020 deficit was offset with capital surplus in the amount of $631,375.

F. The Group's accumulated deficits to be covered exceeded half of paid-in capital, in accordance with the Group Act. On March 30, 2023, the Board of Directors resolved and approved the deficit compensation for the year ended December 31, 2022 to adopt a resolution to use capital surplus to offset deficit of $541,716, which would be reported to the shareholders for admission on June 26, 2023.

(20) Other equity items

	2022			
	Unrealised gains (losses) on valuation	Currency translation	Unearned compensation	Total
At January 1	($ 35,352)	($ 10,950)	($ 8,882)	($ 55,184)
Revaluation – gross	16,231	-	-	16,231
–Group	-	(30)	-	(30)
–Tax on Group	-	6		6
Unearned compensation				
–Recognised as costs of share-based payments	-	-	4,854	4,854
At December 31	($ 19,121)	($ 10,974)	($ 4,028)	($ 34,123)

	2021			
	Unrealised gains (losses) on valuation	Currency translation	Unearned compensation	Total
At January 1	($ 26,603)	($ 5,161)	($ 13,737)	($ 45,501)
Revaluation – gross	(10,936)	-	-	(10,936)
Revaluation – tax	2,187	-	-	2,187
Currency translation differences:				
–Group	-	(7,236)	-	(7,236)
–Tax on Group	-	1,447	-	1,447
Unearned compensation				
–Recognised as costs of share-based payments	-	-	4,855	4,855
At December 31	($ 35,352)	($ 10,950)	($ 8,882)	($ 55,184)

(21) Operating revenue

A. Disaggregation of revenue from contracts with customers

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

Year ended December 31, 2022	Test reagents, instruments and testing services	Vaccine products	Cytotherapy technology service	Generic drugs	Aesthetic medicine products	Dietary supplement	Others	Total
Revenue from external customer contracts	$ 77,828	$ 365,042	$ 600	$ 313,000	$ 231,243	$ 45,486	$ 22,748	$ 1,055,947
Timing of revenue recognition								
At a point in time	$ 77,828	$ 313,585	$ 600	$ 313,000	$ 231,243	$ 45,486	$ 5,960	$ 987,702
Over time	-	51,457	-	-	-	-	16,788	68,245
Total	$ 77,828	$ 365,042	$ 600	$ 313,000	$ 231,243	$ 45,486	$ 22,748	$ 1,055,947

Year ended December 31, 2021	Test reagents, instruments and testing services	Vaccine products	Cytotherapy technology service	Generic drugs	Aesthetic medicine products	Dietary supplement	Others	Total
Revenue from external customer contracts	$ 89,452	$ 3,275,166	$ 11,982	$ 280,048	$ 205,359	$ 34,974	$ 25,031	$ 3,922,012
Timing of revenue recognition								
At a point in time	$ 85,959	$ 3,249,862	$ 5,446	$ 280,048	$ 205,359	$ 34,974	$ 8,886	$ 3,870,534
Over time	3,493	25,304	6,536	-	-	-	16,145	51,478
Total	$ 89,452	$ 3,275,166	$ 11,982	$ 280,048	$ 205,359	$ 34,974	$ 25,031	$ 3,922,012

B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract assets:			
Contract assets - sales contracts	$ -	$ 339,148	$ -
Contract assets - service contracts	8,638	8,637	4,040
	$ 8,638	$ 347,785	$ 4,040
Contract liabilities:			
Contract liabilities - advance sales receipts	$ 104,094	$ 218,119	$ 113,920
Contract liabilities - advance royalty receipts	26,304	26,304	-
	$ 130,398	$ 244,423	$ 113,920

The contract assets of $339,148 and contract liabilities of $111,412 as at December 31, 2021 mainly arose from the contract between the Company's subsidiary - Medigen Vaccine Biologics Corporation and the Centers for Disease Control of the Ministry of Health and Welfare for the procurement of domestic COVID-19 vaccine. In addition, the liquidated damages related to the delay in the delivery of vaccines were considered as a deduction of revenue. The deductions recognised in 2022 and 2021 were $88,164 and $109,723, respectively.

C. Revenue recognised that was included in the contract liability balance at the beginning of the year

	Year ended December 31	
	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the year	$ 199,039	$ 65,792

(22) Interest income

	Year ended December 31	
	2022	2021
Interest income from bank deposits	$ 6,750	$ 743
Interest income from financial assets measured at amortised cost	2,100	2,338
Other interest income	33	79
	$ 8,883	$ 3,160

(23) Other income

	Year ended December 31	
	2022	2021
Government grant income	$ 19,864	$ 442,358
Other income	55,999	5,363
	$ 75,863	$ 447,721

The Group’s subsidiary, Medigen Vaccine Biologics Corporation, signed a “COVID-19 vaccine development” subsidy contract with Taiwan CDC on October 13, 2020. The execution of the contract begins from the approval of funding to June 30, 2021. Taiwan CDC releases the subsidy based on the milestones achieved during the Phase I and Phase II trials as specified in the contract. Medigen Vaccine Biologics Corporation guarantees to supply the Taiwan government preferentially in order to fulfill the requirement for epidemic prevention.

(24) Other gains and losses

	Year ended December 31	
	2022	2021
Losses on disposal of property, plant and equipment	$ -	($ 250)
(Losses) gains on disposal of investments	(7)	11,025
Gains arising from lease modifications	4	-
Currency exchange gains	29,491	3,387
Losses on financial assets at fair value through profit or loss	(16,649)	(101)
Other (losses) gains	(1,556)	155
	$ 11,283	$ 14,216

(25) Finance costs

	Year ended December 31	
	2022	2021
Interest expense:		
Bank borrowings	$ 12,386	$ 12,927
Lease liability	7,712	5,907
Discount on bonds payable	19,355	-
Others	-	234
	$ 39,453	$ 19,068

(26) Expenses by nature

	Year ended December 31	
	2022	2021
Employee benefit expense	$ 514,399	$ 617,906
Depreciation charges on property, plant and equipment	157,477	156,387
Depreciation charges on right-of-use assets	19,777	8,950
Amortisation charges on intangible assets	14,392	33,091
	$ 706,045	$ 816,334

(27) Employee benefit expense

	Year ended December 31	
	2022	2021
Wages and salaries	$ 372,892	$ 477,779
Share-based payments	82,066	77,397
Labour and health insurance fees	30,960	30,995
Pension costs	17,650	17,063
Other personnel expenses	10,831	14,672
	$ 514,399	$ 617,906

A. The profit of the current year shall be distributed by not lower than 2% as employees' compensation and not higher than 2% as directors' and supervisors' remuneration. If the Company has accumulated deficit, earnings should be reserved to cover losses and then be appropriated based on the aforementioned ratios.

   Employees' compensation can be distributed to subsidiaries who meet certain specific requirements in the form of shares or cash. If the Company's current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance, and then, the Company appropriates or reverses special reserve as requirements or regulations when necessary. The remainder, if any, should be combined with beginning undistributed earnings (including adjusted undistributed earnings amounts) to be retained or to be appropriated which shall be proposed by the Board of Directors and resolved by the stockholders at their meetings.

B. For the years ended December 31, 2022 and 2021, the Company still had accumulated deficit, and thus did not accrue employees' compensation and directors' remuneration.

C. For the year ended December 31, 2021, the Company still had accumulated deficit, and thus did not distribute employees' compensation and directors' remuneration.

   Information about employees' compensation and directors' remuneration of the Company as approved by the Board of Directors and resolved by the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Tax (expense) benfit

(a) Components of income tax (expense) benefit:

	Year ended December 31	
	2022	2021
Current tax:		
Current tax on profits for the year	($ 28,386)	($ 13,408)
Tax on undistributed surplus earnings	(345)	(875)
Prior year income tax over (under) estimation	11,115	(18,037)
Total current tax	($ 17,616)	($ 32,320)
Deferred tax:		
Origination and reversal of temporary differences	(41,258)	(33,413)
Income tax expense	($ 58,874)	($ 65,733)

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31	
	2022	2021
Changes in fair value of financial assets at fair value through other comprehensive income	$ -	$ 2,187
Currency translation differences	6	1,447
Remeasurement of defined benefit obligations	122	80
	$ 128	$ 3,714

B. Reconciliation between income tax expense (benefit) and accounting profit

	Year ended December 31	
	2022	2021
Tax calculated based on (loss) profit before tax and statutory tax rate (Note)	($ 89,400)	$ 306,339
Expenses disallowed by tax regulation	85,618	9,876
Tax exempt income by tax regulation	(13,903)	(68,653)
Change in assessment of realisation of deferred tax assets	42,308	(237,207)
Taxable loss not recognised as deferred tax assets	45,223	40,063
Prior year income tax (over) underestimation	(11,115)	18,037
Temporary difference not recognised as deferred tax assets	83	-
Tax on undistributed surplus earnings	345	875
Others	(285)	(3,597)
Income tax expense	$ 58,874	$ 65,733

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credits are as follows:

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Unrealised gross profit from sales	$ 3,545	($ 608)	$ -	$ 2,937
Unrealised foreign exchange loss	4	185	-	189
Loss on investments accounted for using the equity method	94,173	16	-	94,189
Impairment loss on financial instruments	45,609	-	-	45,609
Currency translation differences	2,738	-	6	2,744
Changes in fair value of financial assets at fair value through other comprehensive income	8,838	-	-	8,838
Loss on market value decline and obsolete and slow-moving inventories	13,102	43	-	13,145
Others	3,448	925	300	4,673
Tax losses	82,759	(42,104)	-	40,655
Investment tax credits	267,959	-	-	267,959
Subtotal	$ 522,175	($ 41,543)	$ 306	$ 480,938
－Deferred tax liabilities:				
Others	($ 14,348)	$ 285	($ 178)	($ 14,241)
Subtotal	($ 14,348)	$ 285	($ 178)	($ 14,241)
Total	$ 507,827	($ 41,258)	$ 128	$ 466,697

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Unrealised gross profit from sales	$ 4,153	($ 608)	$ -	$ 3,545
Unrealised foreign exchange loss	-	4	-	4
Loss on investments accounted for using the equity method	78,803	15,370	-	94,173
Impairment loss on financial instruments	45,609	-	-	45,609
Currency translation differences	1,291	-	1,447	2,738
Changes in fair value of financial assets at fair value through other comprehensive income	6,651	-	2,187	8,838
Loss on market value decline and obsolete and slow-moving inventories	3,311	9,791	-	13,102
Others	3,598	(179)	29	3,448
Tax losses	144,303	(61,544)	-	82,759
Investment tax credits	267,959	-	-	267,959
Subtotal	$ 555,678	($ 37,166)	$ 3,663	$ 522,175
－Deferred tax liabilities:				
Unrealised exchange gain	($ 156)	$ 156	$ -	$ -
Others	(17,996)	3,597	51	(14,348)
Subtotal	($ 18,152)	$ 3,753	$ 51	($ 14,348)
Total	$ 537,526	($ 33,413)	$ 3,714	$ 507,827

D. Details of the amount the Company is entitled as investment tax credit and unrecognised deferred tax assets are as follows:

December 31, 2022				
Legal basis	Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Act for the Development of Biotech and Pharmaceutical Industry	Research and development	$ 267,959	$ -	Note

December 31, 2021				
Legal basis	Qualifying items	Unused tax credits	Unrecognised deferred tax assets	Expiry year
Act for the Development of Biotech and Pharmaceutical Industry	Research and development	$ 267,959	$ -	Note

Note: On June 10, 2011, the Company was approved as a biotechnology and new medicine Company by the Ministry of Economic Affairs. Consequently, the Company and the Company's are entitled to incentives under the 'Act for the Development of Biotech and Pharmaceutical Industry'. The approval letter of the Ministry of Economic Affairs approved the credit to business income tax for each year, within 5 years starting from the year the Company should pay business income tax. As of December 31, 2022, the Company had no profits.

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

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	$ 390,187	$ 390,187	$ 390,187	2023
2014	551,819	551,819	551,819	2024
2015	435,038	435,038	435,038	2025
2016	290,254	290,254	290,254	2026
2017	223,002	223,002	223,002	2027
2018	198,593	198,593	198,071	2028
2021	192,591	192,591	96,296	2031
2022	212,916	212,916	106,458	2031
	$ 2,494,400	$ 2,494,400	$ 2,291,125	

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2013	$ 390,187	$ 390,187	$ 390,187	2023
2014	551,819	551,819	551,819	2024
2015	435,038	435,038	435,038	2025
2016	290,254	290,254	183,553	2026
2017	223,002	223,002	111,501	2027
2018	198,593	198,593	99,297	2028
2021	192,591	192,591	96,296	2031
	$ 2,281,484	$ 2,281,484	$ 1,867,691	

F. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company's subsidiary - Medigen Vaccine Biologics Corporation are as follows:

December 31, 2022

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2019	$ 609,285	$ 589,909	$ 589,909	2029
2020	675,680	675,680	675,680	2030
2022	1,021,935	1,021,935	1,021,935	2032
	$ 2,306,900	$ 2,287,524	$ 2,287,524	

December 31, 2021

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2019	$ 609,285	$ 589,909	$ 589,909	2029
2020	675,680	675,680	675,680	2030
	$ 1,284,965	$ 1,265,589	$ 1,265,589	

G. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets of the Company's second-tier subsidiary - TBG Biotechnology Corp. are as follows:

December 31, 2022

Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	$ 25,327	$ 25,327	$ 25,327	2025
2016	41,487	41,487	41,487	2026
2017	18,432	18,432	18,432	2027
2018	17,661	17,661	17,661	2028
2019	9,106	9,106	9,106	2029
2020	8,761	8,761	8,761	2030
2021	7,725	7,725	7,725	2031
	$ 128,499	$ 128,499	$ 128,499	

December 31, 2021				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	$ 25,327	$ 25,327	$ 25,327	2025
2016	41,487	41,487	41,487	2026
2017	18,432	18,432	18,432	2027
2018	17,661	17,661	17,661	2028
2019	9,106	9,106	9,106	2029
2020	8,761	8,761	8,761	2030
2021	7,725	7,725	7,725	2031
	$ 128,499	$ 128,499	$ 128,499	

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

(29) Loss per share

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 675,874)	139,126	($ 4.86)

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 52,614)	138,970	($ 0.38)

The potential ordinary shares have anti-dilutive effect due to net loss for the years ended December 31, 2022 and 2021, so the calculation of diluted loss per share is the same as the calculation of basic loss per share.

(30) Transactions with non-controlling interest

A. Disposal of equity interest in a subsidiary (that did not result in a loss of control)

(a) During the period from January 2022 to March 2022, the Group disposed of 560 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $145,212, resulting in a decrease in the original shareholding ratio from 20.96% to 20.69%. The transaction resulted in an increase in the non-controlling interest by $12,603 and an increase in the equity attributable to owners of the parent by $132,609. During the period from April 2022 to May 2022, the Group disposed of 400 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $92,697, resulting in a decrease in the original shareholding ratio from 20.67% to 20.48%. The transaction resulted in an increase in the non-controlling interest by $8,608 and an increase in the equity attributable to owners of the parent by $84,089. In June 2022, the Group disposed of 210 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $50,175, resulting in a decrease in the original shareholding ratio from 20.45% to 20.35%. The transaction resulted in an increase in the non-controlling interest by $4,543 and an increase in the equity attributable to owners of the parent by $45,632. During the period from July 2022 to September 2022, the Group disposed of 650 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $94,424, resulting in a decrease in the original shareholding ratio from 20.23% to 19.98%. The transaction resulted in an increase in the non-controlling interest by $14,729 and an increase in the equity attributable to owners of the parent by $79,695. During the period from October 2022 to November 2022, the Group disposed of 420 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $30,377, resulting in a decrease in the original shareholding ratio from 19.98% to 19.85%. The transaction resulted in an increase in the non-controlling interest by $7,282 and an increase in the equity attributable to owners of the parent by $23,095. In December 2022, the Group disposed of 220 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $16,857, resulting in a decrease in the original shareholding ratio from 19.81% to 19.74%. The transaction resulted in an increase in the non-controlling interest by $3,937and an increase in the equity attributable to owners of the parent by $12,920.

(b) During the period from January 2021 to February 2021, the Group disposed of 290 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $31,311, resulting in a decrease in the original shareholding ratio from 22.03% to 21.89%. The transaction resulted in an increase in the non-controlling interest by $4,381 and an increase in the equity attributable to owners of the parent by $26,930. In March 2021, the Group disposed of 220 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $50,963, resulting in a decrease in the original shareholding ratio from 21.86% to 21.75%. The transaction resulted in an increase in the non-controlling interest by $3,456 and an increase in the equity attributable to owners of the parent by $47,507. In April 2021, the Group disposed of 150 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $42,700, resulting in a decrease in the original shareholding ratio from 21.75% to 21.68%. The transaction resulted in an increase in the non-controlling interest by $2,095 and an increase in the equity attributable to owners of the parent by $40,605. During the period from May 2021 to June 2021, the Group disposed of 210 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $69,890, resulting in a decrease in the original shareholding ratio from 21.59% to 21.49%. The transaction resulted in an increase in the non-controlling interest by $3,024 and an increase in the equity attributable to owners of the parent by $66,866. In August 2021, the Group disposed of 190 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $58,678, resulting in a decrease in the original shareholding ratio from 21.49% to 21.41%. The transaction resulted in an increase in the non-controlling interest by $2,293 and an increase in the equity attributable to owners of the parent by $56,385. In September 2021, the Group disposed of 210 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $60,012, resulting in a decrease in the original shareholding ratio from 21.39% to 21.29%. The transaction resulted in an increase in the non-controlling interest by $2,871 and an increase in the equity attributable to owners of the parent by $57,141. During the period from October 2021 to November 2021, the Group disposed of 401 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $84,138, resulting in a decrease in the original shareholding ratio from 21.29% to 21.10%. The transaction resulted in an increase in the non-controlling interest by $6,784 and an increase in the equity attributable to owners of the parent by $77,354. In December 2021, the Group disposed of 220 thousand shares in the subsidiary, Medigen Vaccine Biologics Corporation, for a consideration of $66,390, resulting in a decrease in the original shareholding ratio from 21.06% to 20.96%. The transaction resulted in an increase in the non-controlling interest by $3,583and an increase in the equity attributable to owners of the parent by $62,807.

(c) The effect of changes in interests in Medigen Vaccine Biologics Corporation on the equity attributable to owners of the parent for the years ended December 31, 2022 and 2021 is shown below:

	Year ended December 31	
	2022	2021
Carrying amount of non-controlling interest disposed	($ 51,702)	($ 28,487)
Consideration received from non-controlling interest (Note)	429,742	464,082
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	$ 378,040	$ 435,595

Note: It included the receivables from shares sold but not yet settled of $1,320 and $5,842 (shown as other receivables) on December 31, 2022 and 2021, respectively

(d) In February 2021, the Group disposed of 547 thousand shares in the subsidiary - WINSTON MEDICAL SUPPLY CO., LTD. for a consideration of $19,692, resulting in a decrease in the original shareholding ratio from 63.05% to 60.03%. This transaction resulted in an increase in the non-controlling interest by $13,821 and an increase in the equity attributable to owners of the parent by $5,871.

(e) The effect of changes in interests in WINSTON MEDICAL SUPPLY CO., LTD. on the equity attributable to owners of the parent for the years ended December 31, 2022 and 2021 is shown below:

	Year ended December 31	
	2022	2021
Carrying amount of non-controlling interest disposed	$ -	($ 13,821)
Consideration received from non-controlling interest (Note)	-	19,692
Capital surplus - difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount	$ -	$ 5,871

Note: Based on the receivables from shares actually settled.

B. The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

(a) On March 1, 2022, the Group's subsidiary, Medigen Vaccine Biologics Corporation, issued new shares because employees exercised options. Since the Group did not acquire shares proportionally to its interest, the equity interests decreased by 0.02%. The transaction resulted in an increase in the non-controlling interest by $7,486 and an increase in the equity attributable to owners of the parent by $774. On May 3, 2022, Medigen Vaccine Biologics Corporation issued new shares because employees exercised options. Since the Group did not acquire shares proportionally to its interest, the equity interests decreased by 0.03%. The transaction resulted in an increase in the non-controlling interest by $11,367 and an increase in the equity attributable to owners of the parent by $1,214. On July 1, 2022, Medigen Vaccine Biologics Corporation carried out a cash capital increase by issuing 7,000 thousand ordinary shares with a par value of NT$10 (in dollars) per share and a premium issuance price of NT$220 (in dollars) per share, and the total shares amounted to $1,540,000. The Company participated in the capital increase in the amount of $253,220, and the Group's equity interest decreased by 0.12% because the Group did not acquire shares proportionally to its interest and a portion was reserved for employee preemption. The transaction resulted in an increase in the non-controlling interest by $1,233,680 and an increase in the equity attributable to owners of the parent by $306,320. On November 7, 2022, Medigen Vaccine Biologics Corporation issued new shares because employees exercised options. Since the Group did not acquire shares proportionally to its interest, the equity interests decreased by 0.04%. The transaction resulted in an increase in the non-controlling interest by $19,946 and an increase in the equity attributable to owners of the parent by $2,133.

(b) On March 5, 2021, the Group's subsidiary, Medigen Vaccine Biologics Corporation, issued new shares because employees exercised options. Since the Group did not acquire shares proportionally to its interest, the equity interests decreased by 0.03%. The transaction resulted in an increase in the non-controlling interest by $10,464 and an increase in the equity attributable to owners of the parent by $1,726. On May 7, 2021, Medigen Vaccine Biologics Corporation issued new shares because employees exercised options. Since the Group did not acquire shares proportionally to its interest, the equity interests decreased by 0.09%. The transaction resulted in an increase in the non-controlling interest by $27,169 and an increase in the equity attributable to owners of the parent by $4,045. On September 1, 2021, Medigen Vaccine Biologics Corporation issued new shares because employees exercised options. Since the Group did not acquire shares proportionally to its interest, the equity interests decreased by 0.02%. The transaction resulted in an increase in the non-controlling interest by $4,060 and an increase in the equity attributable to owners of the parent by $376.

(c) The effect of changes in interests in Medigen Vaccine Biologics Corporation on the equity attributable to owners of the parent for the years ended December 31, 2022 and 2021 is shown below:

	Year ended December 31	
	2022	2021
Cash	$ 1,582,921	$ 59,609
Increase in the carrying amount of non-controlling interest	(1,272,480)	(52,412)
Capital surplus - recognition of changes in ownership interest in subsidiaries	$ 310,441	$ 7,197

(d) In 2022 and 2021, employees of the Group's subsidiary, Medigen Vaccine Biologics Corporation, exercised options. On December 31, 2022 and 2021, the amounts of advance receipts for shares of Medigen Vaccine Biologics Corporation were $4,744 (191,300 shares) and $8,260 (238,250 shares), respectively, and all of advance receipt amounts belonged to non-controlling interests.

(e) On January 18, 2021, the Group's subsidiary, WINSTON MEDICAL SUPPLY CO., LTD., issued new shares because employees exercised options. Since the Group did not acquire shares proportionally to its interest, the equity interests decreased by 2.40%. The transaction resulted in an increase in the non-controlling interest by $15,593 and a decrease in the equity attributable to owners of the parent by $2,253. On August 6, 2021, WINSTON MEDICAL SUPPLY CO., LTD. issued new shares because employees exercised options. Since the Group did not acquire shares proportionally to its interest, the equity interests decreased by 0.81%. The transaction resulted in an increase in the non-controlling interest by $6,188 and a decrease in the equity attributable to owners of the parent by $1,188.

(f) The effect of changes in interests in WINSTON MEDICAL SUPPLY CO., LTD. on the equity attributable to owners of the parent for the years ended December 31, 2022 and 2021 is shown below:

	Year ended December 31	
	2022	2021
Cash	$ -	$ 18,340
Increase in the carrying amount of non-controlling interest	-	(21,781)
Capital surplus - recognition of changes in ownership interest in subsidiaries	$ -	($ 3,441)

(31) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31	
	2022	2021
Purchase of property, plant and equipment	$ 69,293	$ 120,325
Add: Opening balance of payables	6,282	16,458
Less: Ending balance of payables	(20,700)	(6,282)
Cash paid during the year	$ 54,875	$ 130,501

B. Investing activities with partial cash returns

	Year ended December 31	
	2022	2021
Disposal of property, plant and equipment	$ -	$ 250
Losses on disposal	-	(250)
Add: Opening balance of other receivables	-	126,000
	$ -	$ 126,000

(32) Changes in liabilities from financing activities

	2022			
	Short-term borrowings	Long-term borrowings (including current portion)	Bonds payable	Lease liability
At January 1	$ 300,000	$ 492,112	$ -	$ 199,955
Changes in cash flow from financing activities	28,000	(11,943)	1,755,250	(16,968)
Changes in other non-cash items	-	-	(77,400)	105,458
At December 31	$ 328,000	$ 480,169	$ 1,677,850	$ 288,445

	2021		
	Short-term borrowings	Long-term borrowings (including current portion)	Lease liability
At January 1	$ 475,000	$ 507,763	$ 198,689
Changes in cash flow from financing activities	(175,000)	(15,651)	(6,834)
Changes in other non-cash items	-	-	8,100
At December 31	$ 300,000	$ 492,112	$ 199,955

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
Chang Shi Chung	The Company's chairman
Chang Tse Ling	The Company's director
Schweitzer Biotech Company Ltd.	Director of the Company's subsidiary
Taiwan Bio Therapeutics Co., Ltd.	The Company's subsidiary is the juristic person director of the entity (Note)
CELLXPERT BIOTECHNOLOGY CORP.	Associate
TBG Biotechnology (Xiamen) Corp.	Associate
U-GEN (formerly TBG INC.)	Associate

Note: The Group's subsidiary, Medigen Vaccine Biologics Corporation, became the juristic person director of the entity on June 24, 2021.

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2022	2021
Sales of goods:		
Associates	$ 21,087	$ 26,287
Sales of services:		
Associates	-	7,019
	$ 21,087	$ 33,306

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Receivables from related parties

	December 31, 2022	December 31, 2021
Accounts receivable:		
TBG Biotechnology (Xiamen) Corp.	$ 41,009	$ 27,886
Less:Allowance for uncollectible accounts	(35,294)	(12,849)
	$ 5,715	$ 15,037

The receivables from related parties arise mainly from sales of goods and provision of services. The receivables are unsecured in nature and bear no interest.

C. Prepayments to suppliers (shown as other current assets)

	December 31, 2022	December 31, 2021
Medigen Biotechnology (Xiamen) Corporation	$ -	$ 8,299

D. Contract liabilities

	December 31, 2022	December 31, 2021
CELLXPERT BIOTECHNOLOGY CORP.	$ 26,304	$ 26,304

Contract liabilities arise mainly from royalty revenue received in advance.

E. Loans to/from related parties:

Loans to related parties (including interest receivable)

(a) Outstanding balance:

	December 31, 2022	December 31, 2021
TBG Biotechnology (Xiamen) Corp.	$ 1	$ 4,313
U-Gen	40	40
	$ 41	$ 4,353

(b) Interest income

	Year ended December 31	
	2022	2021
U-Gen	$ -	$ 40
TBG Biotechnology (Xiamen) Corp.	8	32
	$ 8	$ 72

The loans to associates are repayable within a year and carry interest at 1% ~ 3.5% per annum for the years ended December 31, 2022 and 2021.

F. Professional service fees

	Year ended December 31	
	2022	2021
TBG Biotechnology (Xiamen) Corp.	$ 2,183	$ -

G. For the years ended December 31, 2022 and 2021, the Group participated in the cash capital increase of the associate, U-Gen, for $30,127 and $27,795, respectively.

H. For the years ended December 31, 2022 and 2021, the Group participated in the cash capital increase of the associate, CELLXPERT BIOTECHNOLOGY CORP., for $17,731 and $20,911, respectively. As of December 31, 2022, the Group accounted prepayments for investment in the amount of $17,731 (shown as “other non-current assets”).

I. For the years ended December 31, 2022 and 2021, the joint guarantor of the Group’s loan from financial institutions was the related party, Chang Shi Chung.

(3) Key management compensation

	Year ended December 31	
	2022	2021
Short-term employee benefits	$ 53,427	$ 50,651
Post-employment benefits	1,026	1,022
Share-based payment	20,394	15,932
Total	$ 74,847	$ 67,605

8. Pledged Assets

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

Pledged asset	Book value December 31, 2022		Book value December 31, 2021		Purpose
Land	$	258,968	$	258,968	Guarantees for borrowings
Buildings and structures		243,521		252,879	〃
Restricted assets - other current assets		42,316		50,514	Guarantees for borrowings, planned security deposit and security deposit for lease
Restricted assets - other non-current assets		13,626		13,626	Guarantees for material procurement and security deposit for lease
	$	558,431	$	575,987	

On December 31, 2022 and 2021, the Group had 12,600 thousand equity shares in Medigen Vaccine Biologics Corporation which were pledged as collateral for short-term borrowings.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. In November 2011, the Company obtained the grant from Industry - Technology Development Programs of Ministry of Economic Affairs - Fast Track "PI-88 treatment after curative resection for hepatocellular carcinoma global phase III clinical trial development plan". In the plan, commitments were as follows: (1) After the beginning of the plan, if the plan product, PI-88, externally authorised successfully, the Company committed to appropriate 5% of the signing bonus and milestones as feedbacks, and 2% of the feedback should be donated to the research foundations with the nature of charity and work in the biomedical related research, in order to fulfil the research and development expenditures of domestic biomedical research institutes with the nature of charity. Additionally, 3% will be the collaborative research and development expenditure of the Company and domestic academic research institutes or legal entity, the amount of feedbacks was not limited to the grants. (2) If "PI-88" which would be developed in the plan was approved to sell in the market in the country, before obtaining payment from national health insurance, the Company needed to provide this medicine to 15 post-operative hepatocellular carcinoma patients in the underprivileged or low-income family.

B. According to the transference contract of monoclonal antibody expertise, the Company committed that after signing the contract in July 2012, the Company should pay milestone payments according to the result of research and development phase within 10 years, and pays 7% of royalty for all the profit from uses or disposal of platform technology, platform antibody or platform medicines within 11 years started from the date of signature.

C. In August 2012, the Company communicated with one hospital for collaborative research and development plan for 6 years, according to the agreement, both parties have to distribute $3,000 each for the expenditures of collaborative plan in the collaborative period which ended in August 2018. Additionally, except for the first collaborative sub-project, after the marketing of researched and developed products which had been generated from the collaborative research and development plan, the Company should feedback 1% of the sales amount of the product to the hospital. The ceiling of accumulated feedbacks of the sub-project of collaborative research and development plan was 150% of the research and development period multiplying $3 million per year.

D. On October 7, 2019, the Company and a listed Japan Group, MEDINET Co., Ltd. (collectively referred to herein as the "MEDINET") entered into an exclusive authorisation contract for obtaining MEDINET's exclusive authorisation of immunocyte, Gamma Delta T cell (collectively referred to herein as the "GDT cell"), in Taiwan. In the future, the Company would collaborate with medical institutions in accordance with "Regulations Governing the Application or Use of Specific Medical Techniques or Examinations, or Medical Devices" to use GDT cell in the immunotherapy and pays royalties at certain proportion in accordance with the contract.

E. On December 18, 2019, the Company signed the PI-88 authorisation contract with CELLXPERT BIOTECHNOLOGY CORP. to exclusively authorised the global rights (excluding Taiwan) of development and commercialisation to CELLXPERT BIOTECHNOLOGY CORP., who could research, develop, manufacture, sales, reauthorise and other commercialisation activities in the authorised area. The Company would receive upfront payment after signing the authorisation contract and receive milestone payments based on each stage. Additionally, the Company could proportionately share profits from incomes of sales and reauthorisation of PI-88.

F. The Group's capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2022	December 31, 2021
Property, plant and equipment	$ 29,058	$ 10,514

G. The Company's subsidiary, Medigen Vaccine Biologics Corporation, signed a three party technical license agreement with Centers for Disease Control, Department of Health, Executive Yuan (now Taiwan Centers for Disease Control, CDC) and National Health Research Institute (NHRI) on June 28, 2013 for the development of Enterovirus Vaccine 71 (EV71). Under the contract, the subsidiary shall pay milestone payments as the research progresses and net sales royalty when products are launched in the future. The final data from the Phase III multi-region clinical trial for EV71 vaccine were unblinded on June 20, 2022, and the results were as expected. Accordingly, the subsidiary requested a new drug application (NDA) for EV71 vaccine from the Food and Drug Administration on October 1, 2022. As of December 31, 2022, it is still under review by the Food and Drug Administration.

H. The Company's subsidiary, Medigen Vaccine Biologics Corporation, signed the license agreement with NHRI for the H7N9 novel influenza vaccine. The contract period is from April 25, 2014 through April 24, 2029. The contract includes authorized H7N9 novel influenza virus strains, vaccine manufacturing process, pre-clinical animal trials and other intellectual properties, and the complete rights to manufacture and sell the vaccine products in Taiwan. The subsidiary has made payments as specified in the contract. The phase I and phase II clinical trials have passed the review by Taiwan CDC and approved for future reference.

I. The Company's subsidiary, Medigen Vaccine Biologics Corporation, contracted with United States National Institute of Health (NIH) on November 17, 2016 regarding the license agreement for the dengue fever vaccine, which granted the subsidiary complete rights of R&D, manufacture, selling and re-authorization. There were 17 countries included in the original authorized region. On September 17, 2017, the rights for 9 additional countries were obtained, which has expanded the total authorized region to 26 countries. The subsidiary is required to make a certain amount of royalty and milestone payment under the contract. The subsidiary has completed phase II clinical trials and retrieved clinical trial reports.

J. The Company's subsidiary, Medigen Vaccine Biologics Corporation, signed a global commercial COVID-19 vaccine license agreement with US NIH on May 5, 2022 in order to attain the complete rights for the R&D, manufacture, and sales of COVID-19 vaccine. Under the contract, the subsidiary is required to pay a certain amount of royalty, milestone payment and sales royalty payment. On June 10, 2022, the subsidiary performed the unblinding of the analytical data during the Phase II clinical trial. The unblinding results were as expected, and after applying with the Ministry of Health and Welfare for an Emergency Use Authorization (EUA) on June 15, 2022 with the relevant documents for the clinical trial and manufacturing, the application was approved by the Ministry of Health and Welfare on July 19, 2022, and the subsidiary has obtained the approval for the project manufacturing.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

A. On November 30, 2022, the Board of Directors of the Company resolved to gradually invest in the associate, U-GEN, with an amount no higher than USD 5 million (approximate $158,000). And, on January 17, 2023, March 6, 2023 and March 23, 2023, the Company gradually remitted investments in the total amount of $152,952 (USD 5 million).

B. On March 30, 2023, the Board of Directors approved the deficit compensation for the year ended December 31, 2022, refer to Note 6(15) F. for details.

12. Others

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments

Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss	$ 54,225	$ 53,599
Financial assets at fair value through other comprehensive income	205,634	54,000
Financial assets at amortised cost	5,557,959	3,499,123
	$ 5,817,818	$ 3,606,722
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 19,250	$ -
Financial liabilities at amortised cost	3,000,702	1,285,092
Lease liability	288,445	199,955
	$ 3,308,397	$ 1,485,047

Note: Financial assets at amortised cost included cash and cash equivalents, time deposits (over three months), accounts and notes receivable, other receivables, restricted assets, performance guarantees and guarantee deposits paid; financial liabilities at amortised cost included short-term borrowings, accounts and notes payable, other payables, bonds payable, long-term borrowings (including current portion) and guarantee deposits received.

B. Financial risk management policies

(a) The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group’s entire risk management policies focus on unpredictable matters in financial market and reducing the potential negative effects on the Group’s financial status and financial performance.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group’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 Group 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, AUD and RMB. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: RMB; other certain subsidiaries' functional currency: AUD). The information on assets and liabilities.

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 12,892	30.710	$ 395,913
RMB:NTD	4,662	4.408	20,550
AUD:NTD	5,908	20.830	133,064

	December 31, 2021		
	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 8,729	27.680	$ 241,619
RMB:NTD	5,948	4.344	25,838

iii. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021, amounted to $29,491 and $3,387, respectively.

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

	Year ended December 31, 2022				
	Sensitivity analysis				
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	1%	$	3,167	$	-
RMB:NTD	1%		164		-
AUD:NTD	1%		985		-

	December 31, 2021				
	Sensitivity analysis				
	Degree of variation	Effect on profit or loss		Effect on other comprehensive income	
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	1%	$	1,933	$	-
RMB:NTD	1%		207		-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise listed equity instruments and open-end funds issued by foreign and domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased by $542 and $536, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $2,056 and $540, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. During 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars.

ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have increased/decreased by $960 and $984, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. 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. According to the Group's credit policy, each operation unit in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.

iii. Individual risk limits are set by the credit controlling manager based on internal or external factors. The utilisation of credit limits is regularly monitored.

iv. For banks and financial institutions, only institutions with good credit rating are accepted.

v. 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. The default occurs when the contract payments are past due over 90 days.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group classifies customer's accounts receivable in accordance with customer types. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.

viii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

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

	Not past due	1~ 90 days past due	91~180 days past due
December 31, 2022			
Expected loss rate	0.03%~3.75%	0.03%~44.15%	0.03%~55.6%
Total book value	$ 379,351	$ 4,532	$ 113
Loss allowance	$ 27	$ 6	$ 2

	Over 181 days past due	Total
Expected loss rate	100%	
Total book value	$ -	$ 383,996
Loss allowance	$ -	$ 35

	Not past due	1~ 90 days past due	91~180 days past due
December 31, 2021			
Expected loss rate	0.03%~1.28%	13.2%~44.15%	28.86%~100%
Total book value	$ 431,497	$ 6,982	$ 232
Loss allowance	$ 324	$ 922	$ 67

	Over 181 days past due	Total
Expected loss rate	100%	
Total book value	$ 34	$ 438,745
Loss allowance	$ 34	$ 1,347

On December 31, 2022 and 2021, the Group performed individual impairment assessment on accounts receivable which were $41,009 and $27,886, and recognised impairment losses of $35,294 and $12,849, respectively.

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

	2022	
	Accounts receivable	Other receivables
At January 1	$ 14,196	$ -
Provision for impairment	21,133	-
At December 31	$ 35,329	$ -

	2021	
	Accounts receivable	Other receivables
At January 1	$ 26,692	$ 9,248
Reversal of impairment loss	(11,246)	(9,248)
Write-offs during the year	(49)	-
Effect of exchange rate changes	(1,201)	-
At December 31	$ 14,196	$ -

xi. 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	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 260,879	$ 120,042	$ 381,373	$ 57,126
1 to 90 day(s)	7,860	-	11,715	-
91 to 180 days	6,963	-	5,888	-
Over 180 days	29,261	-	10,529	-
	$ 304,963	$ 120,042	$ 409,505	$ 57,126

The above ageing analysis was based on past due date.

(c) Liquidity risk

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

ii. When residual cash held by each operating entity exceeded the requirement of managing operating capital, Group treasury would supervise or integrate each operating entity, and invested the residual capital in the interest bearing demand deposits, time deposits, deposits in currency market and securities, the instrument it chose contained adequate due date and sufficient liquidity to response to aforementioned forecast and provide sufficient headroom. As at December 31, 2022 and 2021, the Group held money market position of $2,040,633 and $2,144,580, respectively, and current financial assets at fair value through profit or loss of $54,225 and $53,599, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. As at December 31, 2022 and 2021, the Group has undrawn borrowing facilities amounting to $227,000 and $230,000, respectively.

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

Non-derivative financial liabilities:	December 31, 2022		December 31, 2021	
	Within 1 year	Over 1 years	Within 1 year	Over 1 years
Bonds payable	$ -	$ 1,750,000	$ -	$ -
Lease liability	$ 23,275	$ 432,791	$ 12,517	$ 345,221
Long-term borrowings (including current portion)	$ 37,586	$ 504,133	$ 28,368	$ 516,129

Except for the above, all of the Group's non-derivative financial liabilities mature within 1 year.

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in corporate bonds is included in Level 2.

Level 3: Unobservable inputs for the asset or liability.The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, time deposits (over three months), accounts and notes receivable, other receivables, restricted assets, performance guarantees, guarantee deposits paid, short-term borrowings, accounts and notes payable, other payables, bonds payable, long-term borrowings (including current portion) and guarantee deposits received are approximate to their fair values.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2022 and 2021 are as follows:

	December 31, 2022			
Assets	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 54,225	$ -	$ -	$ 54,225
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	205,634	205,634
Total	$ 54,225	$ -	$ 205,634	$ 259,859
Liabilities				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Derivative instruments	$ -	$ 19,250	$ -	$ 19,250

	December 31, 2021			
Assets	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$ 53,599	$ -	$ -	$ 53,599
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	54,000	54,000
Total	$ 53,599	$ -	$ 54,000	$ 107,599

The methods and assumptions the Group used to measure fair value are as follows:

(a) The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund
Market quoted price	Closing price	Net asset value

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

(c) The valuation of derivative financial instruments is based on option pricing models widely accepted by market participants.

(d) The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

(e) The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

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

E. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	2022	2021
	Equity securities	Equity securities
At January 1	$ 54,000	$ 23,097
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	82,225	(21,129)
Acquired in the year	69,409	54,000
Effect of exchange rate changes	-	(1,968)
At December 31	$ 205,634	$ 54,000

F. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input		Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 175,634	Market comparable companies	Price to book ratio	4.38%	The higher the multiple, the higher the fair value;
			Discount for lack of marketability	30.00%	the higher the discount for lack of marketability, the lower the fair value;
	$ 30,000	Most recent non-active market price	N/A	N/A	N/A

	Fair value at December 31, 2021	Valuation technique	Significant unobservable input		Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 54,000	Discounted cash flow	Long-term revenue growth rate	3.82%	The higher the long-term revenue growth rate, the higher the fair value; the higher the discount rate, the lower the fair value
			Discount rate	25.05%	discount rate, the lower the fair value

H. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

	Input	Change	December 31, 2022 Recognised in other comprehensive income Favourable change	 Unfavourable change
Financial assets				
Equity instrument	Price to book ratio multiple	±1%	$ 1,756	($ 1,756)
	Discount for lack of marketability	±1%	(753)	753

	Input	Change	December 31, 2021 Recognised in other comprehensive income Favourable change	 Unfavourable change
Financial assets				
Equity instrument	Long-term revenue growth rate	±1%	$ 335	($ 335)
	Discount rate	±1%	766	(424)

(4) Other matter

Due to the outbreak of Covid-19 pandemic and pandemic prevention measures prompted by government, the Group has taken reactions and continuously managed related event. For the year ended December 31, 2022, there were no significant impacts on the Group's operation and business.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Refer to table 1.

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

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Group's paid-in capital：Refer to table 3.

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

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

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

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

I. Trading in derivative instruments undertaken during the reporting periods: Refer to Note 6(2).

J. Significant inter-Group transactions during the reporting periods: Refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 7.

(4) Major shareholders information

Major shareholders information: Refer to table 8.

14. Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Group is primarily engaged in the research and development of new drugs and vaccines, cytotherapy, advanced nucleic acid testing, generic drugs, aesthetic medicine products. The chief operating decision maker considers the business from a product and service type perspective and develops products to expand business according to the customers' attributes and needs on various types of products. Currently, it is divided into new drug and vaccine research and development segment, nucleic acid testing segment, cytotherapy segment and generic drug and aesthetic medicine product segment.

The chief operating decision maker allocates resources and assesses performance of the operating segments primarily based on the operating revenue and profit (loss) before tax of individual operating segment. The accounting policies of each operating segment are in agreement with the significant accounting policies summarised in Note 4.

There is no material change in the basis for formation of entities and division of segments in the Group or in the measurement basis for segment information during this period.

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

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Nucleic acid testing segment	New drug and vaccine research and development segment	Cytotherapy segment	Generic drug, aesthetic medicine product and dietary supplement segment	Total
Year ended December 31, 2022					
Revenue from external customers	$ 83,788	$ 365,042	$ 600	$ 606,517	$ 1,055,947
Inter-segment revenue	-	-	-	-	-
Total segment revenue	$ 83,788	$ 365,042	$ 600	$ 606,517	$ 1,055,947
Segment income (loss)	($ 263,599)	($ 1,653,455)	($ 95,534)	$ 139,975	($ 1,872,613)
Segment income (loss), including:					
Depreciation and amortisation	$ 12,402	$ 126,916	$ 14,609	$ 37,719	$ 191,646
Income tax expenses	$ 29,023	$ -	$ -	$ 29,851	$ 58,874

	Nucleic acid testing segment	New drug and vaccine research and development segment	Cytotherapy segment	Generic drug, aesthetic medicine product and dietary supplement segment	Total
Year ended December 31, 2021					
Revenue from external custom	$ 98,338	$ 3,275,166	$ 11,982	$ 536,526	$ 3,922,012
Inter-segment revenue	-	-	-	-	-
Total segment revenue	$ 98,338	$ 3,275,166	$ 11,982	$ 536,526	$ 3,922,012
Segment income (loss)	($ 167,731)	$ 1,324,932	($ 119,371)	$ 98,604	$ 1,136,434
Segment income (loss), including:					
Depreciation and amortisation	$ 14,020	$ 114,206	$ 16,094	$ 54,108	$ 198,428
Income tax expenses	$ 44,873	$ -	$ -	$ 20,860	$ 65,733

(3) Reconciliation for segment assets. liabilities and income (loss)

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. There was no significant difference between the reportable segment revenue and total revenue, and reportable segment income or loss and total income or loss before tax, and thus the reconciliation is not required.

(4) Reconciliation for segment income (loss)

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. There was no significant difference between the reportable segment revenue and total revenue, and reportable segment income or loss and total income or loss before tax, and thus the reconciliation is not required.

(5) Information on products and services

Refer to Note 6(21).

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31			
	2022		2021	
	Revenue	Non-current assets	Revenue	Non-current assets
China	$ 39,587	$ -	$ 53,039	$ -
Taiwan	1,005,387	2,406,778	3,848,184	2,327,129
Others	10,973	146	20,789	94
Total	$ 1,055,947	$ 2,406,924	$ 3,922,012	$ 2,327,223

(7) Major customer information

Major customer information of the Group for the years ended December 31, 2022 and 2021 is as follows:

	Year ended December 31			
	2022		2021	
	Revenue	Segment	Revenue	Segment
A	$ 365,042	New drug and vaccine research and development segment	$ 3,275,166	New drug and vaccine research and development segment
B	176,805	Generic drug and aesthetic medicine product segment	157,757	Generic drug and aesthetic medicine product segment

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

Loans to others

Year ended December 31, 2022

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 3)	Balance at December 31, 2022 (Note 8)	Actual amount drawn down	Interest rate	Nature of loan (Note 4)	Amount of transactions with the borrower (Note 5)	Reason for short-term financing (Note 6)	Allowance for Creditor Counterparty doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 7)	Ceiling on total loans granted (Note 7)	Footnote
1	TBG Biotechnology Corp.	TBG Biotechnology (Xiamen) Corp.	Other receivables due from related parties	Y	$ 4,281	$ -	$ -	1%	Short-term financing	$ -	Revolving funds	$ -	-	$ -	$ 4,939	$ 19,756	-
2	Medigen Biotechnology (Beijing) Corporation	TBG Biotechnology (Xiamen) Corp.	Other receivables due from related parties	Y	5,686	8,816	-	4%	Short-term financing	-	Revolving funds	-	-	-	9,947	39,787	-

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

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

Note 2: Fill in the name of account in which the loans are recognised, such as receivables–related parties, current account with stockholders, prepayments, temporary payments, etc.

Note 3: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2022.

Note 4: The column of 'Nature of loan' shall fill in 'Business transaction or 'Short-term financing'.

Note 5: Fill in the amount of business transactions when nature of the loan is related to business transactions, which is the amount of business transactions occurred between the creditor and borrower in the current year.

Note 6: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 7: Fill in limit on loans granted to a single party and ceiling on total loans granted as prescribed in the creditor company's "Procedures for Provision of Loans", and state each individual party to which the loans have been provided and the calculation for ceiling on total loans granted in the footnote.

Note 8: The amounts of funds to be loaned to others which have been approved by the board of directors of a public company in accordance with Article 14, Item 1 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" should be included in its published balance of loans to others at the end of the reporting period to reveal the risk of loaning the public company bears, even though they have not yet been appropriated. However, this balance should exclude the loans repaid when repayments are done subsequently to reflect the risk adjustment. In addition, if the board of directors of a public company has authorized the chairman to loan funds in instalments or in revolving within certain lines and within one year in accordance with Article 14, Item 2 of the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies", the published balance of loans to others at the end of the reporting period should also include these lines of loaning approved by the board of directors, and these lines of loaning should not be excluded from this balance even though the loans are repaid subsequently, for taking into consideration they could be loaned again thereafter.

Note 9: 1. The Company's ceiling of total loan to others could not exceed 40% of net equity, and the ceiling of total loan to single business could not exceed 10% of net equity.

2. For the foreign companies which the Company holds 100% of the voting rights directly or indirectly, limit on loans is not restricted.

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

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

December 31, 2022

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2022 Number of shares (thousand shares)	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
The Company	Lanka Graphite Limited	-	Financial assets at fair value through profit or loss - current	3,000	$ -	2.77%	$ -	-
"	CytoPharm Inc.	-	Financial assets at fair value through profit or loss - current	537	-	0.95%	-	-
"	Neuberger Berman Global Strategic Income Securities Investment Trust Fund Class TWD T Accumulating	-	Financial assets at fair value through profit or loss - current	30	473	-	473	-
"	Cathay US ESG Fund TWD		Financial assets at fair value through profit or loss - current	50	462	-	462	-
"	Taishin Future Health Fund A-USD		Financial assets at fair value through profit or loss - current	30	297	-	297	-
Medigen Vaccine Biologics Corporation	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,030	50,850	-	50,850	-
"	Franklin Templeton SinoAm Emerging Markets Bond Fund A-TWD	-	Financial assets at fair value through profit or loss - current	303	2,143	-	2,143	-
Medigen Capital Corporation	TAIWAN BIO THERAPEUTICS CO., LTD.	Other related party	Financial assets at fair value through other comprehensive income - non-current	5,176	175,634	10.05%	175,634	-
"	Thermolysis Co.,Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,000	30,000	6.06%	30,000	-
TBG Diagnostics Limited	Lanka Graphite Limited	-	Financial assets at fair value through profit or loss - current	3,750	-	3.46%	-	-
"	Zucero Therapeutics Limited	-	Financial assets at fair value through other comprehensive income	12,500	-	9.62%	-	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9, 'Financial instrument: recognition and measurement.'

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

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

Year ended December 31, 2022

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

					Balance as at January 1, 2022			Addition (Note 3)			Disposal (Note 3)					Balance as at December 31, 2022		
Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note 2)	Number of shares		Amount	Number of shares		Amount	Number of shares		Selling price		Book value	Gain (loss) on disposal	Number of shares		Amount
The Company	Medigen Vaccine Biologics Corporation	Investments accounted for using equity method	-	This company was the Company's subsidiary (Note 5)	44,616,811	$	960,642	1,151,000	$	253,220	2,460,000	$	429,742	$	51,702	Note 5	64,728,844	$	966,369

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

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

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Note 5: Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are accounted for as equity transactions, thus gains (losses) on disposal were not recognised.

Note 6: The ending balance was not in agreement with the beginning balance after reducing the current cash amount of disposal because of the current gains (losses) on investment accounted for using equity method and the accumulated translation adjustment.

Note 7: The ending number of shares was not in agreement with the beginning number of shares after adding the number of shares of additions in the year and reducing the number of shares of disposal in the year because of the current stock dividends which were distributed by the investee.

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

Significant inter-company transactions during the reporting period

Year ended December 31, 2022

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
1	WINSTON MEDICAL SUPPLY CO., LTD.	UMO INTERNATIONAL CO., LTD.	2(3)	Sales revenue	$ 23,025	No significant difference with general customers	2.18%
2	TBG Biotechnology Corp.	The Company	2(2)	Sales revenue	28,053	According to the agreement between the two parties	2.66%

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 (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(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.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

Information on investees

Year ended December 31, 2022

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
The Company	TBG Diagnostics Limited	Australia	Biotechnology service and retail and wholesale business of medical instruments	$ 599,056	$ 599,056	112,615,938	51.76%	$ 77,193	($ 248,241)	($ 128,490)	-
The Company	Medigen Vaccine Biologics Corporation	Taiwan	Research and development and wholesale business of vaccines and biopharmaceutical, and retail and wholesale business of medical instruments	992,734	771,147	64,728,844	19.74%	966,369	(1,476,167)	(295,327)	-
The Company	WINSTON MEDICAL SUPPLY CO., LTD.	Taiwan	Manufacturing and marketing of chemistry medicine, ophthalmic anti-infectives, aesthetic medicine, dietary supplement and other medicines and products	205,716	411,433	10,906,400	59.22%	308,821	110,126	65,145	-
The Company	TDL HOLDING	Cayman Islands	Investments business	219,437	-	1,700,508	100%	54,514	(5,648)	(4,331)	Note 3
TBG Diagnostics Limited	U-GEN	Cayman Islands	Biotechnology service and retail and wholesale business of medical instrument	529,522	529,522	67,129,159	36.37%	28,324	(637,039)	-	Note 4 and 5
TBG Diagnostics Limited	TDL Holding Co.	Cayman Islands	Investments business	-	219,437	-	-	-	5,648	-	Note 3 and 4
WINSTON MEDICAL SUPPLY CO., LTD.	UMO INTERNATIONAL CO., LTD.	Taiwan	Retail and wholesale of skincare products and makeup	10,000	10,000	1,000,000	100%	17,311	5,813	-	Note 4
WINSTON MEDICAL SUPPLY CO., LTD.	SHINY LILY CO., LTD.	Taiwan	Retail and wholesale of western medicine	3,271	3,271	-	100%	3,297	29	-	Note 4
TBG INC./TDL Holding Co.	Texas BioGene, Inc.	USA	Biotechnology service and retail and wholesale business of medical instrument	19,682	19,682	739,328	100%	169	(59)	-	Note 4
TBG INC./TDL Holding Co.	TBG Biotechnology Corp.	Taiwan	Biotechnology service and retail and wholesale business of medical instrument	199,755	199,755	20,000,000	100%	49,390	(8,579)	-	Note 4
Medigen Vaccine Biologics Corporation	MVC BioPharma Ltd.	Cayman Islands	Investments business	7,081	7,081	50,000	100%	3,510	(83)	-	Note 4
Medigen Vaccine Biologics Corporation	Medigen Capital Corporation	Taiwan	Investments business	200,000	200,000	20,000,000	100%	282,152	(74)	-	Note 4
Medigen Capital Corporation	U-GEN	Cayman Islands	Biotechnology service and retail and wholesale business of medical instrument	57,922	-	1,727,893	0.94%	3,560	(637,039)	-	Note 4 and 5

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: Refer to Note 4(3) note 4 for details.

Note 4: According to the related regulations, it was not required to disclose gains (losses) on investment recognised by the Company.

Note 5: Refer to Note 6(8) note 2 for details.

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

Information on investments in Mainland China

Year ended December 31, 2022

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	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		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Net income of investee for the year ended 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 (Note 2)	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
					Remitted to Mainland China	Remitted back to Taiwan							
Medigen Biotechnology (Xiamen) Corporation	Research and development of clinical new medicine, supports of production technology and consult of related technology and after-sale service	$ 3,026	1	$ 3,026	$ -	$ -	$ 3,026	$ 91	100%	$ 91	$ 2,543	$ -	Note 2(2) B.
Medigen Biotechnology (Beijing) Corporation	Investments business	182,686	1	152,076	30,610	-	182,686	(28,431)	100%	(28,431)	102,234	-	Note 2(2)B.
CELLXPERT BIOTECHNOLOGY CORP.	Cytotherapy business	323,775	3	-	-	-	-	(63,100)	26.25%	(28,807)	69,812	-	Note 2(2)B.

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 (Note 3)
The Company	$ 185,712 (USD 6,361 thousand)	$ 533,423 (USD 17,628 thousand)	$ 3,882,607

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:
(1) Directly invest in a company in Mainland China..
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
Note 2: In the 'Investment income (loss) recognised by the Company for the year ended December 31, 2022' column:
(1) It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.
(2) Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:
A. The financial statements were audited by international accounting firm which has cooperative relationship with accounting firm in R.O.C.
B. The financial statements were attested by R.O.C. parent company's CPA.
C. Others.
Note 3: According to the MOEA Regulation No. 09704604680, "Regulations Governing the Permission of Investment or Technical Cooperation in Mainland Area", announced on August 29, 2008, limit on accumulated amount of investment in Mainland China is the higher of 60% of net assets and consolidated net assets. The ultimate limit of investment is 60% of the consolidated net assets (6,471,013x 60% =3,882,607).
Note 4: The accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022 was disclosed based on the amounts of subsidiaries included in the consolidated financial statements and investees accounted for using the equity method.

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2022

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2022	%	Balance at December 31, 2022	Purpose	Maximum balance during the year ended December 31, 2022	Balance at December 31, 2022	Interest rate	Interest during the year ended December 31, 2022	Others
CELLXPERT BIOTECHNOLOGY CORP.	$ -	-	$ -	-	$ -	-	$ -	-	$ -	$ -	-	$ -	Note

Note: The royalties income received in advance in the year was $26,304 (shown as current contract liabilities), which presented 0.75% in the consolidated total liabilities.

MEDIGEN BIOTECHNOLOGY CORPORATION AND SUBSIDIARIES

Major shareholders information

December 31, 2022

Table 8

Name of major shareholders	Shares	
	Name of shares held	Ownership (%)
EVERSPRING INDUSTRY CO.,LTD.	14,093,380	10.10%

Note: The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference of calculation basis.