Stock Code:4107

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2018 and 2017

Address: 5F.-6, No.23, Sec.1. Chang-An E. Rd., Taipei City 104, Taiwan (R.O.C.)
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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Independent Auditors' Review Report

To the Board of Directors of Bioteque Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of the Bioteque Corporation (the "Company") and its subsidiaries (together referred to as the "Group") as of March 31, 2018 and 2017, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2018 and 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as at March 31, 2018 and 2017, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2018 and 2017 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the review resulting in this independent auditors' review report are Ya-Ling Chen and Yen-Ta Su.

KPMG

Taipei, Taiwan (Republic of China)
May 11, 2018

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and its cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2018 and 2017

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2018, December 31, 2017, and March 31, 2017

(Expressed in Thousands of New Taiwan Dollars)

	Assets	March 31, 2018 Amount	%	December 31, 2017 Amount	%	March 31, 2017 Amount	%
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 1,008,040	37	916,854	35	870,444	34
1110	Current financial assets at fair value through profit or loss (note 6(b))	173,004	6	173,542	7	183,262	7
1150	Notes receivable, net (notes 6(e) and (n))	72,370	2	74,723	3	68,655	3
1170	Accounts receivable, net (notes 6(e) and (n))	209,299	8	192,829	7	155,414	6
130X	Inventories (note 6(f))	208,913	8	197,592	7	204,902	8
1476	Other current financial assets (note 8)	1,852	-	1,435	-	2,570	-
1479	Other current assets (note 6(i))	19,409	1	22,606	1	31,430	1
	Total current assets	1,692,887	62	1,579,581	60	1,516,677	59
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	307	-	-	-	-	-
1523	Non-current available-for-sale financial assets (note 6(d))	-	-	328	-	364	-
1600	Property, plant and equipment (notes 6(g) and 8)	938,581	35	959,108	37	981,054	38
1840	Deferred tax assets	3,066	-	3,066	-	1,804	-
1915	Prepayments for business facilities (note 9)	26,309	1	22,933	1	13,416	1
1980	Other non-current financial assets	1,751	-	1,780	-	1,818	-
1995	Other non-current assets (note 6(i))	53,724	2	54,674	2	55,807	2
	Total non-current assets	1,023,738	38	1,041,889	40	1,054,263	41
	Total assets	$ 2,716,625	100	2,621,470	100	2,570,940	100

	Liabilities and Equity	March 31, 2018 Amount	%	December 31, 2017 Amount	%	March 31, 2017 Amount	%
	Current liabilities:						
2100	Short-term borrowings (notes 6(h) and 8)	$ 80,000	3	80,000	3	80,000	3
2130	Current contract liabilities (notes 3 and 6(n))	23,106	1	-	-	-	-
2150	Notes payable	38,729	1	43,197	2	34,177	1
2170	Accounts payable	69,122	3	53,805	2	69,474	3
2209	Other payables (note 6(p))	92,409	3	97,316	4	89,165	3
2213	Payables on machinery and equipment	2,294	-	9,478	-	5,003	-
2230	Current tax liabilities	68,215	3	46,056	2	60,095	2
2320	Long-term liabilities, current portion (notes 6(h) and 9)	44,878	2	37,225	1	15,155	1
2399	Other current liabilities (note 3)	13,232	-	27,200	1	39,410	2
	Total current liabilities	431,985	16	394,277	15	392,479	15
	Non-Current liabilities:						
2540	Long-term borrowings (notes 6(h)、8 and 9)	31,536	1	44,670	2	34,099	1
2570	Deferred tax liabilities	38,448	1	38,448	1	41,035	2
2600	Other non-current liabilities	7	-	8	-	-	-
2640	Net defined benefit liability, non-current	7,339	-	7,291	-	6,785	-
	Total non-current liabilities	77,330	2	90,417	3	81,919	3
	Total liabilities	509,315	18	484,694	18	474,398	18
	Equity attributable to owners of parent (note 6(l)):						
3100	Ordinary shares	692,983	26	692,983	26	692,983	27
3200	Capital surplus	315,168	12	315,168	12	384,467	15
	Retained earnings:						
3310	Legal reserve	253,010	9	253,010	10	217,187	9
3350	Unappropriated retained earnings	964,945	36	882,074	34	801,656	31
		1,217,955	45	1,135,084	44	1,018,843	40
	Other equity interest:						
3410	Exchange differences on translation of foreign financial statements	(17,551)	(1)	(5,235)	-	1,437	-
3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(1,245)	-	-	-	-	-
3425	Unrealized gains (losses) on available-for-sale financial assets	-	-	(1,224)	-	(1,188)	-
		(18,796)	(1)	(6,459)	-	249	-
	Total equity	2,207,310	82	2,136,776	82	2,096,542	82
	Total liabilities and equity	$ 2,716,625	100	2,621,470	100	2,570,940	100

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

Reviewed only, not audited in accordance with generally accepted auditing standards

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		For the three months ended March 31			
		2018		2017	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(n) and (o))	$ 375,908	100	329,995	100
5000	Operating costs (notes 6(f), (g), (i), (j) and 12)	216,816	58	196,344	60
	Gross profit from operations	159,092	42	133,651	40
6000	Operating expenses (notes 6(g), (j), (p), 7 and 12):				
6100	Selling expenses	15,431	4	14,152	4
6200	Administrative expenses	21,572	6	17,613	5
6300	Research and development expenses	8,691	2	8,778	3
	Total operating expenses	45,694	12	40,543	12
6900	Net operating income	113,398	30	93,108	28
7000	Non-operating income and expenses (note 6(q)):				
7010	Other income	3,095	1	2,287	1
7020	Other gains and losses	(10,214)	(3)	(36,351)	(11)
7050	Finance costs	(785)	-	(1,161)	-
	Total non-operating income and expenses	(7,904)	(2)	(35,225)	(10)
7900	Profit before tax	105,494	28	57,883	18
7950	Less: Tax expense (note 6(k))	22,623	6	9,635	3
	Profit	82,871	22	48,248	15
8300	Other comprehensive income (loss):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss:				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(21)	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	(21)	-	-	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss:				
8361	Exchange differences on translation	(12,316)	(3)	(29,097)	(9)
8362	Unrealized gains (losses) on valuation of available-for-sale financial assets	-	-	38	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	(12,316)	(3)	(29,059)	(9)
8300	Other comprehensive income, net	(12,337)	(3)	(29,059)	(9)
	Comprehensive income	$ 70,534	19	19,189	6
	Profit, attributable to:				
	Profit, attributable to owners of parent	$ 82,871	22	48,248	15
	Comprehensive income, attributable to:				
	Comprehensive income, attributable to owners of parent	$ 70,534	19	19,189	6
9750	Basic earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)	$	1.20		0.70
9850	Diluted earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)	$	1.19		0.69

See accompanying notes to consolidated financial statements.

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Reviewed only, not audited in accordance with generally accepted auditing standards

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent							
			Retained earnings		Other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total equity
Balance at January 1, 2017	$ 692,983	384,467	217,187	753,408	30,534	-	(1,226)	2,077,353
Net income for the three months ended March 31, 2017	-	-	-	48,248	-	-	-	48,248
Other comprehensive income for the three months ended March 31, 2017	-	-	-	-	(29,097)	-	38	(29,059)
Total comprehensive income for the three months ended March 31, 2017	-	-	-	48,248	(29,097)	-	38	19,189
Balance at March 31, 2017	**$ 692,983**	**384,467**	**217,187**	**801,656**	**1,437**	**-**	**(1,188)**	**2,096,542**
Balance at January 1,2018	$ 692,983	315,168	253,010	882,074	(5,235)	-	(1,224)	2,136,776
Effects of retrospective application	-	-	-	-	-	(1,224)	1,224	-
Balance at January 1,2018 after adjustments	692,983	315,168	253,010	882,074	(5,235)	(1,224)	-	2,136,776
Net income for the three months ended March 31, 2018	-	-	-	82,871	-	-	-	82,871
Other comprehensive income for the three months ended March 31, 2018	-	-	-	-	(12,316)	(21)	-	(12,337)
Total comprehensive income for the three months ended March 31, 2018	-	-	-	82,871	(12,316)	(21)	-	70,534
Balance at March 31, 2018	**$ 692,983**	**315,168**	**253,010**	**964,945**	**(17,551)**	**(1,245)**	**-**	**2,207,310**

See accompanying notes to consolidated financial statements.

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BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2018	2017
Cash flows from (used in) operating activities:		
Profit before tax	$ 105,494	57,883
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	19,689	18,790
Amortization expense	1,026	646
Net loss (gain) on financial assets at fair value through profit or loss	1	(883)
Interest expense	785	1,161
Interest income	(1,140)	(1,665)
Loss (gain) on disposal of property, plant and equipment	26	(124)
Total adjustments to reconcile profit	20,387	17,925
Changes in operating assets:		
Notes receivable	2,353	8,188
Accounts receivable	(16,470)	8,916
Inventories	(11,321)	(912)
Other current assets	3,426	(7,826)
Other financial assets	(417)	(1)
Total changes in operating assets	(22,429)	8,365
Changes in operating liabilities:		
Current contract liabilities	23,106	-
Notes payable	(4,468)	1,805
Accounts payable	15,317	(3,912)
Other payable	(4,809)	(11,246)
Net defined benefit liability	48	(103)
Other operating liabilities	(13,968)	151
Total changes in operating liabilities	15,226	(13,305)
Total changes in operating assets and liabilities	(7,203)	(4,940)
Cash inflow generated from operations	118,678	70,868
Interest received	911	1,665
Income taxes paid	(464)	(136)
Net cash flows from operating activities	119,125	72,397
Cash flows from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(28,457)	(29,680)
Proceeds from disposal of financial assets at fair value through profit or loss	28,345	29,562
Acquisition of property, plant and equipment	(6,707)	(4,154)
Proceeds from disposal of property, plant and equipment	104	124
Decrease in other financial assets	29	30
Decrease (increase) in other non-current assets	(76)	2,526
Increase in prepayments for business facilities	(5,664)	(9,858)
Decrease in payables on machinery and equipment	(7,184)	(1,014)
Net cash flows used in investing activities	(19,610)	(12,464)
Cash flows from (used in) financing activities:		
Repayments of long-term borrowings	(3,663)	(7,184)
Decrease in guarantee deposits	(1)	-
Interest paid	(883)	(1,161)
Net cash flows used in financing activities	(4,547)	(8,345)
Effect of exchange rate changes on cash and cash equivalents	(3,782)	(111)
Net increase in cash and cash equivalents	91,186	51,477
Cash and cash equivalents at beginning of period	916,854	818,967
Cash and cash equivalents at end of period	$ **1,008,040**	**870,444**

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

BIOTEQUE CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements

March 31, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

Bioteque Corporation ("the Company") was incorporation in November, 1991 in accordance with The Company Act and the other related laws and regulations.

The Company's stock was listed on Taipei Exchange on March 4, 2002.

The business operation of the Company and its subsidiaries (together referred to as"the Group") are as follows:

(a) Manufacturing, trading and selling of the medical equipment and instruments.

(b) Reinvestment and monopoly investment in securities business.

Please refer to note 14 for the related information.

(2) Approval date and procedures of the consolidated financial statements:

The consolidated financial statements for the three months ended March 31, 2018 and 2017 were authorized for issuance by the board of directors on May 11, 2018.

(3) New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standards ("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. ("FSC") which have already been adopted.

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2018.

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendment to IFRS 2 "Clarifications of Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 7 "Statement of Cash Flows -Disclosure Initiative"	January 1, 2017
Amendment to IAS 12 "Income Taxes- Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
Annual Improvements to IFRS Standards 2014–2016 Cycle:	
Amendments to IFRS 12	January 1, 2017
Amendments to IFRS 1 and Amendments to IAS 28	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Interim Financial Statements

Except for the following items, the Group believes that the adoption of the above IFRSs would not have any material impact on its consolidated financial statements. The extent and impact of signification changes are as follows:

(i) IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces the existing revenue recognition guidance, including IAS 18 "Revenue" and IAS 11 "Construction Contracts". The Group applies this standard retrospectively with the cumulative effect, it need not restate those contracts, but instead, continues to apply IAS 11, IAS 18 and the related Interpretations for comparative reporting period. The Group recognizes the cumulative effect upon the initially application of this Standard as an adjustment to the opening balance of retained earnings on January 1, 2018.

The Group uses the practical expedients for completed contracts, which means it need not restate those contracts that have been completed on January 1, 2018.

The following are the nature and impacts on changing of accounting policies:

1) Sales of goods

For the sale of products, revenue is currently recognized when the goods are delivered to the customers' premises, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership transfer. Revenue is recognized at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods. Under IFRS 15, revenue will be recognized when a customer obtains control of the goods.

2) Impacts on financial statements

The following tables summarize the impacts of adopting IFRS15 on the Group' s consolidated financial statements:

	March 31, 2018			January 1, 2018		
Impacted line items on the consolidated balance sheet	**Balances prior to the adoption of IFRS 15**	**Impact of changes in accounting policies**	**Balance upon adoption of IFRS 15**	**Balances prior to the adoption of IFRS 15**	**Impact of changes in accounting policies**	**Balance upon adoption of IFRS 15**
Advance sale receipts (Note)	$ 23,106	(23,106)	-	15,755	(15,755)	-
Current contract liabilities	-	23,106	23,106	-	15,755	15,755
Impact on liabilities		-			-	

(Note) Recognized under other current liabilities-other.

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Interim Financial Statements

(ii) IFRS 9 "Financial Instruments"

IFRS 9 replaces IAS 39 " Financial Instruments: Recognition and Measurement" which contains classification and measurement of financial instruments, impairment and hedge accounting.

As a result of the adoption of IFRS 9, the Group adopted the consequential amendments to IAS 1 "Presentation of Financial Statements" which requires impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Group' s approach was to include the impairment of trade receivables in administrative expenses. Additionally, the Group adopted the consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but generally have not been applied to comparative information.

The detail of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

1) Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available-for-sale financial assets. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification. For an explanation of how the Group classifies and measures financial assets and accounts for related gains and losses under IFRS 9, please see note 4(c).

The adoption of IFRS 9 did not have any a significant impact on its accounting policies on financial liabilities.

2) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with the 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than they are under IAS 39 – please see note 4(c).

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Interim Financial Statements

3) Transition

The adoption of IFRS 9 have been applied retrospectively, except as described below.

- Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as on January 1, 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

  —The determination of the business model within which a financial asset is held.

  — The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

  —The designation of certain investments in equity instruments not held for trading as at FVOCI.

- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Group assumed that the credit risk on its asset will not increase significantly since its initial recognition.

4) Classification of financial assets on the date of initial application of IFRS 9

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as of January 1, 2018.

	IAS39		IFRS9	
	Measurement categories	Carrying Amount	Measurement categories	Carrying Amount
Financial Assets				
Cash and cash equivalents	Loans and receivables (Note 1)	916,854	Amortized cost	916,854
Equity instruments	Designated as at FVTPL (Note 2)	144,733	Mandatorily at FVTPL	144,733
	Available-for-sale (Note 3)	328	FVOCI	328
Trade and other receivables	Loans and receivables (Note 1)	267,552	Amortized cost	267,552
Other financial assets	Loans and receivables (Note 1)	3,215	Amortized cost	3,215

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Interim Financial Statements

Note1: Cash and cash equivalents, notes and accounts receivable, guarantee deposits paid and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost.

Note2: Under IAS 39, these equity securities were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatory measured at FVTPL under IFRS 9.

Note3: These equity securities represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI.

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 upon transition to IFRS 9 on 1 January, 2018.

	2017.12.31 IAS 39 Carrying Amount	Reclassifications	Remeasurements	2018.1.1 IFRS 9 Carrying Amount	2018.1.1 Retained earnings	2018.1.1 Other equity
Fair value through other comprehensive income						
Beginning balance of available for sale (IAS 39)	$ 328	(328)	-	-	-	-
Available for sale to FVOCI	-	328	-	328	-	-
Total	$ 328	-	-	328	-	-

(iii) Amendments to IAS 7 "Disclosure Initiative"

The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes.

To satisfy the new disclosure requirements, the Group present a reconciliation between the opening and closing balances for liabilities with changes arising from financing activities as note 6(u).

(b) The impact of IFRS issued by IASB but not yet endorsed by the FSC

As of the date the following IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 16 "Leases"	January 1, 2019
IFRS 17 "Insurance Contracts"	January 1, 2021
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019
Amendments to IFRS 9 "Prepayment features with negative compensation"	January 1, 2019
Amendments to IAS 28 "Long-term interests in associates and joint ventures"	January 1, 2019

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Interim Financial Statements

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Annual Improvements to IFRS Standards 2015–2017 Cycle	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019

Those which may be relevant to The Group are set out below:

Issuance / Release Dates	Standards or Interpretations	Content of amendment
January 13, 2016	IFRS 16 "Leases"	The new standard of accounting for lease is amended as follows: • For a contract that is, or contains, a lease, the lessee shall recognize a right-of-use asset and a lease liability in the balance sheet. In the statement of profit or loss and other comprehensive income, a lessee shall present interest expense on the lease liability separately from the depreciation charge for the right-of-use asset during the lease term. • A lessor classifies a lease as either a finance lease or an operating lease, and therefore, the accounting remains similar to IAS 17.
June 7, 2017	IFRIC 23 "Uncertainty over Income Tax Treatments"	• In assessing whether and how an uncertain tax treatment affects the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, an entity shall assume that a taxation authority will examine the amounts it has the right to examine and have a full knowledge on all related information when making those examinations. • If an entity concludes that it is probable that the taxation authority will accept an uncertain tax treatment, the entity shall determine the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. Otherwise, an entity shall reflect the effect of uncertainty for each uncertain tax treatment by using either the most likely amount or the expected value, depending on which method the entity expects to better predict the resolution of the uncertainty.

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Issuance / Release Dates	Standards or Interpretations	Content of amendment
December 12, 2017	Annual Improvements to IFRS Standards 2015–2017 Cycle: • IFRS 3 Business Combinations and IFRS 11 Joint Arrangements • IAS 12 Income Taxes • IAS 23 Borrowing Costs	• Clarify how a company accounts for increasing its interest in a joint operation that meets the definition of a business. — If a party maintain joint control, then the previously held interest is not remeasured. — If a party obtains control, then the transaction is a business combination achieved in stages and the acquiring party remeasures the previously held interest at fair value. • Clarify that all income tax consequences of dividends (including payments on financial instruments classified as equity) are recognized consistently with the transactions that generated the distributable profits-i.e. in profit or loss, OCI or equity. • Clarify that the general borrowings pool used to calculate eligible borrowing costs excludes only borrowings that specifically finance qualifying assets that are still under development or construction. Borrowings that were intended to specifically finance qualifying assets that are now ready for their intended use or sale – or any non-qualifying assets – are included in that general pool. As the costs of retrospective application might outweigh the benefits, the changes are applied prospectively to borrowing costs incurred on or after the date an entity adopts the amendments.

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Issuance / Release Dates	Standards or Interpretations	Content of amendment
February 7, 2018	Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	The amendments clarify that: • on amendment, curtailment or settlement of a defined benefit plan, a company now uses updated actuarial assumptions to determine its current service cost and net interest for the remainder of the reporting period after the change to the plan; and • the effect of the asset ceiling is disregarded when calculating past service cost and the gain or loss on settlement. Any change in that effect is recognized in other comprehensive income.

The Group is evaluating the impact on its consolidated financial position and consolidated financial performance upon the initial adoption of the abovementioned standards or interpretations. The results thereof will be disclosed when the Group completes its evaluation.

(4) Summary of significant accounting policies:

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 "Interim Financial Reporting" which are endorsed and issued into effect by FSC and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the years ended December 31, 2017. For the related information, please refer to note 4 of the consolidated financial statements for the years ended December 31, 2017.

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(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements:

			Shareholding		
Name of investor	Name of subsidiary	Principal activity	March 31, 2018	December 31, 2017	March 31, 2017
The Company	BIOTEQUE MEDICAL CO., LTD.	Investment activities	100.00 %	100.00 %	100.00 %
The Company	CHUNGTEX INVESTMENT CO., LTD	Investment activities	100.00 %	100.00 %	100.00 %
The Company	BIOTEQUE MEDICAL PHIL. INC.	Manufacturing and Trading of Medical equipment	100.00 %	100.00 %	100.00 %
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Trading of Medical equipment	100.00 %	100.00 %	100.00 %

(c) Financial instruments (applicable from January 1, 2018)

(i) Financial assets

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The Group shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses, deriving from debt investments are recognized in profit or loss; whereas dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses of financial assets measured at FVOCI are recognized OCI. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss. However, gains and losses accumulated in OCI of debt investments are reclassified to retained earnings instead of profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable, other receivable, guarantee deposit paid and other financial assets).

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings'.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer；
- a breach of contract such as a default or being more than 180 days past due；
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider；
- it is probable that the borrower will enter bankruptcy or other financial reorganization；or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The Group recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group’s procedures for recovery of amounts due.

5) Derecognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the assets expire, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a debt instrument in its entirety, the Group recognizes the difference between its carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income and presented in “other equity – unrealized gains or losses on fair value through other comprehensive income”, in profit or loss, and presented it in the line item of non-operating income and expenses.

(Continued)

On derecognition of a part of debt instrument in which the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the financial asset shall be allocated between the part that continues to be recognized and the part that is derecognized, on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part derecognized and the sum of the consideration received for the part derecognized, and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income, shall be recognized in profit or loss, and presented it in the line item of non-operating income and expenses.

(d) Revenue from contracts with customers (applicable from January 1, 2018)

(i) Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group manufactures and sells medical equipment. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer. 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, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Financing components

The group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(e) Contract costs (applicable from January 1, 2018)

(i) Incremental costs of obtaining a contract

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Costs to obtain a contract that would have been incurred regardless of whether the contract was obtained shall be recognized as an expense when incurred, unless those costs are explicitly chargeable to the customer regardless of whether the contract is obtained.

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The Group applies the practical expedient to recognize the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the entity otherwise would have recognized is one year or less.

(ii) Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations(or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

(f) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(g) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

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(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the years ended December 31, 2017. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2017.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2017. Please refer to Note 6 of the 2017 annual consolidated financial statements.

(a) Cash and cash equivalents

	March 31, 2018	December 31, 2017	March 31, 2017
Cash on hand	$ 435	332	481
Cash in bank	850,458	756,435	541,741
Time deposits	-	-	167,141
RP bills	157,147	160,087	161,081
Cash and cash equivalents in the consolidated statement of cash flows	$ 1,008,040	916,854	870,444

(b) Current financial assets at fair value through profit or loss

	March 31, 2018	December 31, 2017	March 31, 2017
Financial assets designated as at fair value through profit or loss:			
Money market funds and bond funds	$ -	143,319	143,035
RP bills	28,272	28,809	28,972
Stock listed on domestic markets	-	1,414	11,255
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Money market funds and bond funds	143,287	-	-
Stock listed on domestic markets	1,445	-	-
Total	$ 173,004	173,542	183,262

(Continued)

(i) For credit risk and market risk, please refer to note 6(r).

(ii) The financial assets of the Group were not collateralized.

(c) Non-current financial assets at fair value through other comprehensive income

	March 31, 2018
Equity investments at fair value though other comprehensive income:	
Stock listed on domestic markets	$ 307

(i) Equity investments at fair value through other comprehensive income

On January 1, 2018, the Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes. These investments were classified as available-for-sale financial assets on December 31, 2017 and March 31, 2017.

No strategic investments were disposed as of March 31, 2018, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(ii) For credit risk and market risk, please refer to note 6(r).

(iii) The financial assets of the Group were not collateralized.

(d) Non-current available-for-sale financial assets

	December 31, 2017	March 31, 2017
Stock listed on domestic markets	$ 328	364

(i) For credit risk and market risk, please refer to note 6(r).

(ii) The financial assets of the Group were not collateralized.

(e) Note and trade receivables

	March 31, 2018	December 31, 2017	March 31, 2017
Note receivables	$ 72,370	74,723	68,655
Trade receivables	209,299	192,829	155,414
Less: Loss allowance	-	-	-
	$ 281,669	267,552	224,069

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The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on March 31, 2018. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provision as of March 31, 2018 was determined as follows:

	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 263,675	-	-
1 to 30 days past due	9,278	-	-
31 to 60 days past due	2,134	-	-
61 to 90 days past due	2,252	-	-
91 to 120 days past due	4,312	-	-
121 to 150 days past due	18	-	-
151 to 180 days past due	-	24.35 %	-
More than 181 days past due	-	100 %	-
	$ 281,669		-

As of December 31 and March 31, 2017, the Group applies the incurred loss model to consider the loss allowance provision of notes and trade receivable, and the aging analysis of notes and trade receivable, which were past due but not impaired, was as follows:

	December 31, 2017	March 31, 2017
Past due1 to 60 days	$ 41,956	18,464

The note and trade receivables of the Group were not collateralized.

(f) Inventories

	March 31, 2018	December 31, 2017	March 31, 2017
Raw materials	$ 123,721	114,211	122,810
Work in progress	47,285	41,791	42,856
Finished goods	13,402	18,367	18,367
Merchandise	1,342	1,148	906
Raw materials in transit	23,163	22,075	19,963
	$ 208,913	197,592	204,902

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Except for cost of goods sold and inventories recognized as operating cost, the remaining gains or losses which were recognized as operating cost or deduction of operating cost were as follows:

	For the three months ended March 31	
	2018	2017
Gains on physical inventory	$ 410	58

(g) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the three months ended March 31, 2018 and 2017 were as follows:

	Land	Building and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost:								
Balance at January 1, 2018	$ 91,834	733,352	676,379	9,066	19,570	114,377	6,738	1,651,316
Additions	-	-	542	-	13	6,040	112	6,707
Disposals	-	-	(660)	-	-	(78)	-	(738)
Reclassification (Note)	-	6,136	162	-	-	2,126	(6,136)	2,288
Effect of changes in foreign exchange rates	-	(7,450)	(2,288)	(24)	(33)	(885)	(11)	(10,691)
Balance at March 31, 2018	$ 91,834	732,038	674,135	9,042	19,550	121,580	703	1,648,882
Balance at January 1, 2017	$ 91,834	722,187	610,984	5,989	19,417	118,782	51,726	1,620,919
Additions	-	-	1,415	2	61	2,607	69	4,154
Disposals	-	-	-	(662)	-	-	-	(662)
Reclassification (Note)	-	-	39,548	925	135	1,044	(6,536)	35,116
Effect of changes in foreign exchange rates	-	(19,247)	(4,607)	(68)	(85)	(2,234)	(2,321)	(28,562)
Balance at March 31, 2017	$ 91,834	702,940	647,340	6,186	19,528	120,199	42,938	1,630,965
Accumulated depreciation and impairment loss:								
Balance at January 1, 2018	$ -	174,326	412,932	4,318	16,252	84,380	-	692,208
Depreciation	-	4,902	10,639	210	250	3,688	-	19,689
Disposals	-	-	(568)	-	-	(40)	-	(608)
Effect of changes in foreign exchange rates	-	(374)	(289)	(15)	(16)	(294)	-	(988)
Balance at March 31, 2018	$ -	178,854	422,714	4,513	16,486	87,734	-	710,301
Balance at January 1, 2017	$ -	155,734	372,477	4,213	14,968	85,818	-	633,210
Depreciation	-	4,776	10,244	173	408	3,189	-	18,790
Disposals	-	-	-	(662)	-	-	-	(662)
Effect of changes in foreign exchange rates	-	(671)	(322)	(29)	(23)	(382)	-	(1,427)
Balance at March 31, 2017	$ -	159,839	382,399	3,695	15,353	88,625	-	649,911
Carrying amounts:								
Balance at January 1, 2018	$ 91,834	559,026	263,447	4,748	3,318	29,997	6,738	959,108
Balance at March 31, 2018	$ 91,834	553,184	251,421	4,529	3,064	33,846	703	938,581
Balance at January 1, 2017	$ 91,834	566,453	238,507	1,776	4,449	32,964	51,726	987,709
Balance at March 31, 2017	$ 91,834	543,101	264,941	2,491	4,175	31,574	42,938	981,054

(Note) Prepayments for business facilities were reclassified as property, plant and equipment.

As of March 31, 2018, December 31 and March 31, 2017, the property, plant and equipment of the Group had been pledged as collateral for borrowings; please refer to note 8.

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(h) Short-term and long-term borrowings

(i) Short-term borrowings

	March 31, 2018	December 31, 2017	March 31, 2017
Unsecured bank loans	$ 80,000	80,000	80,000
Unused credit lines	$ 915,995	679,010	840,465
Range of interest rate	0.91%	0.91%	0.91%

(ii) Long-term borrowings

	March 31, 2018	December 31, 2017	March 31, 2017
Unsecured bank loans	$ 76,414	81,895	49,254
Less: Current portion	(44,878)	(37,225)	(15,155)
	$ 31,536	44,670	34,099
Unused credit lines	$ 29,110	29,780	30,310
Range of interest rate	2.70%~3.77%	2.51%~3.07%	2.68%~2.81%

Parts of the Group's long-term borrowings will be settled in foreign currency. The details of foreign long-term liabilities were as follows:

	March 31, 2018	December 31, 2017	March 31, 2017
USD (thousand dollars)	$ 1,083	1,500	1,125
Convert to NTD	$ 31,536	44,670	34,099

As of March 31, 2018, the remaining balance of the borrowing due were as follows:

Period	Amount
2018.04.01～2019.03.31	$ 44,878
2019.04.01～2020.03.31	26,684
2020.04.01～2021.03.31	4,852
	$ 76,414

For the collateral for borrowing, please refer to note 8.

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(i) Operating lease

Since July 15, 2013, the Group has leased land from Hermosa Industrial Zone in the Philippines, with a lease term of 50 years, which will expire on July 14, 2063. After the expiry date, it will be extended automatically for another 25 years, with the expiration date on July 14, 2088. The rental for 75 years amounted to PHP77,148 thousand (approximately $53,391 thousand), which has already been paid.

As of March 31, 2018, December 31 and March 31, 2017, the amounts of the prepaid rent were $47,896 thousand, $49,175 thousand and $51,310 thousand, respectively, which recognized in other current assets of $691 thousand, $707 thousand and $720 thousand and in other non-current assets of $47,205 thousand, $48,468 thousand and $50,590 thousand, respectively.

The amounts of rental were as follows:

	For the three months ended March 31	
	2018	**2017**
Operating costs	$ 174	184

(j) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other significant one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim period was measured and disclosed according to the actuarial report as of December 31, 2017 and 2016.

The expense recognized in profit or loss for the Group were as follows:

	For the three months ended March 31	
	2018	**2017**
Operating costs	$ 70	69
Operating expenses	235	261
	$ 305	330

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance for the three months ended March 31, 2018 and 2017 were as follows:

	For the three months ended March 31	
	2018	**2017**
Operating costs	$ 1,349	1,394
Operating expenses	570	528
	$ 1,919	1,922

(Continued)

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(k) Income taxes

According to the amendments to the "Income Tax Act" enacted by the office of the President of the Republic of China (Taiwan) on February 7, 2018, an increase in the corporate income tax rate from 17% to 20% is applicable upon filing the corporate income tax return commencing FY 2018. The group spreads the effect of the change amounting to $6,244 thousand in the tax rate by an adjustment to the estimated annual effective income tax rate.

The amounts of income tax for the three months ended March 31, 2018 and 2017 were as follows:

	For the three months ended March 31	
	2018	**2017**
Income tax expenses	$ 22,623	9,635

The Company's tax return for the years through 2016 were examined and approved by the Taipei Nation Tax Administration.

(l) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to March 31, 2018 and 2017. For the related information, please refer to note 6(j) of the consolidated financial statements for the year ended December 31, 2017.

(i) Capital surplus

Balance of capital surplus at the reporting date were as follows:

	March 31, 2018	**December 31, 2017**	**March 31, 2017**
Share capital	$ 315,168	315,168	384,467

(ii) Retained earnings

The Company's Articles of Incorporation stipulate that 10% of the balance of annual income or earnings after deducting accumulated deficit, if any, must be set aside as a legal reserve and a special capital reserve is likewise appropriated or the annual income or earnings are retained in accordance with the relevant laws or regulations or as requested by the authorities. Otherwise, the distribution of remaining balance of the earnings should be further proposed by the Board of Directors and resolved by the shareholders' meeting.

As the Company is in its growth phase, it has adopted a more prudent approach in appropriating its remaining earnings as its dividend policy in order to sustain its long-term capital needs and thereby maintain continuous development and steady growth.

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On March 15, 2018, the Company's board of directors resolved to appropriate the 2017 earnings. On June 22, 2017, the shareholder's meetings resolved to distribute the 2016 earnings. These earnings were appropriated as follows:

	2017		2016	
	Amount per share	Amount	Amount per share	Amount
Dividends distributed to ordinary shareholders:				
Cash of retained earnings	$ 3.50	$ 242,544	2.00	138,596
Cash of capital surplus	-	-	1.00	69,299
Total		$ 242,544		207,895

(iii) OCI accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial asset measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total
Balance at January 1, 2018	$ (5,235)	-	(1,224)	(6,459)
Effects of retrospective application	-	(1,224)	1,224	-
Balance at January 1, 2018 after adjustments	(5,235)	(1,224)	-	(6,459)
Exchange differences on foreign operations	(12,316)	-	-	(12,316)
Unrealized gains (losses) from financial asset measured at fair value through other comprehensive income	-	(21)	-	(21)
Balance at March 31, 2018	$ (17,551)	(1,245)	-	(18,796)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial asset measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total
Balance at January 1, 2017	$ 30,534	-	(1,226)	29,308
Exchange differences on translation of foreign financial statements	(29,097)	-	-	(29,097)
Unrealized gains (losses) on available-for-sale financial assets	-	-	38	38
Balance at March 31, 2017	$ 1,437	-	(1,188)	249

(m) Earnings per share

For the three months ended March 31, 2018 and 2017, the Company' s earnings per share were calculated as follows:

(i) Basic earnings per share

	For the three months ended March 31	
	2018	2017
Profit attributable to ordinary shareholders of the Company	$ 82,871	48,248
Weighted-average number of ordinary shares	69,298	69,298
Basic earnings per share (express in New Taiwan Dollar)	$ 1.20	0.70

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
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(ii) Diluted earnings per share

	For the three months ended March 31	
	2018	2017
Profit attributable to ordinary shareholders of the Company	$ 82,871	48,248
Weighted-average number of ordinary shares (basic)	69,298	69,298
Effect of employee remuneration (in thousands)	234	312
Weighted-average number of ordinary shares (diluted)	$ 69,532	69,610
Diluted earnings per share (express in New Taiwan Dollar)	$ 1.19	0.69

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2018
Primary geographical markets:	
Asia	$ 124,164
South America	46,181
North America	34,991
Others	170,572
	$ 375,908
Major products service lines:	
Manufacturing, trading and selling of medical equipment	$ 375,908

For details on revenue for the three months ended March 31, 2017 please refer to note 6(o).

(ii) Contract balances

	March 31, 2018	January 1, 2018
Notes and accounts receivable	$ 281,669	267,552
Less: allowance for impairment	-	-
Total	$ 281,669	267,552

	March 31, 2018	January 1, 2018
Contract liabilities-current	$ 23,106	15,755

For details on accounts receivable and allowance for impairment, please refer to note 6(e).

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The amount of revenue recognized for the three months ended March 31, 2018 that was included in the contract liability balance at the beginning of the period was $9,838 thousand.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(o) Revenue

	For the three months ended March 31, 2017
Sale of goods	$ 330,018
Less: sale returns and allowances	(23)
	$ 329,995

(p) Remuneration to employees, directors and supervisors

According to the Article of Association revised after June 22, 2017, once the Company has annual profit, it should appropriate no less than 5% of the profit to its employees and 1.6% or less to its directors and supervisors.

According to the Article of Association revised before June 21, 2017, once the Company has annual profit, it should appropriate no less than 8% of the profit to its employees and 1.6% or less to its directors and supervisors.

The Company's estimated remuneration is as follows:

	For the three months ended March 31	
	2018	2017
Employee remuneration	$ 5,623	5,112
Directors' and supervisors' remuneration	1,799	1,022
	$ 7,422	6,134

The amount of employee remuneration, and directors' and supervisors' remuneration were estimated based on profit before tax, net of the amount of the remuneration, and multiplied by the rule of Company's Article of Association. The above remuneration were included in the operating expenses of the three months ended March 31, 2018 and 2017. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.

For the years ended December 31, 2017 and 2016 the Company accrued and recognized its employee remuneration amounting to $20,957 thousand and $38,906 thousand, and directors'and supervisors' remuneration amounting to $6,706 thousand and $7,781 thousand, respectively. There was no differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements.

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The related information mentioned above can be found on websites such as the Market Observation Post System.

(q) Non-operating income and expenses

(i) Other income

		For the three months ended March 31	
		2018	2017
Interest income:			
Interest income from RP bills	$	805	1,446
Interest income from funds		89	89
Interest income from deposit		3	3
Interest income from bank deposit		243	127
		1,140	1,665
Subsidy revenue		263	496
Compensation income		573	-
Others		1,119	126
	$	3,095	2,287

(ii) Other gains and losses

		For the three months ended March 31	
		2018	2017
Foreign exchange losses	$	(10,050)	(37,048)
Gains (losses) on financial assets at fair value through profit or loss		(1)	883
Gains (losses) on disposal of property plant and equipment		(26)	124
Others		(137)	(310)
	$	(10,214)	(36,351)

(iii) Finance costs

		For the three months ended March 31	
		2018	2017
Interest expense on bank borrowings	$	(785)	(1,161)

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(r) Financial instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Group's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information please refer to note 6(o) of the consolidated financial statements for the year ended December 31, 2017.

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

As of March 31, 2018, December 31 and March 31, 2017, 26%, 27% and 26% of the Group's accounts receivable were concentrated on 2 specific customers.

3) Receivables securities

For credit risk exposure of note and trade receivables, please refer to note 6(e).

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses.

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	within 1 year	1-2 years	2-5 years	Over 5 years
March 31, 2018						
Non-derivative financial liabilities						
Short-term borrowing	$ 80,000	80,413	80,413	-	-	-
Long-term liabilities, current portion	44,878	47,291	47,291	-	-	-
Notes payable	38,729	38,729	38,729	-	-	-
Accounts payable	69,122	69,122	69,122	-	-	-
Other payables	35,885	35,885	35,885	-	-	-
Payables on machinery and equipment	2,294	2,294	2,294	-	-	-
Long-term borrowings	31,536	32,596	-	27,613	4,983	-
	$ 302,444	306,330	273,734	27,613	4,983	-

BIOTEQUE CORPORATION AND SUBSIDIARIES
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	Carrying amount	Contractual cash flows	within 1 year	1-2 years	2-5 years	Over 5 years
December 31, 2017						
Non-derivative financial liabilities						
Short-term borrowing	$ 80,000	80,272	80,272	-	-	-
Long-term liabilities, current portion	37,225	39,489	39,489	-	-	-
Notes payable	43,197	43,197	43,197	-	-	-
Accounts payable	53,805	53,805	53,805	-	-	-
Other payables	36,421	36,421	36,421	-	-	-
Payables on machinery and equipment	9,478	9,478	9,478	-	-	-
Long-term borrowings	44,670	46,124	-	35,948	10,176	-
	$ 304,796	308,786	262,662	35,948	10,176	-
March 31, 2017						
Non-derivative financial liabilities						
Short-term borrowing	$ 80,000	80,404	80,404	-	-	-
Long-term liabilities, current portion	15,155	16,127	16,127	-	-	-
Notes payable	34,177	34,177	34,177	-	-	-
Accounts payable	69,474	69,474	69,474	-	-	-
Other payables	22,024	22,024	22,024	-	-	-
Payables on machinery and equipment	5,003	5,003	5,003	-	-	-
Long-term borrowings	34,099	34,922	-	27,194	7,728	-
	$ 259,932	262,131	227,209	27,194	7,728	-

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amount.

(iii) Market risk

1) Currency risk

The Group's significant exposure to foreign currency risk was as follows:

	March 31, 2018			December 31, 2017			March 31, 2017		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 15,230	29.11	443,354	20,780	29.78	618,818	19,845	30.31	601,505
EUR	925	35.94	33,233	1,262	35.64	44,990	1,688	32.43	54,735
JPY	170,836	0.2744	46,869	160,294	0.2648	43,438	239,128	0.2715	64,911
PHP	50,336	0.5725	28,817	46,686	0.6115	28,465	13,464	0.667	8,333
CNY	11,035	4.647	51,280	6,612	4.573	30,238	5,237	4.407	23,078
Investments accounted for using equity method									
USD	17,018	29.11	495,401	14,455	29.78	430,459	15,026	30.31	455,437
PHP	7,155	0.5725	4,096	7,029	0.6115	4,298	7,045	0.667	4,699
Financial liabilities									
Monetary items									
USD	899	29.11	26,168	971	29.78	28,913	922	30.31	27,946
EUR	267	35.94	9,605	128	35.64	4,575	282	32.43	9,160
JPY	29,876	0.2744	8,196	25,512	0.2648	6,754	27,907	0.2715	7,575
PHP	15,766	0.5725	9,026	15,282	0.6115	9,345	11,624	0.619	7,194

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The Group's exposure to foreign currency risk arise from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, trade receivables and trade payables that are denominated in foreign currency.

A strengthening (weakening) of 1% of the NTD against the foreign currency for the three months ended March 31, 2018 and 2017 would have increased (decreased), the net profit after tax by $4,570 thousand and $5,816 thousand, respectively. The analysis is performed on the same basis for 2017.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2018 and 2017, foreign exchange gains (losses) (including realized and unrealized portions) amounted to $(10,050) thousand and $(37,048) thousand, respectively.

2) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1% basic points the Group's net income would have increased / decreased by $1,298 thousand and $1,073 thousand for the three months ended March 31, 2018 and 2017 with all other variable factors remain constant. This is mainly due to the Group's borrowing at floating rates.

3) Other market price risk

For the three months ended March 31, 2018 and 2017, the sensitivity analyzes for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the three months ended March 31			
	2018		2017	
Prices of securities at the reporting date	**Other comprehensive income after tax**	**Net income**	**Other comprehensive income after tax**	**Net income**
Increasing 1%	$ 3	1,436	3	1,521
Decreasing 1%	$ (3)	(1,436)	(3)	(1,524)

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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(iv) Fair value of financial instruments

1) Fair value hierarchy

The carrying amount and fair value of the Group' s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required :

	March 31, 2018				
		Fair value			
	Bok value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 144,732	144,732	-	-	144,732
Designated at fair value through profit or loss	28,272	28,272	-	-	28,272
Subtotal	173,004	173,004	-	-	173,004
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	307	307	-	-	307
Financial assets measured at amortized cost					
Cash and cash equivalents	1,008,040	-	-	-	-
Notes and accounts receivables	281,669	-	-	-	-
Other financial assets	3,603	-	-	-	-
Subtotal	1,293,312	-	-	-	-
Total	$ 1,466,623	173,311	-	-	173,311
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 80,000	-	-	-	-
Long-term liabilities, current portion	44,878	-	-	-	-
Notes and accounts payables	107,851	-	-	-	-
Other payable	35,885	-	-	-	-
Payables on machinery and equipment	2,294	-	-	-	-
Long-term borrowings	31,536	-	-	-	-
Total	$ 302,444	-	-	-	-

	December 31, 2017				
		Fair value			
	Bok value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 173,542	173,542	-	-	173,542
Available-for-sale financial assets					
Stocks listed on domestic markets	328	328	-	-	328
Loans and receivables					
Cash and cash equivalents	916,854	-	-	-	-
Notes and accounts receivables	267,552	-	-	-	-
Other financial assets	3,215	-	-	-	-
Subtotal	1,187,621	-	-	-	-
Total	$ 1,361,491	173,870	-	-	173,870

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	December 31, 2017				
		Fair value			
	Bok value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 80,000	-	-	-	-
Long-term liabilities, current portion	37,225	-	-	-	-
Notes and accounts payables	97,002	-	-	-	-
Other payable	36,421	-	-	-	-
Payables on machinery and equipment	9,478	-	-	-	-
Long-term borrowings	44,670	-	-	-	-
Total	$ 304,796	-	-	-	-

	March 31, 2017				
		Fair value			
	Bok value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 183,262	183,262	-	-	183,262
Available-for-sale financial assets					
Stocks listed on domestic markets	364	364	-	-	364
Loans and receivables					
Cash and cash equivalents	870,444	-	-	-	-
Notes and accounts receivables	224,069	-	-	-	-
Other financial assets	4,388	-	-	-	-
Subtotal	1,098,901	-	-	-	-
Total	$ 1,282,527	183,626	-	-	183,626
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 80,000	-	-	-	-
Long-term liabilities, current portion	15,155	-	-	-	-
Notes and accounts payables	103,651	-	-	-	-
Other payable	22,024	-	-	-	-
Payables on machinery and equipment	5,003	-	-	-	-
Long-term borrowings	34,099	-	-	-	-
Total	$ 259,932	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

(Continued)

When the financial instruments of the Group is traded in an active market, its fair value is illustrated by the category and nature as follows:

The fair value of listed stocks and funds traded in an active market is based on the market quoted price.

Measurements of fair value of financial instruments without an active market are based on valuation technique or quoted price from a competitor. Fair value, measured by using valuation technique that can be extrapolated from either similar financial instruments or discounted cash flow method or other valuation techniques, including models, is calculated based on available market date at the reporting date.

3) Categories and fair values of financial instruments

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3: inputs for the assets or liability that are not based on observable market data. (unobservable inputs)

For the three months ended March 31, 2018 and 2017, there were no change on the fair value hierarchy of financial asset.

(s) Financial risk management

There were no significant changes in the Group' s financial risk management and policies as disclosed in note 6(p) of the consolidated financial statements for the year ended December 31, 2017.

(t) Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2017. Also, management believes that there were no significant changes in the Group' s capital management information as disclosed for the year ended December 31, 2017. Please refer to Note 6(q) of the consolidated financial statements for the year ended December 31, 2017 for further details.

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(u) Investing and financing activities affect the current cash flow

Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2018	Cash flows	Non-cash changes: Foreign exchange movement	March 31, 2018
Long-term borrowings (including current portion)	$ 81,895	(3,663)	(1,818)	76,414
Total liabilities from financial activities	$ 81,895	(3,663)	(1,818)	76,414

(7) Related-parties transactions:

(a) Names and relationship with related parties

Due to the absence of any transaction with related parties during the periods covered in the consolidated financial statements, the name and relationships of related parties have not been disclosed.

(b) Significant transactions with related parties: None.

(c) Key management personnel compensation

Key management personnel compensation were comprised as below:

	For the three months ended March 31 2018	2017
Short-term employee benefits	$ 4,716	3,213
Post-employment benefits	265	235
	$ 4,981	3,448

(8) Pledged assets:

Pledged assets	Object	March 31, 2018	December 31, 2017	March 31, 2017
Other current financial assets:				
Restricted bank deposit	Purchase guarantee	$ 601	601	601
Property, plant and equipment				
Land	Long-term borrowings	91,834	91,834	91,834
Building	Long-term borrowings	197,663	199,641	205,576
Equipment	Long-term borrowings	25,617	27,732	34,364
		$ 315,715	319,808	332,375

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(9) Commitments and contingencies:

(a) Notes issued as guarantee

	March 31, 2018	December 31, 2017	March 31, 2017
Long-term borrowings	$ 870,995	784,010	889,920

(b) The agreements for expansion of the factory and purchases of machinery and equipment

	March 31, 2018	December 31, 2017	March 31, 2017
Total contract price	$ 45,176	40,252	28,082
Paid amount	$ 23,800	20,759	13,479

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2018			2017		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	44,033	15,934	59,967	35,840	17,319	53,159
Labor and health insurance	3,593	1,174	4,767	3,746	1,455	5,201
Pension	1,419	805	2,224	1,463	789	2,252
Others	1,957	1,355	3,312	2,106	724	2,830
Depreciation	18,814	875	19,689	17,973	817	18,790
Amortization	426	600	1,026	318	328	646

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(13) Other disclosures:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the three months ended March 31, 2018 :

(i) Leading to other parties:

(In thousands of dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 3)	Ending balance (Note 3)	Amount of used loan facilities (Note 4)	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	BIOTEQUE MEDICAL CO., LTD.	BIOTEQUE MEDICAL PHIL. INC.	Accounts receivable from related parties	Yes	125,320 (USD 4,000)	116,440 (USD 4,000)	116,440 (USD 4,000)	2.00%	2	-	Working Capital	-	None	-	247,063 (Note 2)	247,063 (Note 2)

Note 1: Purposes of lending were as follows:

1. Business relationship
2. Short-term financing

Note 2: For entities in which the Company, directly or indirectly, owned 100% of their shares, the amount available for financing shall not exceed the net worth of the borrower.

Note 3: The maximum balance for the period and ending balance represent the amounts approved by the Board of Directors.

Note 4: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(ii) Guarantees and endorsements for other parties:

(In thousands of dollars)

Number	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
1	The Company	BIOTEQUE MEDICAL CO., LTD.		207,895	90,930 (USD3,000)	87,330 (USD3,000)	-	-	3.96 %	346,492	Y	N	N
2	The Company	BIOTEQUE MEDICAL PHIL. INC.		207,895	189,735 (USD6,500)	189,215 (USD6,500)	76,414 (USD2,625)	-	8.57 %	346,492	Y	N	N

Note 1: The total amount for the guarantees and endorsements provided by the Company to external entities shall not exceed 50% of the Company's shares. The total amount for the guarantees and endorsements provided by the Company and its subsidiaries to external entities shall not exceed 50% of the Company's net worth.

Note 2: The total amount for the guarantees and endorsements provided by the Company to any individual entity shall not exceed 30% of the Company's shares. The total amount for the guarantees and endorsements provided by the Company and its subsidiaries to any individual entity shall not exceed 30% of the Company's net worth.

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Notes to the Consolidated Interim Financial Statements

(iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included):

(In thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance: Shares/Units (in thousands)	Ending balance: Carrying value	Ending balance: Percentage of ownership (%)	Ending balance: Fair value	Remark
The Company	Capital Money Market Fund	None	Current financial assets at fair value through profit or loss	641	10,290	-	10,290	
〃	Yuanta Wan Tai Money Market Fund	〃	〃	2,497	37,649	-	37,649	
〃	Franklin Templeton Sinoam Money Market Fund	〃	〃	2,992	30,777	-	30,777	
〃	Mega Diamond Money Market Fund	〃	〃	2,894	36,112	-	36,112	
〃	Paradigm Pion Money Market Fund	〃	〃	1,970	22,653	-	22,653	
〃	LEAD DATA INC.	〃	Current financial assets at fair value through other comprehensive income	53	307	0.04	307	
CHUNGTEX INVESTMENT CO., LTD.	E.SUN FINANCIAL HOLDING COMPANY,LTD.	〃	Current financial assets at fair value through profit or loss	30	587	-	587	
〃	China Steel Corporation	〃	〃	11	257	-	257	
〃	UNITED MICROELECTRONICS CORP.	〃	〃	10	155	-	155	
〃	EVERGREEN MARINE CORP. (TAIWAN) LTD.	〃	〃	-	3	-	3	
〃	TAISHIN FINANCIAL HOLDING CO., LTD.	〃	〃	31	443	-	443	
〃	PineBridge Emerging Market Corporate Strategy Bond Fund B	〃	〃	378	3,249	-	3,249	
〃	Fuh Hwa Emerging Market High Yield Bond Fund B	〃	〃	412	2,557	-	2,557	
BIOTEQUE MEDICAL CO., LTD	Bonds with a rating of BBB-or better by the standard & poor's	〃	〃	-	28,272	-	28,272	

Note: If there are public markets prices, the fair value shall be evaluated by the last operating date of the accounting duration.

(iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Company's paid-in capital: None.

(v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company's paid-in capital: None.

(vi) Information regarding receivables from disposal of real estate exceeding 300 million or 20% of the Company's paid-in capital: None.

(vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company's paid-in capital: None.

(viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital:

(In thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue: Amount	Overdue: Action taken	Amounts received in subsequent period	Allowance for bad debts
The Company	BIOTEQUE MEDICAL PHIL. INC.	Subsidiary	111,635	1.19 %	-	-	9,386	-

Note: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Interim Financial Statements

(ix) Information regarding trading in derivative financial instruments: None.

(x) Significant transactions and business relationship between the parent company and its subsidiaries for the three months ended March 31, 2018:

(In thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Account receivables	92,741	OA 270	3.41%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Processing costs	16,459	There is no significant difference from translation terms with non-related parties.	4.38%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Other receivables	18,894	OA 270	0.70%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Account payables	22,284	OA 30	0.82%
1	BIOTEQUE MEDICAL CO., LTD.	BIOTEQUE MEDICAL PHIL. INC.	3	Other receivables	116,440	2%	4.29%

Note 1: Company numbering as follows:

Parent company－0

Subsidiary starts from 1

Note 2: The numbering of the relationship between transaction parties as follows:

Parent company to subsidiary－1

Subsidiary to parent company－2

Subsidiary to subsidiary－3

Note 3: The amounts of the transaction and the ending balance had been offset in the consolidated financial statements.

(b) Information on investees:

The following are the information on investees for the three months ended March 31, 2018 (excluding information on investees in Mainland China):

(In thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2018			Net income (losses) of investee	Share of profits (losses) of investee	Remark
				March 31, 2018	December 31, 2017	Shares (in thousands)	Percentage of ownership	Carrying value			
The Company	BIOTEQUE MEDICAL CO., LTD.	Samoa	Investment activities	16,349	16,349	500	100.00 %	247,063	498	498	Subsidiary
The Company	CHUNGTEX INVESTMENT CO., LTD.	Taipei	Investment activities	28,800	28,800	2,880	100.00 %	29,170	(59)	(59)	〃
The Company	BIOTEQUE MEDICAL PHIL. INC.	Philippines	Manufacturing and Trading of Medical equipment	299,315	230,895	4,481	100.00 %	248,338	7,734	7,734	〃
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Philippines	Trading of Medical equipment	6,801	6,801	100	100.00 %	4,096	74	74	Investment through subsidiary

Note: The amount of the transaction and the ending balance had been offset in the consolidated financial statements.

(c) Information on investment in Mainland China: None.

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Interim Financial Statements

(14) Segment information:

There were no significant changes in the Group's division, as well as the profit and loss measurement basis, as disclosed in the consolidated financial statements for the year December 31, 2017.

The Group's operating segment information and reconciliation were as follows:

	For the three months ended March 31, 2018					
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	156,820	68,241	148,051	2,796	-	375,908
Intersegment revenue	-	4,876	-	-	(4,876)	-
Total revenue	$ 156,820	73,117	148,051	2,796	(4,876)	375,908
Reporting segment profit or loss	$ 26,308	15,707	72,248	(8,769)	-	105,494

	For the three months ended March 31, 2017					
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	140,121	71,240	114,774	3,860	-	329,995
Intersegment revenue	-	5,142	-	-	(5,142)	-
Total revenue	$ 140,121	76,382	114,774	3,860	(5,142)	329,995
Reporting segment profit or loss	$ 17,241	18,698	57,639	(35,695)	-	57,883

The material reconciling items of the above reportable segment as below:

Total reportable segment revenue after deducting the intersegment revenue was $4,876 and $5,142 thousand dollars in the three months ended March 31, 2018 and 2017.