

**BIOTEQUE CORPORATION AND SUBSIDIARIES****Consolidated Financial Statements****With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2020 and 2019**

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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 Bioteque Corporation (the “Company”) and its subsidiaries (together referred to as the “Group”) as of June 30, 2020 and 2019, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2020 and 2019, as well as the statements of changes in equity and cash flows for the six months ended June 30, 2020 and 2019, 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 Standard 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 reviews.

### Scope of Review

We conducted our reviews in accordance with Statement of Auditing Standard 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 Bioteque Corporation and its subsidiaries as of June 30, 2020 and 2019, and of its consolidated financial performance for the three months and six months ended June 30, 2020 and 2019, as well as its consolidated cash flows for the six months ended June 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.



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

KPMG

Taipei, Taiwan (Republic of China)  
August 7, 2020

**Notes to Readers**

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and 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 Originally Issued in Chinese)  
**Reviewed only, not audited in accordance with the generally accepted auditing standards as of June 30, 2020 and 2019**

**BIOTEQUE CORPORATION AND SUBSIDIARIES**

Consolidated Balance Sheets

June 30, 2020, December 31 and June 30, 2019

(Expressed in Thousands of New Taiwan Dollars)

	June 30, 2020		December 31, 2019		June 30, 2019	
	Amount	%	Amount	%	Amount	%
<b>Assets</b>						
<b>Current assets:</b>						
1100 Cash and cash equivalents (note 6(a))	\$ 1,351,293	42	1,054,596	36	1,175,933	38
1110 Current financial assets at fair value through profit or loss (note 6(b))	177,752	6	178,118	6	178,192	6
1150 Notes receivable, net (notes 6(d) and (n))	69,865	2	68,834	2	67,600	2
1170 Accounts receivable, net (notes 6(d) and (n))	242,333	7	218,958	8	243,800	8
130X Inventories (note 6(e))	260,707	8	268,278	9	288,139	9
1476 Other current financial assets (note 8)	601	-	513	-	1,835	-
1479 Other current assets	25,665	1	26,532	1	29,099	1
<b>Total current assets</b>	<u>2,128,216</u>	<u>66</u>	<u>1,815,829</u>	<u>62</u>	<u>1,984,598</u>	<u>64</u>
<b>Non-current assets:</b>						
1600 Property, plant and equipment (notes 6(f), 8 and 9)	922,617	29	943,782	32	942,813	30
1755 Right-of-use assets (note 6(g))	76,585	2	64,365	2	68,818	2
1840 Deferred tax assets	4,093	-	4,093	-	2,657	-
1915 Prepayments for business facilities (note 9)	98,925	3	103,336	4	91,815	4
1980 Other non-current financial assets	3,464	-	1,956	-	2,026	-
1995 Other non-current assets	5,841	-	7,137	-	3,952	-
<b>Total non-current assets</b>	<u>1,111,525</u>	<u>34</u>	<u>1,124,669</u>	<u>38</u>	<u>1,112,081</u>	<u>36</u>
<b>Liabilities and Equity</b>						
<b>Current liabilities:</b>						
2100 Short-term borrowings (notes 6(h), 6(i) and 8)	\$ 74,075	2	-	-	64,848	2
2130 Current contract liabilities (note 6(n))	47,521	1	36,709	1	32,782	1
2150 Notes payable	46,796	1	41,415	2	44,595	2
2170 Accounts payable	80,183	3	66,441	3	89,558	3
2209 Other payables (note 6(o))	115,962	4	125,208	4	112,591	4
2213 Payable on machinery and equipment	6,858	-	6,597	-	6,069	-
2216 Dividends payable (notes 6(i))	277,193	9	-	-	277,193	9
2230 Current tax liabilities	62,263	2	63,695	2	67,730	2
2280 Current lease liabilities (notes 6(i) and 6(t))	6,694	-	4,933	-	4,905	-
2320 Long-term liabilities, current portion (notes 6(h) and 6(t))	-	-	10,027	-	20,707	1
2399 Other current liabilities	5,791	-	9,952	-	9,760	-
<b>Total current liabilities</b>	<u>723,336</u>	<u>22</u>	<u>364,977</u>	<u>12</u>	<u>730,738</u>	<u>24</u>
<b>Non-Current liabilities:</b>						
2570 Deferred tax liabilities	67,603	2	67,603	3	51,521	2
2580 Non-current lease liabilities (notes 6(i) and 6(t))	22,116	1	10,549	-	13,030	-
2640 Net defined benefit liability, non-current	9,242	-	9,242	-	10,107	-
<b>Total non-current liabilities</b>	<u>98,961</u>	<u>3</u>	<u>87,394</u>	<u>3</u>	<u>74,658</u>	<u>2</u>
<b>Total liabilities</b>	<u>822,297</u>	<u>25</u>	<u>452,371</u>	<u>15</u>	<u>805,396</u>	<u>26</u>
<b>Equity attributable to owners of parent (note 6(i)):</b>						
3100 Ordinary shares	692,983	21	692,983	24	692,983	22
3200 Capital surplus	315,168	10	315,168	11	315,168	10
Retained earnings:						
3310 Legal reserve	370,320	12	323,903	11	323,903	11
3320 Special reserve	1,714	-	-	-	-	-
3350 Unappropriated retained earnings	1,049,107	32	1,157,787	39	939,999	30
Other equity interest:	1,421,141	44	1,481,690	50	1,263,902	41
3410 Exchange differences on translation of foreign financial statements	(11,848)	-	(1,714)	-	19,230	1
<b>Total equity</b>	<u>2,417,444</u>	<u>75</u>	<u>2,488,127</u>	<u>85</u>	<u>2,291,283</u>	<u>74</u>
<b>Total liabilities and equity</b>	<u>\$ 3,239,741</u>	<u>100</u>	<u>2,940,498</u>	<u>100</u>	<u>3,096,679</u>	<u>100</u>

(English Translation of Consolidated Financial Statements 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 and six months ended June 30, 2020 and 2019**

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

	For the three months ended June 30				For the six months ended June 30				
	2020		2019		2020		2019		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Operating revenue (note 6(n))</b>	\$ 468,487	100	473,538	100	908,963	100	914,252	100
5000	<b>Operating costs (notes 6(e), (f), (j) and 12)</b>	<u>271,086</u>	<u>58</u>	<u>258,567</u>	<u>55</u>	<u>517,560</u>	<u>57</u>	<u>509,576</u>	<u>56</u>
	<b>Gross profit from operations</b>	<u>197,401</u>	<u>42</u>	<u>214,971</u>	<u>45</u>	<u>391,403</u>	<u>43</u>	<u>404,676</u>	<u>44</u>
6000	<b>Operating expenses (notes 6(d), (f), (g), (j), (o), (q), 7 and 12):</b>								
6100	Selling expenses	18,638	4	22,647	5	39,792	4	44,123	5
6200	Administrative expenses	18,712	4	24,453	5	40,862	4	47,695	5
6300	Research and development expenses	17,655	4	11,810	2	33,839	4	20,854	2
6450	Expected credit loss	-	-	-	-	165	-	-	-
	<b>Total operating expenses</b>	<u>55,005</u>	<u>12</u>	<u>58,910</u>	<u>12</u>	<u>114,658</u>	<u>12</u>	<u>112,672</u>	<u>12</u>
6900	<b>Net operating income</b>	<u>142,396</u>	<u>30</u>	<u>156,061</u>	<u>33</u>	<u>276,745</u>	<u>31</u>	<u>292,004</u>	<u>32</u>
7000	<b>Non-operating income and expenses (notes 6(i) and (p)):</b>								
7100	Interest income	870	-	1,635	-	1,723	-	3,495	-
7010	Other income	2,787	1	7,754	2	4,558	-	9,344	1
7020	Other gains and losses	(4,763)	(1)	5,951	1	(4,003)	-	10,835	1
7050	Finance costs	(87)	-	(548)	-	(215)	-	(1,023)	-
	<b>Total non-operating income and expenses</b>	<u>(1,193)</u>	<u>-</u>	<u>14,792</u>	<u>3</u>	<u>2,063</u>	<u>-</u>	<u>22,651</u>	<u>2</u>
7900	<b>Profit before tax</b>	<u>141,203</u>	<u>30</u>	<u>170,853</u>	<u>36</u>	<u>278,808</u>	<u>31</u>	<u>314,655</u>	<u>34</u>
7951	<b>Less: Tax expenses (note 6(k))</b>	<u>33,104</u>	<u>7</u>	<u>39,346</u>	<u>8</u>	<u>62,164</u>	<u>7</u>	<u>67,151</u>	<u>7</u>
	<b>Profit</b>	<u>108,099</u>	<u>23</u>	<u>131,507</u>	<u>28</u>	<u>216,644</u>	<u>24</u>	<u>247,504</u>	<u>27</u>
8300	<b>Other comprehensive income (loss) (note 6(l)):</b>								
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss:</b>								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	-	-	(12)	-	-	-	(26)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	<b>Total components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>	<u>-</u>	<u>-</u>	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26)</u>	<u>-</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss:</b>								
8361	Exchange differences on translation	(13,383)	(3)	5,222	1	(10,134)	(1)	6,971	1
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	<b>Total components of other comprehensive income (loss) that will be reclassified to profit or loss</b>	<u>(13,383)</u>	<u>(3)</u>	<u>5,222</u>	<u>1</u>	<u>(10,134)</u>	<u>(1)</u>	<u>6,971</u>	<u>1</u>
8300	<b>Other comprehensive income (loss), net</b>	<u>(13,383)</u>	<u>(3)</u>	<u>5,210</u>	<u>1</u>	<u>(10,134)</u>	<u>(1)</u>	<u>6,945</u>	<u>1</u>
	<b>Comprehensive income</b>	<u>\$ 94,716</u>	<u>20</u>	<u>136,717</u>	<u>29</u>	<u>206,510</u>	<u>23</u>	<u>254,449</u>	<u>28</u>
	<b>Profit, attributable to:</b>								
	Profit, attributable to owners of parent	<u>\$ 108,099</u>	<u>23</u>	<u>131,507</u>	<u>28</u>	<u>216,644</u>	<u>24</u>	<u>247,504</u>	<u>27</u>
	<b>Comprehensive income, attributable to:</b>								
	Comprehensive income, attributable to owners of parent	<u>\$ 94,716</u>	<u>20</u>	<u>136,717</u>	<u>29</u>	<u>206,510</u>	<u>23</u>	<u>254,449</u>	<u>28</u>
9750	<b>Basic earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)</b>	<u>\$ 1.56</u>		<u>1.90</u>		<u>3.13</u>		<u>3.57</u>	
9850	<b>Diluted earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)</b>	<u>\$ 1.56</u>		<u>1.89</u>		<u>3.12</u>		<u>3.56</u>	

See accompanying notes to consolidated financial statements.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the six months ended June 30, 2020 and 2019**

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent				Other equity interest			Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special 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	
<b>Balance at January 1, 2019</b>	692,983	315,168	283,404	6,459	1,005,069	12,259	(1,315)	2,314,027
Net income for the six months ended June 30, 2019	-	-	-	-	247,504	-	-	247,504
Other comprehensive income for the six months ended June 30, 2019	-	-	-	-	-	6,971	(26)	6,945
<b>Total comprehensive income for the six months ended June 30, 2019</b>	-	-	-	-	247,504	6,971	(26)	254,449
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	40,499	-	(40,499)	-	-	-
Cash dividends	-	-	-	-	(277,193)	-	-	(277,193)
Reversal of special reserve	-	-	-	(6,459)	6,459	-	-	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,341)	-	1,341	-
<b>Balance at June 30, 2019</b>	692,983	315,168	323,903	-	939,999	19,230	-	2,291,283
<b>Balance at January 1, 2020</b>	692,983	315,168	323,903	-	1,157,787	(1,714)	-	2,488,127
Net income for the six months ended June 30, 2020	-	-	-	-	216,644	-	-	216,644
Other comprehensive income for the six months ended June 30, 2020	-	-	-	-	-	(10,134)	-	(10,134)
<b>Total comprehensive income for the six months ended June 30, 2020</b>	-	-	-	-	216,644	(10,134)	-	206,510
Appropriation and distribution of retained earnings:								
Legal reserve	-	-	46,417	-	(46,417)	-	-	-
Special reserve	-	-	-	1,714	(1,714)	-	-	-
Cash dividends	-	-	-	-	(277,193)	-	-	(277,193)
<b>Balance at June 30, 2020</b>	692,983	315,168	370,320	1,714	1,049,107	(11,848)	-	2,417,444

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
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**BIOTEQUE CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the six months ended June 30, 2020 and 2019**

**(Expressed in Thousands of New Taiwan Dollars)**

	For the six months ended June 30	
	2020	2019
<b>Cash flows generated from (used in) operating activities:</b>		
Profit before tax	\$ 278,808	314,655
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expense	51,020	45,719
Amortization expense	2,138	1,184
Expected credit loss	165	-
Net loss (gain) on financial assets at fair value through profit or loss	299	(1,119)
Interest expense	215	1,023
Interest income	(1,723)	(3,495)
<b>Total adjustments to reconcile profit</b>	<u>52,114</u>	<u>43,312</u>
<b>Changes in operating assets:</b>		
Notes receivable	(1,031)	4,038
Accounts receivable	(23,540)	(32,762)
Inventories	7,571	(6,405)
Other current assets	837	(8,241)
Other financial assets	(88)	108
<b>Total changes in operating assets</b>	<u>(16,251)</u>	<u>(43,262)</u>
<b>Changes in operating liabilities:</b>		
Current contract liabilities	10,812	(1,141)
Notes payable	5,381	6,788
Accounts payable	13,742	14,302
Other payable	(9,221)	8,337
Net defined benefit liability	-	9
Other current liabilities	(4,161)	3,741
<b>Total changes in operating liabilities</b>	<u>16,553</u>	<u>32,036</u>
<b>Total changes in operating assets and liabilities</b>	<u>302</u>	<u>(11,226)</u>
<b>Total adjustments</b>	<u>52,416</u>	<u>32,086</u>
Cash inflow generated from operations	331,224	346,741
Interest received	1,753	3,622
Income taxes paid	(63,596)	(61,167)
<b>Net cash flows generated from operating activities</b>	<u>269,381</u>	<u>289,196</u>
<b>Cash flows generated from (used in) investing activities:</b>		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	211
Acquisition of financial assets at fair value through profit or loss	(61,472)	(61,746)
Proceeds from disposal of financial assets at fair value through profit or loss	61,078	61,334
Acquisition of property, plant and equipment	(12,126)	(19,925)
Increase in other financial assets	(1,508)	(54)
Increase in other non-current assets	(842)	(1,579)
Increase in prepayments for business facilities	(16,378)	(30,587)
Increase in payables on machinery and equipment	261	128
<b>Net cash flows used in investing activities</b>	<u>(30,987)</u>	<u>(52,218)</u>
<b>Cash flows generated from (used in) financing activities:</b>		
Increase in short-term loans	75,038	65,280
Decrease in short-term loans	-	(25,000)
Repayments of long-term borrowings	(10,005)	(25,820)
Decrease in guarantee deposits	-	(8)
Payment of lease liabilities	(3,323)	(2,444)
Interest paid	(240)	(885)
<b>Net cash flows generated from financing activities</b>	<u>61,470</u>	<u>11,123</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(3,167)</u>	<u>1,231</u>
<b>Net increase in cash and cash equivalents</b>	296,697	249,332
<b>Cash and cash equivalents at beginning of period</b>	1,054,596	926,601
<b>Cash and cash equivalents at end of period</b>	<u>\$ 1,351,293</u>	<u>1,175,933</u>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
Reviewed only, not audited in accordance with generally accepted auditing standards as of June 30, 2020 and 2019

## BIOTEQUE CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

June 30, 2020 and 2019

(Expressed in Thousands of New Taiwan Dollars Except for Earnings Per Share  
 Information and 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 six months ended June 30, 2020 and 2019 were authorized for issue by the board of directors on August 7, 2020.

#### (3) New standards and interpretations not yet 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, 2020.

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 3 “Definition of a Business”	January 1, 2020
Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform”	January 1, 2020
Amendments to IAS 1 and IAS 8 “Definition of Material”	January 1, 2020
Amendments to IFRS 16 “Covid-19-Related Rent Concessions”	June 1, 2020

The Group assesses that the adoption of the abovementioned standards would not have any material impact on its consolidated financial statements.

(Continued)

**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (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 International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
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 17 “Insurance Contracts”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”	January 1, 2022
Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023

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

<u>Issuance / Release Dates</u>	<u>Standards or Interpretations</u>	<u>Content of amendment</u>
January 23, 2022	Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.

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

(Continued)

**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(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 a complete set of the 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 year ended December 31, 2019. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2019

(b) Basis of consolidation

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

Name of investor	Name of subsidiary	Principal activity	Shareholding		
			June 30, 2020	December 31, 2019	June 30, 2019
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 %

(ii) List of subsidiaries which are not included in the consolidated financial statements: None.

(c) 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 (and allocated to current and deferred taxes based on its proportionate size).

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.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(d) 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.

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

The preparation of the consolidated financial statements in conformity with the Regulations 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 year ended December 31, 2019. For the related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2019.

**(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, 2019. Please refer to Note 6 of the 2019 annual consolidated financial statements.

(a) Cash and cash equivalents

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Cash on hand	\$ 1,021	670	799
Cash in bank	1,320,532	983,863	1,002,554
RP bills	<u>29,740</u>	<u>70,063</u>	<u>172,580</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u><b>\$ 1,351,293</b></u>	<u><b>1,054,596</b></u>	<u><b>1,175,933</b></u>

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

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
<b>Financial assets designated as at fair value through profit or loss:</b>			
RP bills	\$ 30,433	30,499	31,057
<b>Mandatorily measured at fair value through profit or loss:</b>			
Non-derivative financial assets			
Money market funds and bond funds	143,904	144,033	143,810
Stock listed on domestic markets	<u>3,415</u>	<u>3,586</u>	<u>3,325</u>
Total	<u><b>\$ 177,752</b></u>	<u><b>178,118</b></u>	<u><b>178,192</b></u>

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (i) For credit risk and market risk, please refer to note 6(q).
- (ii) The financial assets of the Group were not collateralized.
- (c) Non-current financial assets at fair value through other comprehensive income

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>June 30,</u> <u>2019</u>
<b>Equity investments at fair value through other comprehensive income:</b>			
Stock listed on domestic markets	\$ <u>-</u>	<u>-</u>	<u>-</u>

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

The Group designated the investments shown above as equity securities 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.

In the second quarter of 2019, the Group has disposed its equity investment at fair value through other comprehensive income for the purpose of investment management. The shares sold had a fair value of \$211 thousand, wherein the Group realized a loss of \$1,341 thousand, which was recognized as other comprehensive income; then later on, reclassified to retained earnings.

- (ii) For credit risk and market risk, please refer to note 6(q).
- (iii) The financial assets of the Group were not collateralized.
- (d) Notes and trade receivables

	<u>June 30,</u> <u>2020</u>	<u>December 31,</u> <u>2019</u>	<u>June 30,</u> <u>2019</u>
Notes receivable	\$ 69,865	68,834	67,600
Trade receivables	242,498	218,958	243,800
Less: Loss allowance	(165)	-	-
	<u>\$ 312,198</u>	<u>287,792</u>	<u>311,400</u>

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>June 30, 2019</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 274,911	-	-
1 to 30 days past due	33,258	-	-
31 to 60 days past due	3,231	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	8.00 %	-
151 to 180 days past due	-	18.11 %	-
More than 181 days past due	-	100 %	-
	<u>\$ 311,400</u>		<u>-</u>

The notes and accounts receivables of the Group were not collateralized.

(e) Inventories

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Raw materials	\$ 165,699	151,400	181,414
Work in progress	55,153	54,982	51,100
Finished goods	27,327	47,030	39,947
Merchandise	1,334	2,430	4,829
Raw materials in transit	11,194	12,436	10,849
	<u>\$ 260,707</u>	<u>268,278</u>	<u>288,139</u>

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:

	<b>Three months ended June 30, 2020</b>	<b>Three months ended June 30, 2019</b>	<b>Six months ended June 30, 2020</b>	<b>Six months ended June 30, 2019</b>
Gains on physical inventory	\$ (2,581)	(1,863)	(2,790)	(2,107)
Losses on valuation of inventories	-	621	-	1,779
Unallocated production overhead	3,752	-	3,752	-
Losses on obsolescence	1	-	1	-
	<u>\$ 1,172</u>	<u>(1,242)</u>	<u>963</u>	<u>(328)</u>

The inventories of the Group were not collateralized.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(f) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the six months ended June 30, 2020 and 2019 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, 2020	\$ 91,834	747,211	748,707	9,636	24,682	158,686	21,792	1,802,548
Additions	-	-	1,222	336	-	6,152	4,416	12,126
Reclassification (Note)	-	-	10,239	144	-	10,407	-	20,790
Effect of changes in foreign exchange rates	-	(5,041)	(2,078)	(25)	(27)	(912)	(290)	(8,373)
Balance at June 30, 2020	<u>\$ 91,834</u>	<u>742,170</u>	<u>758,090</u>	<u>10,091</u>	<u>24,655</u>	<u>174,333</u>	<u>25,918</u>	<u>1,827,091</u>
Balance at January 1, 2019	\$ 91,834	752,516	697,043	9,670	20,672	140,591	7,393	1,719,719
Additions	-	-	6,021	-	86	3,685	10,133	19,925
Reclassification (Note)	-	-	11,492	-	-	4,673	-	16,165
Effect of changes in foreign exchange rates	-	3,809	1,175	18	20	542	106	5,670
Balance at June 30, 2019	<u>\$ 91,834</u>	<u>756,325</u>	<u>715,731</u>	<u>9,688</u>	<u>20,778</u>	<u>149,491</u>	<u>17,632</u>	<u>1,761,479</u>
Accumulated depreciation and impairment loss:								
Balance at January 1, 2020	\$ -	210,428	499,824	5,991	18,832	123,691	-	858,766
Depreciation	-	8,896	24,489	303	979	12,651	-	47,318
Effect of changes in foreign exchange rates	-	(474)	(569)	(17)	(21)	(529)	-	(1,610)
Balance at June 30, 2020	<u>\$ -</u>	<u>218,850</u>	<u>523,744</u>	<u>6,277</u>	<u>19,790</u>	<u>135,813</u>	<u>-</u>	<u>904,474</u>
Balance at January 1, 2019	\$ -	194,651	455,755	5,224	17,436	101,919	-	774,985
Depreciation	-	8,994	22,043	471	654	10,713	-	42,875
Effect of changes in foreign exchange rates	-	272	259	10	13	252	-	806
Balance at June 30, 2019	<u>\$ -</u>	<u>203,917</u>	<u>478,057</u>	<u>5,705</u>	<u>18,103</u>	<u>112,884</u>	<u>-</u>	<u>818,666</u>
Carrying amounts:								
Balance at January 1, 2020	<u>\$ 91,834</u>	<u>536,783</u>	<u>248,883</u>	<u>3,645</u>	<u>5,850</u>	<u>34,995</u>	<u>21,792</u>	<u>943,782</u>
Balance at June 30, 2020	<u>\$ 91,834</u>	<u>523,320</u>	<u>234,346</u>	<u>3,814</u>	<u>4,865</u>	<u>38,520</u>	<u>25,918</u>	<u>922,617</u>
Balance at January 1, 2019	<u>\$ 91,834</u>	<u>557,865</u>	<u>241,288</u>	<u>4,446</u>	<u>3,236</u>	<u>38,672</u>	<u>7,393</u>	<u>944,734</u>
Balance at June 30, 2019	<u>\$ 91,834</u>	<u>552,408</u>	<u>237,674</u>	<u>3,983</u>	<u>2,675</u>	<u>36,607</u>	<u>17,632</u>	<u>942,813</u>

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

As of June 30, 2020, December 31 and June 30, 2019, the property, plant and equipment of the Group had been pledged as collateral for borrowings; please refer to note 8.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(g) Right-of-use assets

The Group leases many assets including land and buildings. Information about leases for which the Group as a lessee is presented below:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
Cost:			
Balance at January 1, 2020	\$ 49,670	20,362	70,032
Additions	-	16,659	16,659
Effect of changes in foreign exchange rates	(744)	(14)	(758)
Balance at June 30, 2020	<u>\$ 48,926</u>	<u>37,007</u>	<u>85,933</u>
Balance at January 1, 2019	\$ -	-	-
Effects of retrospective application	50,728	20,352	71,080
Effect of changes in foreign exchange rates	561	26	587
Balance at June 30, 2019	<u>\$ 51,289</u>	<u>20,378</u>	<u>71,667</u>
Accumulated depreciation:			
Balance at January 1, 2020	\$ 714	4,953	5,667
Depreciation for the year	356	3,346	3,702
Effect of changes in foreign exchange rates	(15)	(6)	(21)
Balance at June 30, 2020	<u>\$ 1,055</u>	<u>8,293</u>	<u>9,348</u>
Balance at January 1, 2019	\$ -	-	-
Depreciation for the year	368	2,476	2,844
Effect of changes in foreign exchange rates	1	4	5
Balance at June 30, 2019	<u>\$ 369</u>	<u>2,480</u>	<u>2,849</u>
Carrying amount:			
Balance at January 1, 2020	<u>\$ 48,956</u>	<u>15,409</u>	<u>64,365</u>
Balance at June 30, 2020	<u>\$ 47,871</u>	<u>28,714</u>	<u>76,585</u>
Balance at June 30, 2019	<u>\$ 50,920</u>	<u>17,898</u>	<u>68,818</u>

(h) Short-term and long-term borrowings

(i) Short-term borrowings

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Unsecured bank loans	<u>\$ 74,075</u>	<u>-</u>	<u>64,848</u>
Unused credit lines	<u>\$ 678,890</u>	<u>947,322</u>	<u>915,724</u>
Range of interest rate	<u>2.50%</u>	<u>-</u>	<u>0.9132%~3.75%</u>

(Continued)

**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

## (ii) Long-term borrowings

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Unsecured bank loans	\$ -	10,027	20,707
Less: Current portion	-	(10,027)	(20,707)
	<u>\$ -</u>	<u>-</u>	<u>-</u>
Unused credit lines	<u>\$ -</u>	<u>30,080</u>	<u>31,060</u>
Range of interest rate	<u>-</u>	<u>3.75%</u>	<u>3.75%</u>

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

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
USD (thousand dollars)	<u>\$ -</u>	<u>333</u>	<u>667</u>
Convert to NTD	<u>\$ -</u>	<u>10,027</u>	<u>20,707</u>

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

## (i) Lease liabilities

	<b>June 30, 2020</b>	<b>December 31, 2019</b>	<b>June 30, 2019</b>
Current	<u>\$ 6,694</u>	<u>4,933</u>	<u>4,905</u>
Non-current	<u>\$ 22,116</u>	<u>10,549</u>	<u>13,030</u>

For the maturity analysis, please refer to note 6(q).

The amounts recognized in profit or loss were as follows:

	<b>For the three months ended June 30, 2020</b>	<b>For the three months ended June 30, 2019</b>	<b>For the six months ended June 30, 2020</b>	<b>For the six months ended June 30, 2019</b>
Interest on lease liabilities	<u>\$ 52</u>	<u>48</u>	<u>99</u>	<u>81</u>

The amounts recognized in the statement of cash flows for the Group was as follows:

	<b>For the six months ended June 30, 2020</b>	<b>For the six months ended June 30, 2019</b>
Total cash outflow for leases	<u>\$ 3,422</u>	<u>2,525</u>

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(i) Leases of land , buildings and structures

As of June 30, 2020 and 2019, the Group leases land , buildings and structures for its office space, warehouse and parking lot. The leases run for a period of 2 to 6 years. Some leases include an option to renew the lease for an additional period of 2 to 3 years after the end of the contract term.

Some leases of equipment contain extension options exercisable. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which leasee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(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 material 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, 2019 and 2018.

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

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>	<u>Six months ended June 30, 2019</u>
Operating costs	\$ 76	76	152	152
Operating expenses	147	146	766	292
	<u>\$ 223</u>	<u>222</u>	<u>918</u>	<u>444</u>

(ii) Defined contribution plans

The Group's expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>	<u>Six months ended June 30, 2019</u>
Operating costs	\$ 1,362	1,397	2,713	2,743
Operating expenses	744	495	1,453	1,099
	<u>\$ 2,106</u>	<u>1,892</u>	<u>4,166</u>	<u>3,842</u>

(Continued)

**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

- (iii) The Group's subsidiaries incorporated in the Philippine have a defined contribution plan, wherein a monthly contribution to an independent fund, administered by the government in accordance with the pension regulations in the Republic of the Philippines, are based on certain percentage of employees' monthly salaries and wages. The Group recognized the pension cost were as follows:

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Operating costs	\$ 42	31	62	42
Operating expenses	14	6	24	11
	<u>\$ 56</u>	<u>37</u>	<u>86</u>	<u>53</u>

- (k) Income taxes

The amounts of income tax were as follows:

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Current tax expenses	\$ 34,339	39,432	63,399	67,237
Adjustment for prior periods	(1,235)	(86)	(1,235)	(86)
Income tax expenses	<u>\$ 33,104</u>	<u>39,346</u>	<u>62,164</u>	<u>67,151</u>

The Company's income tax returns for the years through 2018 were examined by the Taipei National 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 June 30, 2020 and 2019. For the related information, please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2019.

As of June 30, 2020 and 2019, the Company's authorized share capital consisted of \$1,200,000 thousand shares of ordinary share, with \$10 dollars par value per share, of which \$69,298 thousand shares, was issued and outstanding. All issued shares were paid up upon issuance.

- (i) Capital surplus

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

	June 30, 2020	December 31, 2019	June 30, 2019
Share capital	<u>\$ 315,168</u>	<u>315,168</u>	<u>315,168</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(Continued)

**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Retained earnings

The Company's Articles of Incorporation stipulate that 10% of the annual income or earnings, after deducting any accumulated deficit, shall be set aside as a legal reserve. When the balance of such legal reserve reaches an amount equal to the paid-in capital, the appropriation to legal reserves is discontinued. The remaining balance, if any, shall be appropriated as special reserve or distributed as shareholders' equity, which is to be proposed by the board of directors during the shareholders' meeting for approval, in accordance with the relevant laws and regulations.

The Company's industry is in its development stage. In order to achieve its sustainable development goals, the Company is aggressively developing and introducing new products. Thus, the growth stage requires funds to further expand the Company's production lines to facilitate the growth in a next few years. The Company planned to adopt the policy for equalization of dividends to be paid in shares or cash, which is more than 20%, in general. However, if there is a significant capital expenditure in the future (when the purchasing amount of fixed assets or the investment of production offshoring exceed 10% of the paid-in capital), all the cash dividend can be converted into shares, with the approval from the shareholders.

When the Board of Directors decides to distribute the dividend and if the Company's market price of common stock is lower than the par value from Over The Counter Market on the previous day, the cash dividend can be fully or partially paid.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as special earnings reserve during earnings distribution. The amount to be reclassified should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(Continued)

**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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3) Earnings distribution

On June 9, 2020 and June 18, 2019, the shareholder's meeting resolved to distribute the 2019 and 2018 earnings. These earnings were appropriated as follows:

	2019		2018	
	Amount per share	Amount	Amount per share	Amount
Dividends distributed to ordinary shareholders:				
Cash of retained earnings	\$ 4.00	\$ <u>277,193</u>	4.00	<u>277,193</u>

(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	Total
Balance at January 1, 2020	\$ (1,714)		(1,714)
Exchange differences on foreign operations	(10,134)		(10,134)
Balance at June 30, 2020	<u>\$ (11,848)</u>		<u>(11,848)</u>
	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial asset measured at fair value through other comprehensive income	Total
Balance at January 1, 2019	\$ 12,259	(1,315)	10,944
Exchange differences on foreign operations	6,971	-	6,971
Unrealized gains (losses) from financial asset measured at fair value through other comprehensive income	-	(26)	(26)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	1,341	1,341
Balance at June 30, 2019	<u>\$ 19,230</u>	<u>-</u>	<u>19,230</u>

(m) Earnings per share

The Company's earnings per share were calculated as follows:

(i) Basic earnings per share

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Profit attributable to ordinary shareholders of the Company	\$ <u>108,099</u>	<u>131,507</u>	<u>216,644</u>	<u>247,504</u>
Weighted-average number of ordinary shares	<u>69,298</u>	<u>69,298</u>	<u>69,298</u>	<u>69,298</u>
Basic earnings per share (express in New Taiwan Dollars)	<u>\$ 1.56</u>	<u>1.90</u>	<u>3.13</u>	<u>3.57</u>

(Continued)

**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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## (ii) Diluted earnings per share

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>	<u>Six months ended June 30, 2019</u>
Profit attributable to ordinary shareholders of the Company	\$ <u>108,099</u>	<u>131,507</u>	<u>216,644</u>	<u>247,504</u>
Weighted-average number of ordinary shares (basic)	69,298	69,298	69,298	69,298
Effect of employee remuneration (in thousands)	<u>95</u>	<u>139</u>	<u>201</u>	<u>237</u>
Weighted-average number of ordinary shares (diluted)	<u>69,393</u>	<u>69,437</u>	<u>69,499</u>	<u>69,535</u>
Diluted earnings per share (express in New Taiwan Dollars)	<u>\$ 1.56</u>	<u>1.89</u>	<u>3.12</u>	<u>3.56</u>

## (n) Revenue from contracts with customers

## (i) Disaggregation of revenue

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>	<u>Six months ended June 30, 2019</u>
Primary geographical markets:				
Asia	\$ 199,391	160,569	380,608	359,199
South America	68,231	49,934	99,108	105,070
North America	58,720	75,951	130,103	137,175
Others	<u>142,145</u>	<u>187,084</u>	<u>299,144</u>	<u>312,808</u>
Total	<u>\$ 468,487</u>	<u>473,538</u>	<u>908,963</u>	<u>914,252</u>
Major products service lines:				
Manufacturing, trading and selling of medical equipment	<u>\$ 468,487</u>	<u>473,538</u>	<u>908,963</u>	<u>914,252</u>

## (ii) Contract balances

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Notes and accounts receivable	\$ 321,363	287,792	311,400
Less: allowance for impairment	<u>(165)</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 321,198</u>	<u>287,792</u>	<u>311,400</u>
Current contract liabilities	<u>\$ 47,521</u>	<u>36,709</u>	<u>32,782</u>

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

The amount of revenue recognized for the six months ended June 30, 2020 and 2019 that was included in the contract liability balance at the beginning of the period were \$34,438 thousand and \$31,055 thousand, respectively.

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

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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(o) Remuneration to employees, directors and supervisors

According to the Article of Association, 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.

The Company's estimated remuneration is as follows:

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>	<u>Six months ended June 30, 2019</u>
Employee remuneration	\$ 7,543	9,054	14,809	16,763
Directors' and supervisors' remuneration	<u>2,414</u>	<u>2,897</u>	<u>4,739</u>	<u>5,364</u>
	<u>\$ 9,957</u>	<u>11,951</u>	<u>19,548</u>	<u>22,127</u>

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 six months ended June 30, 2020 and 2019. 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 year ended December 31, 2020 and 2019 the Company accrued and recognized its employee remuneration amounting to \$31,389 thousand and \$27,440 thousand, respectively; and its directors' and supervisors' remuneration amounting to \$10,045 thousand and \$8,781 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.

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

(p) Non-operating income and expenses

(i) Interest income

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>	<u>Six months ended June 30, 2019</u>
Interest income:				
Interest income from RP bills	\$ 604	1,208	1,255	2,296
Interest income from funds	86	90	174	179
Interest income from deposit	3	3	6	6
Interest income from bank deposit	<u>177</u>	<u>334</u>	<u>288</u>	<u>1,014</u>
	<u>\$ 870</u>	<u>1,635</u>	<u>1,723</u>	<u>3,495</u>

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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## (ii) Other income

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>	<u>Six months ended June 30, 2019</u>
Subsidy revenue	\$ 1,842	6,251	2,434	6,772
Others	945	1,503	2,124	2,572
	<u>\$ 2,787</u>	<u>7,754</u>	<u>4,558</u>	<u>9,344</u>

## (iii) Other gains and losses

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>	<u>Six months ended June 30, 2019</u>
Foreign exchange gains	\$ (5,597)	5,599	(3,413)	9,905
Gains (losses) on financial assets at fair value through profit or loss	925	506	(299)	1,119
Others	(91)	(154)	(291)	(189)
	<u>\$ (4,763)</u>	<u>5,951</u>	<u>(4,003)</u>	<u>10,835</u>

## (iv) Finance costs

	<u>Three months ended June 30, 2020</u>	<u>Three months ended June 30, 2019</u>	<u>Six months ended June 30, 2020</u>	<u>Six months ended June 30, 2019</u>
Interest expense on bank borrowings	\$ (35)	(500)	(116)	(942)
Interest expense on lease liabilities	(52)	(48)	(99)	(81)
	<u>\$ (87)</u>	<u>(548)</u>	<u>(215)</u>	<u>(1,023)</u>

## (q) 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(r) of the consolidated financial statements for the year ended December 31, 2019. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g) of the consolidated financial statements for the year ended December 31, 2019.

## (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 June 30, 2020, December 31 and June 30, 2019, 30%, 33% and 32%, of the Group's notes and accounts receivable were concentrated on two specific customers, respectively.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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3) Receivables securities

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

Other financial assets at amortized costs includes other receivables.

As 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.

The loss allowance provision was determined as follows:

	<b>Accounts receivable</b>
Balance at January 1, 2020	\$ -
Impairment loss recognized	165
Balance at June 30, 2020	<b>\$ 165</b>

For the six months ended June 30, 2019, the impairment loss is not recognized and reserved.

(ii) Liquidity risk

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

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>within 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>June 30, 2020</b>						
Non-derivative financial liabilities						
Short-term borrowings	\$ 74,075	75,430	75,430	-	-	-
Notes payable	46,796	46,796	46,796	-	-	-
Accounts payable	80,183	80,183	80,183	-	-	-
Other payables	115,962	115,962	115,962	-	-	-
Payables on machinery and equipment	6,858	6,858	6,858	-	-	-
Dividends payable	277,193	277,193	277,193	-	-	-
Lease liabilities (current and non-current)	28,810	29,407	6,931	6,681	15,795	-
	<b>\$ 629,877</b>	<b>631,829</b>	<b>609,353</b>	<b>6,681</b>	<b>15,795</b>	-
<b>December 31, 2019</b>						
Non-derivative financial liabilities						
Long-term liabilities, current portion	\$ 10,027	10,403	10,403	-	-	-
Notes payable	41,415	41,415	41,415	-	-	-
Accounts payable	66,441	66,441	66,441	-	-	-
Other payables	45,733	45,733	45,733	-	-	-
Payables on machinery and equipment	6,597	6,597	6,597	-	-	-
Lease liabilities (current and non-current)	15,482	15,721	5,062	4,811	5,848	-
	<b>\$ 185,695</b>	<b>186,310</b>	<b>175,651</b>	<b>4,811</b>	<b>5,848</b>	-

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

<b>June 30, 2019</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>within 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Non-derivative financial liabilities</b>						
Short-term borrowings	\$ 64,848	65,314	65,314	-	-	-
Long-term liabilities, current portion	20,707	21,484	21,484	-	-	-
Notes payable	44,595	44,595	44,595	-	-	-
Accounts payable	89,558	89,558	89,558	-	-	-
Other payables	37,840	37,840	37,840	-	-	-
Payables on machinery and equipment	6,069	6,069	6,069	-	-	-
Dividends payable	277,193	277,193	277,193	-	-	-
Lease liabilities (current and non-current)	17,935	18,260	5,061	4,987	8,212	-
	<b>\$ 558,745</b>	<b>560,313</b>	<b>547,114</b>	<b>4,987</b>	<b>8,212</b>	<b>-</b>

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:

	<b>June 30, 2020</b>			<b>December 31, 2019</b>			<b>June 30, 2019</b>			
	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>NTD</b>	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>NTD</b>	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>NTD</b>	
<b>Financial assets</b>										
<b>Monetary items</b>										
USD	\$	13,433	29.63	398,021	12,916	30.08	388,519	13,544	31.06	420,671
EUR		1,736	33.28	57,790	2,058	33.74	69,435	2,165	35.29	76,397
JPY		94,236	0.2754	25,948	85,378	0.2772	23,662	8,973	0.2872	2,577
PHP		99,996	0.5954	59,536	16,610	0.6080	10,099	65,745	0.6220	40,893
CNY		14,665	4.194	61,505	14,377	4.321	62,121	15,329	4.545	69,672
<b>Investments accounted for using equity method</b>										
USD		20,908	29.63	619,508	20,423	30.08	614,311	19,401	31.06	602,583
PHP		31,388	0.5954	18,688	26,031	0.6080	15,827	18,431	0.6220	11,464
<b>Financial liabilities</b>										
<b>Monetary items</b>										
USD		1,485	29.63	43,989	1,700	30.08	51,127	1,707	31.06	53,015
EUR		245	33.28	8,164	163	33.74	5,493	389	35.29	13,729
JPY		44,744	0.2754	12,320	35,677	0.2772	9,888	39,813	0.2872	11,432
PHP		19,218	0.5954	11,442	20,257	0.6080	12,316	19,014	0.6220	11,827

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.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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A strengthening (weakening) of 1% of the NTD against the foreign currency for the six months ended June 30, 2020 and 2019 would have increased (decreased), the net profit before tax by \$5,269 thousand and \$5,202 thousand, respectively. The analysis is performed on the same basis for 2019.

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 six months ended June 30, 2020 and 2019, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$(3,413) thousand and \$9,905 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 profit before tax would have decreased / increased by \$370 thousand and \$428 thousand for the six months ended June 30, 2020 and 2019 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 six months ended June 30, 2020 and 2019, 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:

Prices of securities at the reporting date	Six months ended June 30			
	2020		2019	
	Other comprehensive income before tax	Net profit before tax	Other comprehensive income before tax	Net profit before tax
Increasing 1%	\$ -	34	-	33
Decreasing 1%	\$ -	(34)	-	(33)

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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	December 31, 2019				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial liabilities measured at amortized cost</b>					
Long-term liabilities, current portion	\$ 10,027	-	-	-	-
Notes and accounts payables	107,856	-	-	-	-
Other payables	45,733	-	-	-	-
Payables on machinery and equipment	6,597	-	-	-	-
Lease liabilities (current and non-current)	15,482	-	-	-	-
<b>Total</b>	<b>\$ 185,695</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>June 30, 2019</b>					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 147,135	147,135	-	-	147,135
Designated at fair value through profit or loss	31,057	31,057	-	-	31,057
Subtotal	178,192	178,192	-	-	178,192
<b>Financial assets measured at amortized cost</b>					
Cash and cash equivalents	1,175,933	-	-	-	-
Notes and accounts receivables	311,400	-	-	-	-
Other financial assets	3,861	-	-	-	-
Subtotal	1,491,194	-	-	-	-
<b>Total</b>	<b>\$ 1,669,386</b>	<b>178,192</b>	<b>-</b>	<b>-</b>	<b>178,192</b>
<b>Financial liabilities measured at amortized cost</b>					
Short-term borrowings	\$ 64,848	-	-	-	-
Long-term liabilities, current portion	20,707	-	-	-	-
Notes and accounts payables	134,153	-	-	-	-
Other payables	37,840	-	-	-	-
Payables on machinery and equipment	6,069	-	-	-	-
Dividends payable	277,193	-	-	-	-
Lease liabilities (current and non-current)	17,935	-	-	-	-
<b>Total</b>	<b>\$ 558,745</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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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.

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 six months ended June 30, 2020 and 2019, there were no change on the fair value hierarchy of financial asset.

(r) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in note 6(s) of the consolidated financial statements for the year ended December 31, 2019.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(s) 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, 2019. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2019. Please refer to Note 6(t) of the consolidated financial statements for the year ended December 31, 2019 for further details.

(t) Investing and financing activities not affecting current cash flow

The Group's financial activities which did not affect the current cash flow for the six months ended June 30, 2020 and 2019, were as follows:

	January 1, 2020	Cash flows	Non-cash changes		June 30, 2020
			Foreign exchange movement	Other	
Short-term borrowings	\$ -	75,038	(963)	-	74,075
Long-term borrowings (including current portion)	10,027	(10,005)	(22)	-	-
Lease liabilities (current and non- current)	15,482	(3,323)	(8)	16,659	28,810
Total liabilities from financial activities	<u>\$ 25,509</u>	<u>61,710</u>	<u>(993)</u>	<u>16,659</u>	<u>102,885</u>

  

	January 1, 2019	Cash flows	Non-cash changes		June 30, 2019
			Foreign exchange movement		
Short-term borrowings	\$ 25,000	40,280		(432)	64,848
Long-term borrowings (including current portion)	46,080	(25,820)		447	20,707
Lease liabilities (current and non- current)	20,352	(2,444)		27	17,935
Total liabilities from financial activities	<u>\$ 91,432</u>	<u>12,016</u>		<u>42</u>	<u>103,490</u>

**(7) Related-party 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:

	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Short-term employee benefits	\$ 6,346	6,045	12,728	11,681
Post-employment benefits	128	127	728	254
	<u>\$ 6,474</u>	<u>6,172</u>	<u>13,456</u>	<u>11,935</u>

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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**(8) Pledged assets:**

<u>Pledged assets</u>	<u>Object</u>	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Other current financial assets:				
Restricted bank deposit	Purchase guarantee	\$ 601	601	601
Property, plant and equipment				
Land	Credit of short-term borrowings	91,834	91,834	91,834
Buildings and structures	Credit of short-term borrowings	179,860	183,816	187,773
Machinery and equipment	Credit of short-term borrowings	<u>7,347</u>	<u>11,322</u>	<u>15,297</u>
		<u>\$ 279,642</u>	<u>287,573</u>	<u>295,505</u>

**(9) Commitments and contingencies:**

## (a) Contingencies

In prior years, the Group entered into the license agreement which has expired with a supplier. On July 5, 2018, the supplier filed a complaint which has not completed accusing the Group. The Group assess there is no the significant impact on its consolidated financial statements.

## (b) Notes issued as guarantee

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Long and short term borrowings	<u>\$ 680,690</u>	<u>832,160</u>	<u>895,300</u>

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

	<u>June 30, 2020</u>	<u>December 31, 2019</u>	<u>June 30, 2019</u>
Total contract price	<u>\$ 197,207</u>	<u>173,832</u>	<u>180,532</u>
Paid amount	<u>\$ 138,356</u>	<u>136,056</u>	<u>99,134</u>

**(10) Losses Due to Major Disasters: None****(11) Subsequent Events:**

The Group entered into a contract with Hsinchu Science Park Bureau, Ministry of Science and Technology for land lease on July 30, 2020. The lease started on August 3, 2020 and will expire on December 31, 2039, with monthly rental 760 thousand.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(12) Other:**

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

By item	By function	Three months ended June 30, 2020			Three months ended June 30, 2019		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		50,872	23,438	74,310	50,606	23,969	74,575
Labor and health insurance		3,784	1,417	5,201	3,912	1,181	5,093
Pension		1,480	905	2,385	1,504	647	2,151
Remuneration of directors		-	1,832	1,832	-	2,427	2,427
Others		2,607	808	3,415	2,105	905	3,010
Depreciation		23,366	2,296	25,662	20,842	2,126	22,968
Amortization		375	703	1,078	152	341	493

By item	By function	Six months ended June 30, 2020			Six months ended June 30, 2019		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		99,947	48,326	148,273	99,951	46,709	146,660
Labor and health insurance		7,524	3,279	10,803	7,768	2,644	10,412
Pension		2,927	2,243	5,170	2,937	1,402	4,339
Remuneration of directors		-	3,664	3,664	-	4,274	4,274
Others		4,889	1,734	6,623	4,172	1,595	5,767
Depreciation		46,487	4,533	51,020	41,468	4,251	45,719
Amortization		750	1,388	2,138	378	806	1,184

- (b) Seasonality of operations

The Group's operations were not affected by seasonality or cyclicity factors.

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## BIOTEQUE CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (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 six months ended June 30, 2020 :

##### (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	121,200 (USD 4,000 )	118,520 (USD 4,000 )	118,520 (USD 4,000 )	2%	2	-	Working Capital	-	None	-	258,620 (Note 2)	258,620 (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 (Note 3)										
1	The Company	BIOTEQUE MEDICAL PHIL. INC.	4	207,894	121,200 (USD 4,000 )	118,520 (USD 4,000 )	74,075 (USD 2,500 )	-	4.90 %	339,561	Y	N	N

Note 1: The total amount for the guarantees and endorsements provided by the Company to external entities shall not exceed 49% 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 49% 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.

Note 3: Relationship with the Company

1. Ordinary business relationship.
2. An entity, directly and indirectly, owned more than 50% voting shares of a guarantor.
3. A guarantor, directly and indirectly, owned more than 50% voting shares of an entity.
4. An entity, directly and indirectly, owned more than 90% voting shares of a guarantor.
5. Fulfillment of contractual obligations by providing mutual endorsements and guarantees for peer or joint builders in order to undertake a construction project.
6. An entity that is guaranteed and endorsed by all capital contributing shareholders in proportion to their shareholding percentages.
7. Peer engaged in the escrow of the sales contract on pre-sale house under the Consumer Protection Act.

(Continued)

**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated 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				Remark
				Shares/Units (in thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Capital Money Market Fund	None	Current financial assets at fair value through profit or loss	641	10,405	-	10,405	
"	Yuanta Wan Tai Money Market Fund	"	"	2,497	38,044	-	38,044	
"	Franklin Templeton Sinoam Money Market Fund	"	"	2,992	31,141	-	31,141	
"	Mega Diamond Money Market Fund	"	"	2,894	36,530	-	36,530	
"	Paradigm Pion Money Market Fund	"	"	1,970	22,896	-	22,896	
CHUNGTEX INVESTMENT CO., LTD.	E.SUN FINANCIAL HOLDING COMPANY, LTD.	"	"	34	948	-	948	
"	China Steel Corporation	"	"	11	227	-	227	
"	UNITED MICROELECTRONICS CORP.	"	"	10	159	-	159	
"	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	-	2	-	2	
"	CHANG HWA CONNERCIAL BANK, LTD.	"	"	32	616	-	616	
"	TAISHIN FINANCIAL HOLDING CO., LTD.	"	"	65	869	-	869	
"	EXCELSIOR MEDICAL CO., LTD	"	"	10	594	-	594	
"	PineBridge Emerging Market Corporate Strategy Bond Fund B	"	"	378	2,983	-	2,983	
"	Fuh Hwa Emerging Market High Yield Bond Fund B	"	"	412	1,905	-	1,905	
BIOTEQUE MEDICAL CO., LTD	Bonds with a rating of BBB- or better by the standard & poor's	"	"	-	30,433	-	30,433	

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.

(Continued)

**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(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		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	BIOTEQUE MEDICAL PHIL. INC.	Subsidiary	177,672	0.88	-	-	29,886	-

Note: The amounts of the transaction and the ending balance had been offset in the consolidated 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 six months ended June 30, 2020:

(In thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Accounts receivable	152,099	OA 270	4.69%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Processing costs	34,774	There is no significant difference from translation terms with non-related parties.	3.83%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Other receivables	25,573		OA 270
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Accounts payable	26,122	OA 30	0.81%
0	The Company	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	1	Operating revenue	2,005	There is no significant difference from translation terms with non-related parties.	0.22%
0	The Company	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	1	Accounts receivable	1,974		OA 180
1	BIOTEQUE MEDICAL CO., LTD.	BIOTEQUE MEDICAL PHIL. INC.	3	Other receivables	118,520	2%	3.66%
2	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Operating revenue	20,996	There is no significant difference from translation terms with non-related parties.	2.31%
2	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Accounts receivable	20,649		OA 120

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.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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## (b) Information on investees:

The following are the information on investees for the six months ended June 30, 2020 (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 June 30, 2020			Net income (losses) of investee	Share of profits (losses) of investee	Remark
				June 30, 2020	December 31, 2019	Shares (in thousands)	Percentage of ownership	Carrying value			
The Company	BIOTEQUE MEDICAL CO., LTD.	Samoa	Investment activities	16,349	16,349	500	100.00 %	258,620	1,145	1,145	Subsidiary
The Company	CHUNGTEX INVESTMENT CO., LTD.	Taipei	Investment activities	28,800	28,800	2,880	100.00 %	29,479	(457)	(457)	"
The Company	BIOTEQUE MEDICAL PHIL. INC.	Philippines	Manufacturing and Trading of Medical equipment	299,315	299,315	4,481	100.00 %	360,858	20,727	20,727	"
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Philippines	Trading of Medical equipment	6,801	6,801	100	100.00 %	18,688	3,176	3,176	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.

## (d) Major shareholders: None.

**(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, 2019.

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

	Three months ended June 30, 2020					
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 179,606	90,203	195,340	3,338	-	468,487
Intersegment revenue	-	6,949	-	-	(6,949)	-
Total revenue	<u>\$ 179,606</u>	<u>97,152</u>	<u>195,340</u>	<u>3,338</u>	<u>(6,949)</u>	<u>468,487</u>
Reporting segment profit or loss	<u>\$ 17,177</u>	<u>27,171</u>	<u>97,699</u>	<u>(844)</u>	<u>-</u>	<u>141,203</u>
	Three months ended June 30, 2019					
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 208,527	78,780	182,062	4,169	-	473,538
Intersegment revenue	-	6,100	-	-	(6,100)	-
Total revenue	<u>\$ 208,527</u>	<u>84,880</u>	<u>182,062</u>	<u>4,169</u>	<u>(6,100)</u>	<u>473,538</u>
Reporting segment profit or loss	<u>\$ 40,554</u>	<u>23,366</u>	<u>92,144</u>	<u>14,789</u>	<u>-</u>	<u>170,853</u>
	Six months ended June 30, 2020					
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 364,576	169,487	368,836	6,064	-	908,963
Intersegment revenue	-	11,998	-	-	(11,998)	-
Total revenue	<u>\$ 364,576</u>	<u>181,485</u>	<u>368,836</u>	<u>6,064</u>	<u>(11,998)</u>	<u>908,963</u>
Reporting segment profit or loss	<u>\$ 53,343</u>	<u>41,194</u>	<u>181,962</u>	<u>2,309</u>	<u>-</u>	<u>278,808</u>

(Continued)

**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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	<b>Six months ended June 30, 2019</b>					
	<b>Segment A</b>	<b>Segment B</b>	<b>Segment C</b>	<b>Other Segment</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Revenue:						
Revenue from external customers	\$ 396,759	160,873	349,520	7,100	-	914,252
Intersegment revenue	-	11,663	-	-	(11,663)	-
Total revenue	<u>\$ 396,759</u>	<u>172,536</u>	<u>349,520</u>	<u>7,100</u>	<u>(11,663)</u>	<u>914,252</u>
Reporting segment profit or loss	<u>\$ 75,488</u>	<u>44,676</u>	<u>172,295</u>	<u>22,196</u>	<u>-</u>	<u>314,655</u>

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

Total reportable segment revenue after deducting the intersegment revenue was \$6,949 thousand, \$6,100 thousand, \$11,998 thousand and \$11,663 thousand dollars in the three months and six months ended June 30, 2020 and 2019.