

BIOTEQUE CORPORATION AND SUBSIDIARIES**Consolidated Financial Statements****With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2022 and 2021**

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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 September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2022 and 2021, as well as the changes in equity and cash flows for the nine months ended September 30, 2022 and 2021, 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 September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, as well as its consolidated cash flows for the nine months ended September 30, 2022 and 2021 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)

November 10, 2022

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 September 30, 2022 and 2021

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2022, December 31, 2021 and September 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2022		December 31, 2021		September 30, 2021				September 30, 2022		December 31, 2021		September 30, 2021	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Assets															
Current assets :															
1100	Cash and cash equivalents (note 6(a))	\$ 771,651	18	872,610	22	918,068	25	2100	Short-term borrowings (notes 6(h), (t) and 8)	\$ -	-	27,670	1	27,840	1
	Current financial assets at fair value through profit or loss (note 6(b))	182,442	4	174,642	4	174,169	5	2130	Current contract liabilities (note 6(n))	30,704	1	28,128	1	38,659	1
1136	Current financial assets at amortized cost (note 6(c))	6,000	-	264,260	7	211,515	6	2150	Notes payable	1,301	-	2,275	-	7,793	-
1150	Notes receivable, net (notes 6(d) and (n))	80,867	2	66,385	2	70,679	2	2170	Accounts payable	123,286	3	156,738	4	122,033	4
1170	Accounts receivable, net (notes 6(d) and (n))	246,753	6	221,032	6	185,320	5	2209	Other payables	124,255	3	115,704	3	104,527	3
130X	Inventories (note 6(e))	350,774	8	314,914	8	306,841	8	2213	Payable on machinery and equipment	194,646	4	172,741	5	106,003	3
1476	Other current financial assets (note 8)	601	-	601	-	601	-	2230	Current tax liabilities	49,767	1	55,040	1	30,643	1
1479	Other current assets	59,824	2	32,146	1	40,886	1	2280	Current lease liabilities (notes 6(i) and (t))	14,359	-	13,986	-	13,959	-
	Total current assets	<u>1,698,912</u>	<u>40</u>	<u>1,946,590</u>	<u>50</u>	<u>1,908,079</u>	<u>52</u>	2322	Long-term borrowings, current portion (notes 6(h) and (t))	35,267	1	15,372	-	7,733	-
Non-current assets:															
1600	Property, plant and equipment (notes 6(f), 8 and 9)	1,973,848	46	1,478,348	38	1,318,433	37	2399	Other current liabilities	28,983	1	7,597	-	10,949	-
1755	Right-of-use assets (note 6(g))	366,663	9	365,597	10	369,742	10		Total current liabilities	<u>602,568</u>	<u>14</u>	<u>595,251</u>	<u>15</u>	<u>470,139</u>	<u>13</u>
1840	Deferred tax asset	3,339	-	3,339	-	3,742	-	Non-Current liabilities:							
1915	Prepayments for business facilities (note 9)	228,275	5	59,207	2	28,348	1	2541	Long-term borrowings (notes 6(h) and (t))	386,767	9	105,303	3	113,367	3
1980	Other non-current financial assets	3,469	-	3,376	-	3,381	-	2570	Deferred tax liabilities	37,070	1	37,070	1	53,378	1
1995	Other non-current assets	4,234	-	4,398	-	4,678	-	2580	Non-current lease liabilities (notes 6(i) and (t))	304,445	7	309,220	8	312,733	9
	Total non-current assets	<u>2,579,828</u>	<u>60</u>	<u>1,914,265</u>	<u>50</u>	<u>1,728,324</u>	<u>48</u>	2640	Net defined benefit liability, non-current (note 6(j))	10,834	-	10,834	-	12,755	-
									Total non-current liabilities	<u>739,116</u>	<u>17</u>	<u>462,427</u>	<u>12</u>	<u>492,233</u>	<u>13</u>
									Total liabilities	<u>1,341,684</u>	<u>31</u>	<u>1,057,678</u>	<u>27</u>	<u>962,372</u>	<u>26</u>
								Equity attributable to owners of parent (note 6(l)):							
								3100	Ordinary shares	692,983	16	692,983	18	692,983	19
								3200	Capital surplus	315,168	8	315,168	8	315,168	9
								Retained earnings:							
								3310	Legal reserve	462,155	11	419,501	11	419,501	11
								3320	Special reserve	50,620	1	33,975	1	33,975	1
								3350	Unappropriated retained earnings	1,401,089	33	1,392,170	36	1,259,997	35
										1,913,864	45	1,845,646	48	1,713,473	47
								Other equity interest:							
								3410	Exchange differences on translation of foreign financial statements	15,041	-	(50,620)	(1)	(47,593)	(1)
									Total equity	<u>2,937,056</u>	<u>69</u>	<u>2,803,177</u>	<u>73</u>	<u>2,674,031</u>	<u>74</u>
Total assets		<u>\$ 4,278,740</u>	<u>100</u>	<u>3,860,855</u>	<u>100</u>	<u>3,636,403</u>	<u>100</u>	Total liabilities and equity	<u>\$ 4,278,740</u>	<u>100</u>	<u>3,860,855</u>	<u>100</u>	<u>3,636,403</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 nine months ended September 30, 2022 and 2021

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

	For the three months ended September 30				For the nine months ended September 30				
	2022		2021		2022		2021		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenue (note 6(n))	\$ 523,653	100	443,359	100	1,477,195	100	1,341,086	100
5000	Operating costs (notes 6(e), (f), (g), (j) and 12)	<u>311,164</u>	<u>59</u>	<u>260,586</u>	<u>59</u>	<u>847,837</u>	<u>57</u>	<u>753,833</u>	<u>56</u>
	Gross profit from operations	<u>212,489</u>	<u>41</u>	<u>182,773</u>	<u>41</u>	<u>629,358</u>	<u>43</u>	<u>587,253</u>	<u>44</u>
6000	Operating expenses (notes 6(f), (g), (j), (o), 7 and 12):								
6100	Selling expenses	25,661	5	23,268	5	84,668	6	74,864	6
6200	Administrative expenses	23,648	5	20,047	5	67,011	5	62,065	4
6300	Research and development expenses	<u>15,216</u>	<u>3</u>	<u>17,930</u>	<u>4</u>	<u>47,905</u>	<u>3</u>	<u>53,375</u>	<u>4</u>
	Total operating expenses	<u>64,525</u>	<u>13</u>	<u>61,245</u>	<u>14</u>	<u>199,584</u>	<u>14</u>	<u>190,304</u>	<u>14</u>
6900	Net operating income	<u>147,964</u>	<u>28</u>	<u>121,528</u>	<u>27</u>	<u>429,774</u>	<u>29</u>	<u>396,949</u>	<u>30</u>
7000	Non-operating income and expenses (notes 6(i) and (p)):								
7100	Interest income	681	-	154	-	1,081	-	543	-
7010	Other income	1,280	-	1,349	-	2,956	-	4,915	-
7020	Other gains and losses	20,398	4	(2,162)	-	49,980	4	(13,095)	(1)
7050	Finance costs	<u>(1,037)</u>	<u>-</u>	<u>(614)</u>	<u>-</u>	<u>(2,204)</u>	<u>-</u>	<u>(1,238)</u>	<u>-</u>
	Total non-operating income and expenses	<u>21,322</u>	<u>4</u>	<u>(1,273)</u>	<u>-</u>	<u>51,813</u>	<u>4</u>	<u>(8,875)</u>	<u>(1)</u>
7900	Profit before tax	169,286	32	120,255	27	481,587	33	388,074	29
7951	Less: Tax expenses (note 6(k))	<u>35,430</u>	<u>7</u>	<u>30,810</u>	<u>7</u>	<u>101,526</u>	<u>7</u>	<u>87,440</u>	<u>7</u>
	Profit	<u>133,856</u>	<u>25</u>	<u>89,445</u>	<u>20</u>	<u>380,061</u>	<u>26</u>	<u>300,634</u>	<u>22</u>
8300	Other comprehensive income (loss) (note 6(l)):								
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss:								
8361	Exchange differences on translation	32,800	6	(929)	-	65,661	4	(13,618)	(1)
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>32,800</u>	<u>6</u>	<u>(929)</u>	<u>-</u>	<u>65,661</u>	<u>4</u>	<u>(13,618)</u>	<u>(1)</u>
8300	Other comprehensive income (loss), net	<u>32,800</u>	<u>6</u>	<u>(929)</u>	<u>-</u>	<u>65,661</u>	<u>4</u>	<u>(13,618)</u>	<u>(1)</u>
	Comprehensive income	<u>\$ 166,656</u>	<u>31</u>	<u>88,516</u>	<u>20</u>	<u>445,722</u>	<u>30</u>	<u>287,016</u>	<u>21</u>
9750	Basic earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)	<u>\$ 1.93</u>		<u>1.29</u>		<u>5.48</u>		<u>4.34</u>	
9850	Diluted earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)	<u>\$ 1.93</u>		<u>1.29</u>		<u>5.46</u>		<u>4.32</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

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent					Other equity interest Exchange differences on translation of foreign financial statements	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
Balance at January 1, 2021	\$ 692,983	315,168	370,321	1,714	1,317,997	(33,975)	2,664,208
Net income for the nine months ended September 30, 2021	-	-	-	-	300,634	-	300,634
Other comprehensive income for the nine months ended September 30, 2021	-	-	-	-	-	(13,618)	(13,618)
Total comprehensive income for the nine months ended September 30, 2021	-	-	-	-	300,634	(13,618)	287,016
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	49,180	-	(49,180)	-	-
Special reserve	-	-	-	32,261	(32,261)	-	-
Cash dividends	-	-	-	-	(277,193)	-	(277,193)
Balance at September 30, 2021	\$ 692,983	315,168	419,501	33,975	1,259,997	(47,593)	2,674,031
Balance at January 1, 2022	\$ 692,983	315,168	419,501	33,975	1,392,170	(50,620)	2,803,177
Net income for the nine months ended September 30, 2022	-	-	-	-	380,061	-	380,061
Other comprehensive income for the nine months ended September 30, 2022	-	-	-	-	-	65,661	65,661
Total comprehensive income for the nine months ended September 30, 2022	-	-	-	-	380,061	65,661	445,722
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	42,654	-	(42,654)	-	-
Special reserve	-	-	-	16,645	(16,645)	-	-
Cash dividends	-	-	-	-	(311,843)	-	(311,843)
Balance at September 30, 2022	\$ 692,983	315,168	462,155	50,620	1,401,089	15,041	2,937,056

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 nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2022	2021
Cash flows generated from (used in) operating activities:		
Profit before tax	\$ 481,587	388,074
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expenses	90,695	88,730
Amortization expenses	2,472	3,408
Net gain on financial assets at fair value through profit or loss	(1,979)	(349)
Interest expenses	2,204	1,238
Net losses (gain) on financial assets at amortized cost	(7,423)	2,456
Interest income	(1,081)	(543)
Gains on lease modifications	(2)	-
Total adjustments to reconcile profit	<u>84,886</u>	<u>94,940</u>
Changes in operating assets:		
Notes receivable	(14,482)	(2,075)
Accounts receivable	(25,721)	39,222
Inventories	(35,860)	(41,694)
Other current assets	(27,128)	(14,660)
Total changes in operating assets	<u>(103,191)</u>	<u>(19,207)</u>
Changes in operating liabilities:		
Current contract liabilities	2,576	(18,273)
Notes payable	(974)	(51,326)
Accounts payable	(33,452)	37,307
Other payable	8,467	(19,271)
Other current liabilities	21,386	6,429
Total changes in operating liabilities	<u>(1,997)</u>	<u>(45,134)</u>
Total changes in operating assets and liabilities	<u>(105,188)</u>	<u>(64,341)</u>
Total adjustments	<u>(20,302)</u>	<u>30,599</u>
Cash inflow generated from operations	461,285	418,673
Interest received	531	599
Income taxes paid	(106,799)	(116,003)
Net cash flows generated from operating activities	<u>355,017</u>	<u>303,269</u>
Cash flows generated from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(93,633)	(93,444)
Proceeds from disposal of financial assets at amortised cost	359,316	-
Acquisition of financial assets at fair value through profit or loss	(35,291)	(114,042)
Proceeds from disposal of financial assets at fair value through profit or loss	29,470	111,690
Acquisition of property, plant and equipment	(402,154)	(305,807)
Proceeds from disposal of property, plant and equipment	290	-
Decrease (increase) in other financial assets	(93)	25
Increase in other non-current assets	(2,308)	(2,547)
Increase in prepayments for business facilities	(284,713)	(27,273)
Increase in payables on machinery and equipment	21,905	84,586
Net cash flows used in investing activities	<u>(407,211)</u>	<u>(346,812)</u>
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	-	84,030
Decrease in short-term loans	(28,560)	(55,680)
Proceeds from long-term borrowings	300,000	120,900
Decrease in guarantee deposits received	-	(87,700)
Payment of lease liabilities	(10,901)	(10,169)
Cash dividend paid	(311,843)	(277,193)
Interest paid	(3,194)	(2,502)
Net cash flows used in financing activities	<u>(54,498)</u>	<u>(228,314)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>5,733</u>	<u>(3,649)</u>
Net increase in cash and cash equivalents	<u>(100,959)</u>	<u>(275,506)</u>
Cash and cash equivalents at beginning of period	<u>872,610</u>	<u>1,193,574</u>
Cash and cash equivalents at end of period	<u>\$ 771,651</u>	<u>918,068</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 September 30, 2022 and 2021

BIOTEQUE CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2022 and 2021

(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 were authorized for issuance by the board of directors on November 10, 2022.

(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. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

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

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information “
- IFRS16 “Requirements for Sale and Leaseback Transactions”

(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, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

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

Name of investor	Name of subsidiary	Principal activity	Shareholding		
			September 30, 2022	December 31, 2021	September 30, 2021
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 using 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.

(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, 2021. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2021.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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(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, 2021. Please refer to Note 6 of the 2021 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Cash on hand	\$ 636	806	919
Cash in bank	<u>771,015</u>	<u>871,804</u>	<u>917,149</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 771,651</u>	<u>872,610</u>	<u>918,068</u>

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Financial assets designated as at fair value through profit or loss:			
RP bills	\$ 31,740	27,670	27,840
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Money market funds and bond funds	139,952	139,526	139,460
Stock listed on domestic markets	<u>10,750</u>	<u>7,446</u>	<u>6,869</u>
Total	<u>\$ 182,442</u>	<u>174,642</u>	<u>174,169</u>

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

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

(c) Current financial assets measured at amortized cost

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Time deposits	<u>\$ 6,000</u>	<u>264,260</u>	<u>211,515</u>

The Group has assessed that these financial assets are held-to-maturity to collect contractual cash flows, which consist solely of payments of principal and interest on principal amount outstanding. Therefore, these investments were classified as financial assets measured at amortized cost.

(i) During the nine months ended September 30, 2022 and 2021, the Group held domestic time deposits, with the weighted-average interest rates of 0.82% and 0.12%~0.77%, respectively, which mature on January of 2023 and November to December of 2021, respectively.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) For credit risk, please refer to note 6(q).

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

(d) Notes and accounts receivables

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Notes receivable	\$ 80,867	66,385	70,679
Trade receivables	246,918	221,197	185,485
Less: loss allowance	<u>(165)</u>	<u>(165)</u>	<u>(165)</u>
	<u><u>\$ 327,620</u></u>	<u><u>287,417</u></u>	<u><u>255,999</u></u>

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. 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 allowances were determined as follows:

	<u>September 30, 2022</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 317,571	-	-
1 to 30 days past due	4,272	-	-
31 to 60 days past due	5,777	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	4.59%	-
151 to 180 days past due	-	12.60%	-
More than 181 days past due	<u>165</u>	100%	<u>165</u>
	<u><u>\$ 327,785</u></u>		<u><u>165</u></u>
	<u>December 31, 2021</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 281,636	-	-
1 to 30 days past due	5,260	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	521	-	-
121 to 150 days past due	-	4.68%	-
151 to 180 days past due	-	13.13%	-
More than 181 days past due	<u>165</u>	100%	<u>165</u>
	<u><u>\$ 287,582</u></u>		<u><u>165</u></u>

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 247,340	-	-
1 to 30 days past due	8,138	-	-
31 to 60 days past due	521	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	4.70%	-
151 to 180 days past due	-	13.38%	-
More than 181 days past due	<u>165</u>	100%	<u>165</u>
	<u>\$ 256,164</u>		<u>165</u>

The movement in the allowance for note, and accounts receivable were as follows:

	Accounts receivable
Balance at January 1, 2022	\$ 165
Impairment loss recognized	-
Balance at September 30, 2022	<u>\$ 165</u>
Balance at January 1, 2021	\$ 165
Impairment loss recognized	-
Balance at September 30, 2021	<u>\$ 165</u>

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

For further credit risk information, please refer to note 6(q).

(e) Inventories

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials	\$ 191,343	168,317	159,557
Work in progress	65,856	66,412	64,116
Finished goods	71,126	61,303	60,607
Merchandise	6,333	11,904	10,035
Raw materials in transit	<u>16,116</u>	<u>6,978</u>	<u>12,526</u>
	<u>\$ 350,774</u>	<u>314,914</u>	<u>306,841</u>

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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:

	<u>Three months ended</u> <u>September 30, 2022</u>	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Nine months ended</u> <u>September 30, 2021</u>
Gains on physical inventory	\$ (44)	(480)	(1,306)	(1,925)
Unallocated production overheads	7,775	-	7,775	-
Losses on valuation of inventories	(930)	-	798	-
	<u>\$ 6,801</u>	<u>(480)</u>	<u>7,267</u>	<u>(1,925)</u>

The inventories of the Group were not collateralized.

(f) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the nine months ended September 30, 2022 and 2021 were as follows:

	<u>Land</u>	<u>Building and structures</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
Cost:								
Balance at January 1, 2022	\$ 91,834	738,161	854,119	9,987	20,911	202,442	592,483	2,509,937
Additions	-	100,027	1,427	928	-	8,434	291,338	402,154
Disposals	-	-	(5,843)	-	-	(4,488)	-	(10,331)
Reclassification (Note 1) (Note 2)	-	938,045	10,801	-	-	7,242	(834,646)	121,442
Effect of changes in foreign exchange rates	-	48,142	20,166	218	247	9,422	605	78,800
Balance at September 30, 2022	<u>\$ 91,834</u>	<u>1,824,375</u>	<u>880,670</u>	<u>11,133</u>	<u>21,158</u>	<u>223,052</u>	<u>49,780</u>	<u>3,102,002</u>
Balance at January 1, 2021	\$ 91,834	740,895	838,917	10,030	20,965	193,181	121,148	2,016,970
Additions	-	5,880	5,461	-	-	10,218	284,248	305,807
Disposals	-	-	(11,579)	-	-	(8,189)	-	(19,768)
Reclassification (Note 1) (Note 2)	-	790	22,411	-	-	6,080	7,357	36,638
Effect of changes in foreign exchange rates	-	(7,430)	(3,069)	(34)	(43)	(1,837)	(235)	(12,648)
Balance at September 30, 2021	<u>\$ 91,834</u>	<u>740,135</u>	<u>852,141</u>	<u>9,996</u>	<u>20,922</u>	<u>199,453</u>	<u>412,518</u>	<u>2,326,999</u>
Accumulated depreciation and impairment loss:								
Balance at January 1, 2022	\$ -	243,014	597,591	7,286	18,634	165,064	-	1,031,589
Depreciation	-	18,054	44,486	452	843	19,758	-	83,593
Disposals	-	-	(5,843)	-	-	(4,198)	-	(10,041)
Effect of changes in foreign exchange rates	-	6,293	9,028	199	240	7,253	-	23,013
Balance at September 30, 2022	<u>\$ -</u>	<u>267,361</u>	<u>645,262</u>	<u>7,937</u>	<u>19,717</u>	<u>187,877</u>	<u>-</u>	<u>1,128,154</u>
Balance at January 1, 2021	\$ -	226,374	551,862	6,558	16,953	146,651	-	948,398
Depreciation	-	13,207	46,311	586	1,328	21,658	-	83,090
Disposals	-	-	(11,579)	-	-	(8,189)	-	(19,768)
Effect of changes in foreign exchange rates	-	(800)	(1,052)	(27)	(37)	(1,238)	-	(3,154)
Balance at September 30, 2021	<u>\$ -</u>	<u>238,781</u>	<u>585,542</u>	<u>7,117</u>	<u>18,244</u>	<u>158,882</u>	<u>-</u>	<u>1,008,566</u>
Carrying amounts:								
Balance at January 1, 2022	\$ 91,834	495,147	256,528	2,701	2,277	37,378	592,483	1,478,348
Balance at September 30, 2022	<u>\$ 91,834</u>	<u>1,557,014</u>	<u>235,408</u>	<u>3,196</u>	<u>1,441</u>	<u>35,175</u>	<u>49,780</u>	<u>1,973,848</u>
Balance at January 1, 2021	\$ 91,834	514,521	287,055	3,472	4,012	46,530	121,148	1,068,572
Balance at September 30, 2021	<u>\$ 91,834</u>	<u>501,354</u>	<u>266,599</u>	<u>2,879</u>	<u>2,678</u>	<u>40,571</u>	<u>412,518</u>	<u>1,318,433</u>

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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(Note 1) Prepayments for business facilities were reclassified as property, plant and equipment.

(Note 2) The capitalized depreciation expenses of right-of-use assets and interest expense of lease liabilities were reclassified as construction in progress.

As of September 30, 2022, December 31 and September 30, 2021, the property, plant and equipment of the Group had been pledged as collateral for borrowings; please refer to note 8.

(g) Right-of-use assets

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

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
Cost:			
Balance at January 1, 2022	\$ 359,435	37,908	397,343
Additions	5,405	1,213	6,618
Disposals	-	(943)	(943)
Effect of changes in foreign exchange rates	6,721	(4)	6,717
Balance at September 30, 2022	<u>\$ 371,561</u>	<u>38,174</u>	<u>409,735</u>
Balance at January 1, 2021	\$ 360,772	37,004	397,776
Additions	-	1,043	1,043
Effect of changes in foreign exchange rates	(1,056)	(123)	(1,179)
Balance at September 30, 2021	<u>\$ 359,716</u>	<u>37,924</u>	<u>397,640</u>
Accumulated depreciation:			
Balance at January 1, 2022	\$ 13,247	18,499	31,746
Depreciation	6,641	5,183	11,824
Disposals	-	(825)	(825)
Effect of changes in foreign exchange rates	333	(6)	327
Balance at September 30, 2022	<u>\$ 20,221</u>	<u>22,851</u>	<u>43,072</u>
Balance at January 1, 2021	\$ 4,669	11,709	16,378
Depreciation	6,468	5,142	11,610
Effect of changes in foreign exchange rates	(33)	(57)	(90)
Balance at September 30, 2021	<u>\$ 11,104</u>	<u>16,794</u>	<u>27,898</u>
Carrying amount:			
Balance at January 1, 2022	<u>\$ 346,188</u>	<u>19,409</u>	<u>365,597</u>
Balance at September 30, 2022	<u>\$ 351,340</u>	<u>15,323</u>	<u>366,663</u>
Balance at January 1, 2021	<u>\$ 356,103</u>	<u>25,295</u>	<u>381,398</u>
Balance at September 30, 2021	<u>\$ 348,612</u>	<u>21,130</u>	<u>369,742</u>

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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(h) Short-term and long-term borrowings

(i) Short-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured bank loans	\$ -	27,670	27,840
Unused credit lines	\$ 715,698	698,554	490,884
Range of interest rate	-	2.15%	2.15%

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

	September 30, 2022	December 31, 2021	September 30, 2021
USD (thousand dollars)	\$ -	1,000	1,000
Convert to NTD	\$ -	27,670	27,840

(ii) Long-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured bank loans	\$ 422,034	120,675	121,100
Less: Current portion	35,267	15,372	7,733
Total	\$ 386,767	105,303	113,367
Unused credit lines	\$ 808,500	1,136,170	1,138,500
Range of interest rate	1%~3.8%	0.5%~2.6%	0.5%~2.6%

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:

	September 30, 2022	December 31, 2021	September 30, 2021
USD (thousand dollars)	\$ 2,222	2,500	2,500
Convert to NTD	\$ 70,534	69,175	69,600

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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As of September 30, 2022, the remaining balance of the borrowing due were as follows:

<u>Period</u>	<u>Amount</u>
2022.10.01~2023.09.30	\$ 35,267
2023.10.01~2024.09.30	86,579
2024.10.01~2025.09.30	88,000
2025.10.01~2026.09.30	87,875
2026.10.01~2027.09.30	87,750
2027.10.01~2028.09.30	36,563
	<u>\$ 422,034</u>

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

(i) Lease liabilities

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Current	<u>\$ 14,359</u>	<u>13,986</u>	<u>13,959</u>
Non-current	<u>\$ 304,445</u>	<u>309,220</u>	<u>312,733</u>

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

The amounts recognized in profit or loss were as follows:

	<u>For the three months ended September 30, 2022</u>	<u>For the three months ended September 30, 2021</u>	<u>For the nine months ended September 30, 2022</u>	<u>For the nine months ended September 30, 2021</u>
Interest on lease liabilities	<u>\$ 343</u>	<u>55</u>	<u>431</u>	<u>168</u>

The amounts recognized in the statement of cash flows by the Group were as follows:

	<u>For the nine months ended September 30, 2022</u>	<u>For the nine months ended September 30, 2021</u>
Total cash outflow for leases	<u>\$ 12,406</u>	<u>10,337</u>

Leases of land, buildings and structures

As of September 30, 2022 and 2021, the Group leases land, buildings and structures for its factory, office space, warehouse and parking lot. The leases run for a period of 2 to 20 years. Some leases include an option to renew the lease for an additional period of 2 to 20 years after the end of the contract term.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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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, 2021 and 2020.

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

	<u>Three months ended</u> <u>September 30, 2022</u>	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Nine months ended</u> <u>September 30, 2021</u>
Operating costs	\$ 78	76	233	228
Operating expenses	617	147	906	439
	<u>\$ 695</u>	<u>223</u>	<u>1,139</u>	<u>667</u>

(ii) Defined contribution plans

The pension costs incurred from the contributions to the Bureau of the Labor Insurance were as follow:

	<u>Three months ended</u> <u>September 30, 2022</u>	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Nine months ended</u> <u>September 30, 2021</u>
Operating costs	\$ 1,362	1,232	3,866	3,913
Operating expenses	718	721	2,151	2,199
	<u>\$ 2,080</u>	<u>1,953</u>	<u>6,017</u>	<u>6,112</u>

(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 costs were as follows:

	<u>Three months ended</u> <u>September 30, 2022</u>	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Nine months ended</u> <u>September 30, 2021</u>
Operating costs	\$ 49	99	117	201
Operating expenses	10	4	33	65
	<u>\$ 59</u>	<u>103</u>	<u>150</u>	<u>266</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Income taxes

The amounts of income tax were as follows:

	<u>Three months ended</u> <u>September 30, 2022</u>	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Nine months ended</u> <u>September 30, 2021</u>
Current tax expenses	\$ 35,430	30,810	104,513	86,562
Adjustment for prior periods	-	-	(2,987)	878
Income tax expenses	<u>\$ 35,430</u>	<u>30,810</u>	<u>101,526</u>	<u>87,440</u>

The Company's income tax returns for the years through 2020 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 September 30, 2022 and 2021. For the related information, please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2021.

As of September 30, 2022 and 2021, the Company's authorized share capital consisted of \$1,200,000 thousand shares of ordinary share, with a par value of \$10 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:

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
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.

(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. If there are surplus profits remaining, at least 20% shall be allocated for distribution of shareholder dividends. The Board of Directors drafts a dividend distribution proposal and submits it to the shareholders meeting for resolution, in which cash dividends should make up at least 20% or more.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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The Company should distribute dividends, bonuses, and capital reserves with cash. Distribution of dividends shall be undertaken by a resolution adopted by a majority vote at a Board meeting attended by at least two-thirds of the total number of directors, and a report of such distribution shall be submitted to the shareholders' meeting.

Because the industry the Company is involved in is undergoing a steady period of growth, the conditions, amount, and type of dividends mentioned in the preceding articles can be adjusted in response to the shifting market conditions and industry changes. In the mean time, the Company should consider the sustainable development and capital needs.

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.

3) Earnings distribution

On March 10, 2022, the board of directors' meeting resolved to distribute the 2021 earnings. On July 30, 2021, the shareholders' meeting resolved to distribute the 2020 earnings. These earnings were appropriated as follows:

	<u>2021</u>		<u>2020</u>	
	<u>Amount per share</u>	<u>Amount</u>	<u>Amount per share</u>	<u>Amount</u>
Dividends distributed to ordinary shareholders:				
Cash	\$ 4.50	\$ <u>311,843</u>	4.00	<u>277,193</u>

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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(iii) OCI accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2022	\$ (50,620)
Exchange differences on foreign operations	65,661
Balance at September 30, 2022	<u>\$ 15,041</u>
	Exchange differences on translation of foreign financial statements
Balance at January 1, 2021	\$ (33,975)
Exchange differences on foreign operations	(13,618)
Balance at September 30, 2021	<u>\$ (47,593)</u>

(m) Earnings per share

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

(i) Basic earnings per share

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Profit attributable to ordinary shareholders of the Company	\$ <u>133,856</u>	<u>89,445</u>	<u>380,061</u>	<u>300,634</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>1.93</u>	<u>1.29</u>	<u>5.48</u>	<u>4.34</u>

(ii) Diluted earnings per share

	Three months ended September 30, 2022	Three months ended September 30, 2021	Nine months ended September 30, 2022	Nine months ended September 30, 2021
Profit attributable to ordinary shareholders of the Company	\$ <u>133,856</u>	<u>89,445</u>	<u>380,061</u>	<u>300,634</u>
Weighted-average number of ordinary shares (basic)	69,298	69,298	69,298	69,298
Effect of employee remuneration (in thousands)	217	186	288	257
Weighted-average number of ordinary shares (diluted)	<u>69,515</u>	<u>69,484</u>	<u>69,586</u>	<u>69,555</u>
Diluted earnings per share (express in New Taiwan Dollars)	\$ <u>1.93</u>	<u>1.29</u>	<u>5.46</u>	<u>4.32</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
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(n) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>Three months ended September 30, 2022</u>	<u>Three months ended September 30, 2021</u>	<u>Nine months ended September 30, 2022</u>	<u>Nine months ended September 30, 2021</u>
Primary geographical markets:				
Asia	\$ 218,849	217,777	681,204	631,326
South America	72,077	83,945	204,753	227,731
North America	78,444	28,566	193,842	99,178
Others	<u>154,283</u>	<u>113,071</u>	<u>397,396</u>	<u>382,851</u>
Total	<u>\$ 523,653</u>	<u>443,359</u>	<u>1,477,195</u>	<u>1,341,086</u>
Major products service lines:				
Manufacturing, trading and selling of medical equipment	<u>\$ 523,653</u>	<u>443,359</u>	<u>1,477,195</u>	<u>1,341,086</u>

(ii) Contract balances

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Notes and accounts receivable	\$ 327,785	287,582	256,164
Less: allowance for impairment	<u>(165)</u>	<u>(165)</u>	<u>(165)</u>
Total	<u>\$ 327,620</u>	<u>287,417</u>	<u>255,999</u>
	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Current contract liabilities	<u>\$ 30,704</u>	<u>28,128</u>	<u>38,659</u>

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

The amount of revenue recognized for the nine months ended September 30, 2022 and 2021 that was included in the contract liability balance at the beginning of the period were \$27,961 thousand and \$56,326 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.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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</u> <u>September 30, 2022</u>	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Nine months ended</u> <u>September 30, 2021</u>
Employee remuneration	\$ 8,957	6,372	25,436	20,563
Directors' and supervisors' remuneration	2,867	2,039	8,140	6,580
	<u>\$ 11,824</u>	<u>8,411</u>	<u>33,576</u>	<u>27,143</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 nine months ended September 30, 2022 and 2021. 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.

There was no difference between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statement for the year of 2021 and 2020.

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</u> <u>September 30, 2022</u>	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Nine months ended</u> <u>September 30, 2021</u>
Interest income:				
Interest income from RP bills	\$ 129	20	197	100
Interest income from deposit	3	2	7	7
Interest income from bank deposit	549	132	877	436
	<u>\$ 681</u>	<u>154</u>	<u>1,081</u>	<u>543</u>

(ii) Other income

	<u>Three months ended</u> <u>September 30, 2022</u>	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Nine months ended</u> <u>September 30, 2021</u>
Subsidy revenue	\$ -	-	375	327
Compensation income	-	7	5	2,291
Others	1,280	1,342	2,576	2,297
	<u>\$ 1,280</u>	<u>1,349</u>	<u>2,956</u>	<u>4,915</u>

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Other gains and losses

	<u>Three months ended</u> <u>September 30, 2022</u>	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Nine months ended</u> <u>September 30, 2021</u>
Foreign exchange gains (losses)	\$ 19,343	(2,699)	40,693	(10,882)
Gains on financial assets at fair value through profit or loss	1,098	411	1,979	349
Gains (losses) on financial assets at amortized cost	-	167	7,423	(2,456)
Others	(43)	(41)	(115)	(106)
	<u>\$ 20,398</u>	<u>(2,162)</u>	<u>49,980</u>	<u>(13,095)</u>

(iv) Finance costs

	<u>Three months ended</u> <u>September 30, 2022</u>	<u>Three months ended</u> <u>September 30, 2021</u>	<u>Nine months ended</u> <u>September 30, 2022</u>	<u>Nine months ended</u> <u>September 30, 2021</u>
Interest expense on bank borrowings	\$ 694	559	1,773	1,070
Interest expense on lease liabilities	495	629	1,505	1,724
Capitalized interest expense	(152)	(574)	(1,074)	(1,556)
	<u>\$ 1,037</u>	<u>614</u>	<u>2,204</u>	<u>1,238</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(q) of the consolidated financial statements for the year ended December 31, 2021. 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, 2021.

(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 September 30, 2022, December 31 and September 30, 2021, 32%, 33% and 31%, of the Group's notes and accounts receivable were concentrated on two specific customers, respectively.

3) Receivables securities

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

Other financial assets at amortized costs includes other receivables and time deposits.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 movement in the allowance for impairment for the nine months ended September 30, 2022 and 2021, please refer to note 6(d).

(ii) Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>within 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
September 30, 2022						
Non-derivative financial liabilities						
Notes payable	\$ 1,301	1,301	1,301	-	-	-
Accounts payable	123,286	123,286	123,286	-	-	-
Other payables	124,255	124,255	124,255	-	-	-
Payables on machinery and equipment	194,646	194,646	194,646	-	-	-
Long-term borrowings (including current portion)	422,034	427,326	36,602	87,947	266,169	36,608
Lease liabilities (current and non-current)	318,804	354,213	16,278	14,889	29,976	293,070
	<u>\$ 1,184,326</u>	<u>1,225,027</u>	<u>496,368</u>	<u>102,836</u>	<u>296,145</u>	<u>329,678</u>
December 31, 2021						
Non-derivative financial liabilities						
Short-term borrowing	\$ 27,670	29,455	29,455	-	-	-
Notes payable	2,275	2,275	2,275	-	-	-
Accounts payable	156,738	156,738	156,738	-	-	-
Other payables	115,704	115,704	115,704	-	-	-
Payables on machinery and equipment	172,741	172,741	172,741	-	-	-
Long-term borrowings (including current portion)	120,675	123,133	16,157	31,693	60,362	14,921
Lease liabilities (current and non-current)	323,206	359,493	15,946	15,721	32,910	294,916
	<u>\$ 919,009</u>	<u>959,539</u>	<u>509,016</u>	<u>47,414</u>	<u>93,272</u>	<u>309,837</u>
September 30, 2021						
Non-derivative financial liabilities						
Short-term borrowings	\$ 27,840	28,137	28,137	-	-	-
Notes payable	7,793	7,793	7,793	-	-	-
Accounts payable	122,033	122,033	122,033	-	-	-
Other payables	104,527	104,527	104,527	-	-	-
Payables on machinery and equipment	106,003	106,003	106,003	-	-	-
Long-term borrowings	121,100	123,569	8,155	32,088	65,196	18,130
Lease liabilities (current and non-current)	326,692	363,484	15,946	15,779	34,608	297,151
	<u>\$ 815,988</u>	<u>855,546</u>	<u>392,594</u>	<u>47,867</u>	<u>99,804</u>	<u>315,281</u>

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

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Market risk

1) Currency risk

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

	September 30, 2022			December 31, 2021			September 30, 2021			
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	
<u>Financial assets</u>										
<u>Monetary items</u>										
USD	\$	6,342	31.74	201,306	21,767	27.67	605,269	17,888	27.84	498,002
EUR		1,256	31.19	39,173	776	31.33	24,316	794	32.34	25,667
JPY		20,735	0.2203	4,567	64,451	0.2406	15,504	64,451	0.2492	16,058
PHP		172,241	0.5403	93,062	147,112	0.5422	79,767	92,019	0.5477	50,399
CNY		18,642	4.474	83,403	17,019	4.345	73,950	16,776	4.306	72,236
<u>Investments accounted for using equity method</u>										
USD		15,381	31.74	488,195	15,142	27.67	418,989	14,974	27.84	416,872
PHP		60,824	0.5403	32,863	51,600	0.5422	28,019	47,634	0.5477	26,089
<u>Financial liabilities</u>										
<u>Monetary items</u>										
USD		1,034	31.74	32,830	2,709	27.67	74,965	3,232	27.84	89,981
EUR		310	31.19	9,670	395	31.33	12,386	288	32.34	9,318
JPY		58,013	0.2203	12,777	51,550	0.2406	12,400	38,714	0.2492	9,646
PHP		22,150	0.5403	11,968	17,808	0.5422	9,656	14,108	0.5477	7,727

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, other receivables, trade payables, and other payables that are denominated in foreign currency.

A strengthening (weakening) of 1% of the NTD against the foreign currency for the nine months ended September 30, 2022 and 2021 would have increased (decreased), the net profit before tax by \$3,543 thousand and \$5,457 thousand, respectively. The analysis is performed on the same basis for 2021.

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 nine months ended September 30, 2022 and 2021, foreign exchange gains (losses) (including realized and unrealized portions) amounted to \$40,693 thousand and \$(10,882) thousand, respectively.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 \$3,157 thousand and \$326 thousand for the nine months ended September 30, 2022 and 2021 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 nine months ended September 30, 2022 and 2021, 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:

	Nine months ended September 30			
	2022		2021	
	Other comprehensive income before tax	Net profit before tax	Other comprehensive income before tax	Net profit before tax
<u>Prices of securities at the reporting date</u>				
Increasing 1%	\$ -	108	-	69
Decreasing 1%	\$ -	(108)	-	(69)

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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	December 31, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 27,670	-	-	-	-
Notes and accounts payables	159,013	-	-	-	-
Other payables	115,704	-	-	-	-
Payables on machinery and equipment	172,741	-	-	-	-
Long-term borrowings (including current portion)	120,675	-	-	-	-
Lease liabilities (current and non-current)	323,206	-	-	-	-
Total	<u>\$ 919,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	September 30, 2021				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 146,329	146,329	-	-	146,329
Designated at fair value through profit or loss	27,840	27,840	-	-	27,840
Subtotal	<u>174,169</u>	<u>174,169</u>	<u>-</u>	<u>-</u>	<u>174,169</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	918,068	-	-	-	-
Financial assets measured at amortized cost	211,515	-	-	-	-
Notes and accounts receivables	255,999	-	-	-	-
Other financial assets	3,982	-	-	-	-
Subtotal	<u>1,389,564</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,563,733</u>	<u>174,169</u>	<u>-</u>	<u>-</u>	<u>174,169</u>
Financial liabilities measured at amortized cost					
Short-term borrowings	\$ 27,840	-	-	-	-
Notes and accounts payables	129,826	-	-	-	-
Other payables	104,527	-	-	-	-
Payables on machinery and equipment	106,003	-	-	-	-
Long-term borrowings	121,100	-	-	-	-
Lease liabilities (current and non-current)	326,692	-	-	-	-
Total	<u>\$ 815,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 are 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 data 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 nine months ended September 30, 2022 and 2021, 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(r) of the consolidated financial statements for the year ended December 31, 2021.

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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, 2021. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2021. Please refer to Note 6(s) of the consolidated financial statements for the year ended December 31, 2021 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 nine months ended September 30, 2022 and 2021 were as follows:

(i) For right-of-use assets under leases, please refer to note 6(g).

(ii) Reconciliation of liabilities arising from financial activities was as follows:

	January 1, 2022	Cash flows	Non-cash changes		September 30, 2022
			Foreign exchange movement	Other	
Short-term borrowings	\$ 27,670	(28,560)	890	-	-
Long-term borrowings (including current portion)	120,675	300,000	1,359	-	422,034
Lease liabilities (current and non-current)	323,206	(10,901)	1	6,498	318,804
Total liabilities from financial activities	<u>\$ 471,551</u>	<u>260,539</u>	<u>2,250</u>	<u>6,498</u>	<u>740,838</u>

	January 1, 2021	Cash flows	Non-cash changes		September 30, 2021
			Foreign exchange movement	Other	
Short-term borrowings	\$ -	28,350	(510)	-	27,840
Long-term borrowings (including current portion)	-	120,900	200	-	121,100
Lease liabilities (current and non-current)	336,122	(10,169)	(304)	1,043	326,692
Guarantee deposit received	87,700	(87,700)	-	-	-
Total liabilities from financial activities	<u>\$ 423,822</u>	<u>51,381</u>	<u>(614)</u>	<u>1,043</u>	<u>475,632</u>

(7) Related-party transactions:

(a) Names and relationship with the Group

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.

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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(c) Key management personnel compensation

Key management personnel compensation was comprised as below:

	<u>Three months ended September 30, 2022</u>	<u>Three months ended September 30, 2021</u>	<u>Nine months ended September 30, 2022</u>	<u>Nine months ended September 30, 2021</u>
Short-term employee benefits	\$ 4,997	5,867	17,184	18,470
Post-employment benefits	600	128	854	382
	<u>\$ 5,597</u>	<u>5,995</u>	<u>18,038</u>	<u>18,852</u>

(8) Assets pledged as security:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</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	167,516	173,721	175,789
Machinery and equipment	Credit of short-term borrowings	-	88	125
		<u>\$ 259,951</u>	<u>266,244</u>	<u>268,349</u>

(9) Commitments and contingencies:

(a) Notes issued as guarantee

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Long-and short-term borrowings	\$ <u>1,964,570</u>	<u>1,936,845</u>	<u>1,787,440</u>

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Total contract price	\$ <u>506,911</u>	<u>1,062,207</u>	<u>1,060,197</u>
Paid amount	\$ <u>278,677</u>	<u>600,040</u>	<u>425,296</u>

(10) Losses due to major disasters: None

(11) Subsequent events: None

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BIOTEQUE CORPORATION AND SUBSIDIARIES
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(12) Other:

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

By item	Three months ended September 30, 2022			Three months ended September 30, 2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	51,499	27,314	78,813	47,606	24,309	71,915
Labor and health insurance	3,755	1,664	5,419	3,668	1,730	5,398
Pension	1,489	1,345	2,834	1,407	872	2,279
Remuneration of directors	-	2,307	2,307	-	1,642	1,642
Others	2,358	835	3,193	2,232	902	3,134
Depreciation (Note)	32,161	2,296	34,457	26,650	2,364	29,014
Amortization	273	520	793	412	768	1,180

By item	Nine months ended September 30, 2022			Nine months ended September 30, 2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	148,856	80,094	228,950	143,015	75,281	218,296
Labor and health insurance	10,964	5,501	16,465	11,675	5,368	17,043
Pension	4,216	3,090	7,306	4,342	2,703	7,045
Remuneration of directors	-	6,604	6,604	-	5,227	5,227
Others	6,833	2,494	9,327	6,768	2,624	9,392
Depreciation (Note)	83,796	6,899	90,695	81,697	7,033	88,730
Amortization	781	1,691	2,472	1,214	2,194	3,408

(Note) The capitalized depreciation expenses of right-of-use assets amounting to \$675 thousand and \$1,990 thousand and \$4,722 thousand and \$5,970 thousand were recognized as construction in progress for the three months and nine months ended September 30, 2022 and 2021, respectively.

- (b) Seasonality of operations

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

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The followings is the information on the Group's significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers":

(i) Loans 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)	Actual usage amount during the period (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	15,870 (USD 500)	15,870 (USD 500)	15,870 (USD 500)	2.00 %	2	-	Working Capital	-	None	-	18,246 (Note 2)	18,246 (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	Counterparty of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance of 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.	2	207,894	174,570 (USD 5,500)	174,570 (USD 5,500)	70,533 (USD 2,222)	-	5.94 %	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	10,475	-	10,475	
"	Yuanta Wan Tai Money Market Fund	"	"	2,497	38,280	-	38,280	
"	Franklin Templeton Sinoam Money Market Fund	"	"	2,992	31,373	-	31,373	
"	Mega Diamond Money Market Fund	"	"	2,894	36,796	-	36,796	
"	JKO Pion Money Market Fund (Original name: Paradigm Pion Money Market Fund)	"	"	1,970	23,028	-	23,028	
"	Bonds with a rating of BBB- or better by the standard & poor's	"	"	-	31,740	-	31,740	
CHUNGTEX INVESTMENT CO., LTD.	E.SUN FINANCIAL HOLDING COMPANY, LTD.	"	"	42	1,074	-	1,074	
"	China Steel Corporation	"	"	11	293	-	293	
"	UNITED MICROELECTRONICS CORP.	"	"	10	358	-	358	
"	EVERGREEN MARINE CORP. (TAIWAN) LTD.	"	"	-	12	-	12	
"	CHANG HWA COMMERCIAL BANK., LTD.	"	"	34	579	-	579	
"	TAISHIN FINANCIAL HOLDING CO., LTD.	"	"	73	1,001	-	1,001	
"	EXCELSIOR MEDICAL CO., LTD	"	"	10	640	-	640	
"	CTBC FINANCIAL HOLDING CO., LTD.	"	"	30	595	-	595	
"	First Financial Holding Co. Ltd.	"	"	31	804	-	804	
"	TAIWAN COOPERATIVE FINANCIAL HOLDING CO., LTD	"	"	53	1,379	-	1,379	
"	HUA NAN FINANCIAL HOLDINGS CO., LTD	"	"	41	920	-	920	
"	FUBON FINANCIAL HOLDINGS CO., LTD	"	"	30	1,497	-	1,497	
"	CATHAY FINANCIAL HOLDINGS CO., LTD	"	"	40	1,598	-	1,598	

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.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company's paid-in capital:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counterparty	Relationship with the Company	If the Counterparty is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	Factory construction and Engineering (Yilan Science Park)	2020/11/19	877,000	As of September 30, 2022, the price paid \$712,563 thousand.	FENG YU UNITED ENGINEERING CO., LTD.	-	N/A	N/A	N/A	N/A	Price negotiation	Operating purpose	None
The Company	Hydropower Fire Engineering Contract (Yilan Science Park)	2020/11/27	176,650	As of September 30, 2022, the price paid \$146,697 thousand.	YUNG LONG ELECTRIC EQUIPMENT ENTERPRISE CO., LTD.	-	N/A	N/A	N/A	N/A	Price negotiation	Operating purpose	None
The Company	Contract of clean room construction and procurement of clean room equipment (Yilan Science Park)	2021/10/7 2022/1/18	192,150	As of September 30, 2022, the price paid \$161,298 thousand.	MARKETECH INTERNATIONAL CORP.	-	N/A	N/A	N/A	N/A	Price negotiation	Operating purpose	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	Related party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Remark
					Amount	Action taken			
The Company	BIOTEQUE MEDICAL PHIL. INC.	Subsidiary	247,418	1.34 %	-	-	20,230	-	(Note)

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.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (x) Significant transactions and business relationship between the parent company and its subsidiaries for the nine months ended September 30, 2022:

(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	236,818	OA 270	5.53%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Processing costs	55,233	There is no significant difference from translation terms with non-related parties.	3.74%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Other receivables	10,600	OA 270	0.25%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Accounts payable	68,588	OA 60	1.60%
0	The Company	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	1	Operating revenue	4,203	There is no significant difference from translation terms with non-related parties.	0.28%
0	The Company	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	1	Accounts receivable	1,958	OA 180	0.05%
1	BIOTEQUE MEDICAL CO., LTD.	BIOTEQUE MEDICAL PHIL. INC.	3	Other receivables	15,870	2%	0.37%
2	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Operating revenue	39,594	There is no significant difference from translation terms with non-related parties.	2.68%
2	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Accounts receivable	27,202	OA 120	0.64%

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 nine months ended September 30, 2022 (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 September 30, 2022			Net income (losses) of investee	Share of profits (losses) of investee	Remark
				September 30, 2022	December 31, 2021	Shares (in thousands)	Percentage of ownership	Carrying value			
The Company	BIOTEQUE MEDICAL CO., LTD.	Samoa	Investment activities	16,349	16,349	500	100 %	18,246	(1,185)	(1,185)	Subsidiary
The Company	CHUNGTEX INVESTMENT CO., LTD.	Taipei	Investment activities	28,800	28,800	2,880	100 %	28,221	(1,895)	(1,895)	"
The Company	BIOTEQUE MEDICAL PHIL. INC.	Philippines	Manufacturing and Trading of Medical equipment	299,315	299,315	4,881	100 %	482,516	6,484	6,484	"
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Philippines	Trading of Medical equipment	6,801	6,801	100	100 %	32,863	4,962	4,962	Investment through subsidiary

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

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) Information on investment in Mainland China: None.
- (d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
JP Morgan Chase Bank, N. A., Taipei Branch in Custody for Stichting Depository APG Emerging Markets Equity Pool		5,641,000	8.14 %
Ke Yue Co., Ltd.		5,410,000	7.80 %

(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 ended December 31, 2021.

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

Three months ended September 30, 2022						
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 193,322	100,882	227,088	2,361	-	523,653
Intersegment revenue	-	6,768	-	-	(6,768)	-
Total revenue	<u>\$ 193,322</u>	<u>107,650</u>	<u>227,088</u>	<u>2,361</u>	<u>(6,768)</u>	<u>523,653</u>
Reporting segment profit or loss	<u>\$ 14,687</u>	<u>15,164</u>	<u>118,234</u>	<u>21,201</u>	<u>-</u>	<u>169,286</u>
Three months ended September 30, 2021						
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 175,694	62,718	201,291	3,656	-	443,359
Intersegment revenue	-	5,711	-	-	(5,711)	-
Total revenue	<u>\$ 175,694</u>	<u>68,429</u>	<u>201,291</u>	<u>3,656</u>	<u>(5,711)</u>	<u>443,359</u>
Reporting segment profit or loss	<u>\$ 22,110</u>	<u>6,085</u>	<u>95,259</u>	<u>(3,199)</u>	<u>-</u>	<u>120,255</u>
Nine months ended September 30, 2022						
	Segment A	Segment B	Segment C	Other Segments	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 555,807	272,798	640,786	7,804	-	1,477,195
Intersegment revenue	-	19,286	-	-	(19,286)	-
Total revenue	<u>\$ 555,807</u>	<u>292,084</u>	<u>640,786</u>	<u>7,804</u>	<u>(19,286)</u>	<u>1,477,195</u>
Reporting segment profit or loss	<u>\$ 51,477</u>	<u>38,479</u>	<u>340,471</u>	<u>51,160</u>	<u>-</u>	<u>481,587</u>
Nine months ended September 30, 2021						
	Segment A	Segment B	Segment C	Other Segments	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 522,248	173,385	638,191	7,262	-	1,341,086
Intersegment revenue	-	15,256	-	-	(15,256)	-
Total revenue	<u>\$ 522,248</u>	<u>188,641</u>	<u>638,191</u>	<u>7,262</u>	<u>(15,256)</u>	<u>1,341,086</u>
Reporting segment profit or loss	<u>\$ 63,446</u>	<u>15,656</u>	<u>320,266</u>	<u>(11,294)</u>	<u>-</u>	<u>388,074</u>

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

Total reportable segment revenue after deducting the intersegment revenue was \$6,768 thousand, \$5,711 thousand, \$19,286 thousand and \$15,256 thousand dollars in the three months and nine months ended September 30, 2022 and 2021, respectively.