

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Nine Months Ended September 30, 2023 and 2022**

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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, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2023 and 2022, as well as the changes in equity and cash flows for the nine months ended September 30, 2023 and 2022, 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 the Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” of the Republic of China. 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 Standards on Auditing of the Republic of China 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, 2023 and 2022, and of its consolidated financial performance for the three months and nine months ended September 30, 2023 and 2022, as well as its consolidated cash flows for the nine months ended September 30, 2023 and 2022 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 Ming-Hung Huang and Chia-Chien Tang.

KPMG

Taipei, Taiwan (Republic of China)

November 9, 2023

#### **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)

**BIOTEQUE CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets****September 30, 2023, December 31, 2022 and September 30, 2022****(Expressed in Thousands of New Taiwan Dollars)**

Assets		September 30, 2023		December 31, 2022		September 30, 2022		Liabilities and Equity		September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets :</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 1,092,287	24	1,017,296	23	771,651	18	2100	Short-term borrowings (note 6(h))	\$ 72,260	2	-	-	-	-
	Current financial assets at fair value through profit or loss (note 6(b))	123,302	3	151,561	3	182,442	4	2130	Current contract liabilities (note 6(n))	44,524	1	44,970	1	30,704	1
1136	Current financial assets at amortized cost (note 6(c))	147,040	3	98,100	2	6,000	-	2150	Notes payable	193	-	177	-	1,301	-
1150	Notes receivable, net (notes 6(d) and (n))	68,648	2	78,417	2	80,867	2	2170	Accounts payable	105,177	2	135,309	3	123,286	3
1170	Accounts receivable, net (notes 6(d) and (n))	210,650	5	212,513	5	246,753	6	2209	Other payables (note 6(o))	130,076	3	134,889	3	124,255	3
130X	Inventories (note 6(e))	293,917	6	331,713	7	350,774	8	2213	Payable on machinery and equipment	110,965	3	125,455	3	194,646	4
1476	Other current financial assets (note 8)	601	-	601	-	601	-	2230	Current tax liabilities	34,512	1	75,088	2	49,767	1
1479	Other current assets	52,742	1	27,589	1	59,824	2	2280	Current lease liabilities (note 6(i))	12,681	-	14,397	-	14,359	-
	<b>Total current assets</b>	<u>1,989,187</u>	<u>44</u>	<u>1,917,790</u>	<u>43</u>	<u>1,698,912</u>	<u>40</u>	2322	Long-term borrowings, current portion (note 6(h))	102,615	2	34,111	1	35,267	1
	<b>Non-current assets:</b>							2399	Other current liabilities	15,029	-	9,338	-	28,983	1
1600	Property, plant and equipment (notes 6(f), 8 and 9)	1,974,507	44	1,972,841	44	1,973,848	46		<b>Total current liabilities</b>	<u>628,032</u>	<u>14</u>	<u>573,734</u>	<u>13</u>	<u>602,568</u>	<u>14</u>
1755	Right-of-use assets (note 6(g))	351,203	8	361,012	8	366,663	9		<b>Non-Current liabilities:</b>						
1840	Deferred tax asset	2,774	-	2,774	-	3,339	-	2541	Long-term borrowings (note 6(h))	430,729	10	523,083	11	386,767	9
1915	Prepayments for business facilities (note 9)	169,119	4	216,983	5	228,275	5	2570	Deferred tax liabilities	37,940	1	37,940	1	37,070	1
1980	Other non-current financial assets	3,776	-	3,447	-	3,469	-	2580	Non-current lease liabilities (note 6(i))	291,365	6	300,837	7	304,445	7
1995	Other non-current assets	4,622	-	5,647	-	4,234	-	2640	Net defined benefit liability, non-current	12,905	-	12,914	-	10,834	-
	<b>Total non-current assets</b>	<u>2,506,001</u>	<u>56</u>	<u>2,562,704</u>	<u>57</u>	<u>2,579,828</u>	<u>60</u>		<b>Total non-current liabilities</b>	<u>772,939</u>	<u>17</u>	<u>874,774</u>	<u>19</u>	<u>739,116</u>	<u>17</u>
									<b>Total liabilities</b>	<u>1,400,971</u>	<u>31</u>	<u>1,448,508</u>	<u>32</u>	<u>1,341,684</u>	<u>31</u>
									<b>Equity attributable to owners of parent (note 6(l)):</b>						
								3100	Ordinary shares	692,983	15	692,983	16	692,983	16
								3200	Capital surplus	315,168	7	315,168	7	315,168	8
									Retained earnings:						
								3310	Legal reserve	511,268	11	462,155	10	462,155	11
								3320	Special reserve	1,102	-	50,620	1	50,620	1
								3350	Unappropriated retained earnings	1,548,089	35	1,512,162	34	1,401,089	33
										<u>2,060,459</u>	<u>46</u>	<u>2,024,937</u>	<u>45</u>	<u>1,913,864</u>	<u>45</u>
									Other equity:						
								3410	Exchange differences on translation of foreign financial statements	25,607	1	(1,102)	-	15,041	-
									<b>Total equity</b>	<u>3,094,217</u>	<u>69</u>	<u>3,031,986</u>	<u>68</u>	<u>2,937,056</u>	<u>69</u>
									<b>Total liabilities and equity</b>	<u>\$ 4,495,188</u>	<u>100</u>	<u>\$ 4,480,494</u>	<u>100</u>	<u>\$ 4,278,740</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 4,495,188</u>	<u>100</u>	<u>\$ 4,480,494</u>	<u>100</u>	<u>\$ 4,278,740</u>	<u>100</u>								

See accompanying notes to consolidated financial statements.

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

**BIOTEQUE CORPORATION AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the three months and nine months ended September 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	For the three months ended September 30				For the nine months ended September 30				
	2023		2022		2023		2022		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	<b>Operating revenue (note 6(n))</b>	\$ 498,093	100	523,653	100	1,426,284	100	1,477,195	100
5000	<b>Operating costs (notes 6(e), (f), (g), (j) and 12)</b>	<u>273,024</u>	<u>55</u>	<u>311,164</u>	<u>59</u>	<u>834,943</u>	<u>59</u>	<u>847,837</u>	<u>57</u>
	<b>Gross profit from operations</b>	<u>225,069</u>	<u>45</u>	<u>212,489</u>	<u>41</u>	<u>591,341</u>	<u>41</u>	<u>629,358</u>	<u>43</u>
6000	<b>Operating expenses (notes 6(f), (g), (i), (j), (o), 7 and 12):</b>								
6100	Selling expenses	19,636	4	25,661	5	57,799	4	84,668	6
6200	Administrative expenses	24,232	5	23,648	5	69,110	5	67,011	5
6300	Research and development expenses	<u>19,050</u>	<u>4</u>	<u>15,216</u>	<u>3</u>	<u>51,042</u>	<u>4</u>	<u>47,905</u>	<u>3</u>
	<b>Total operating expenses</b>	<u>62,918</u>	<u>13</u>	<u>64,525</u>	<u>13</u>	<u>177,951</u>	<u>13</u>	<u>199,584</u>	<u>14</u>
6900	<b>Net operating income</b>	<u>162,151</u>	<u>32</u>	<u>147,964</u>	<u>28</u>	<u>413,390</u>	<u>28</u>	<u>429,774</u>	<u>29</u>
7000	<b>Non-operating income and expenses (notes 6(i) and (p)):</b>								
7100	Interest income	3,033	-	681	-	7,686	1	1,081	-
7010	Other income	831	-	1,280	-	2,221	-	2,956	-
7020	Other gains and losses	14,844	3	20,398	4	21,645	2	49,980	4
7050	Finance costs	<u>(3,103)</u>	<u>-</u>	<u>(1,037)</u>	<u>-</u>	<u>(8,805)</u>	<u>(1)</u>	<u>(2,204)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>15,605</u>	<u>3</u>	<u>21,322</u>	<u>4</u>	<u>22,747</u>	<u>2</u>	<u>51,813</u>	<u>4</u>
7900	<b>Profit before tax</b>	<u>177,756</u>	<u>35</u>	<u>169,286</u>	<u>32</u>	<u>436,137</u>	<u>30</u>	<u>481,587</u>	<u>33</u>
7951	<b>Less: Tax expenses (note 6(k))</b>	<u>31,676</u>	<u>6</u>	<u>35,430</u>	<u>7</u>	<u>88,772</u>	<u>6</u>	<u>101,526</u>	<u>7</u>
	<b>Profit</b>	<u>146,080</u>	<u>29</u>	<u>133,856</u>	<u>25</u>	<u>347,365</u>	<u>24</u>	<u>380,061</u>	<u>26</u>
8300	<b>Other comprehensive income (loss) (note 6(l)):</b>								
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss:</b>								
8361	Exchange differences on translation	18,997	4	32,800	6	26,709	2	65,661	4
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>18,997</u>	<u>4</u>	<u>32,800</u>	<u>6</u>	<u>26,709</u>	<u>2</u>	<u>65,661</u>	<u>4</u>
8300	<b>Other comprehensive income (loss), net</b>	<u>18,997</u>	<u>4</u>	<u>32,800</u>	<u>6</u>	<u>26,709</u>	<u>2</u>	<u>65,661</u>	<u>4</u>
	<b>Comprehensive income</b>	<u>\$ 165,077</u>	<u>33</u>	<u>166,656</u>	<u>31</u>	<u>374,074</u>	<u>26</u>	<u>445,722</u>	<u>30</u>
9750	<b>Basic earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)</b>	<u>\$ 2.11</u>		<u>1.93</u>		<u>5.01</u>		<u>5.48</u>	
9850	<b>Diluted earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)</b>	<u>\$ 2.10</u>		<u>1.93</u>		<u>4.99</u>		<u>5.46</u>	

See accompanying notes to consolidated financial statements.

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

**BIOTEQUE CORPORATION AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the nine months ended September 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	Attributable to owners of parent					Other equity Exchange differences on translation of foreign financial statements	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
<b>Balance at January 1, 2022</b>	\$ 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)
<b>Balance at September 30, 2022</b>	<b>\$ 692,983</b>	<b>315,168</b>	<b>462,155</b>	<b>50,620</b>	<b>1,401,089</b>	<b>15,041</b>	<b>2,937,056</b>
<b>Balance at January 1, 2023</b>	\$ 692,983	315,168	462,155	50,620	1,512,162	(1,102)	3,031,986
Net income for the nine months ended September 30, 2023	-	-	-	-	347,365	-	347,365
Other comprehensive income for the nine months ended September 30, 2023	-	-	-	-	-	26,709	26,709
Total comprehensive income for the nine months ended September 30, 2023	-	-	-	-	347,365	26,709	374,074
Appropriation and distribution of retained earnings:							
Legal reserve	-	-	49,113	-	(49,113)	-	-
Special reserve	-	-	-	(49,518)	49,518	-	-
Cash dividends	-	-	-	-	(311,843)	-	(311,843)
<b>Balance at September 30, 2023</b>	<b>\$ 692,983</b>	<b>315,168</b>	<b>511,268</b>	<b>1,102</b>	<b>1,548,089</b>	<b>25,607</b>	<b>3,094,217</b>

See accompanying notes to consolidated financial statements.

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

**BIOTEQUE CORPORATION AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the nine months ended September 30, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the nine months ended September 30	
	2023	2022
<b>Cash flows generated from (used in) operating activities:</b>		
Profit before tax	\$ 436,137	481,587
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit (loss):</b>		
Depreciation expenses	114,252	90,695
Amortization expenses	2,374	2,472
Net gains on financial assets at fair value through profit or loss	(2,185)	(1,979)
Interest expenses	8,805	2,204
Net gains on financial assets at amortized cost	(5,110)	(7,423)
Interest income	(7,686)	(1,081)
Gains on lease modifications	(18)	(2)
Prepayments for business facilities transferred to expenses	268	-
Losses on disposal of property, plant and equipment	56	-
<b>Total adjustments to reconcile profit</b>	<b>110,756</b>	<b>84,886</b>
<b>Changes in operating assets:</b>		
Notes receivable	9,769	(14,482)
Accounts receivable	1,863	(25,721)
Inventories	37,796	(35,860)
Other current assets	(6,781)	(27,128)
<b>Total changes in operating assets</b>	<b>42,647</b>	<b>(103,191)</b>
<b>Changes in operating liabilities:</b>		
Current contract liabilities	(446)	2,576
Notes payable	16	(974)
Accounts payable	(30,132)	(33,452)
Other payable	(4,632)	8,467
Other current liabilities	5,691	21,386
Net defined benefit liability	(9)	-
<b>Total changes in operating liabilities</b>	<b>(29,512)</b>	<b>(1,997)</b>
<b>Total changes in operating assets and liabilities</b>	<b>13,135</b>	<b>(105,188)</b>
<b>Total adjustments</b>	<b>123,891</b>	<b>(20,302)</b>
Cash inflow generated from operations	560,028	461,285
Interest received	5,881	531
Income taxes paid	(129,348)	(106,799)
<b>Net cash flows from operating activities</b>	<b>436,561</b>	<b>355,017</b>
<b>Cash flows generated from (used in) investing activities:</b>		
Acquisition of financial assets at amortized cost	(322,530)	(93,633)
Proceeds from disposal of financial assets at amortised cost	278,700	359,316
Acquisition of financial assets at fair value through profit or loss	-	(35,291)
Proceeds from disposal of financial assets at fair value through profit or loss	30,444	29,470
Acquisition of property, plant and equipment	(13,251)	(402,154)
Proceeds from disposal of property, plant and equipment	80	290
Acquisition of right-of-use assets	(290)	-
Increase in other financial assets	(329)	(93)
Increase in other non-current assets	(1,349)	(2,308)
Increase in prepayments for business facilities	(40,748)	(284,713)
Increase (decrease) in payables on machinery and equipment	(14,490)	21,905
<b>Net cash used in investing activities</b>	<b>(83,763)</b>	<b>(407,211)</b>
<b>Cash flows generated from (used in) financing activities:</b>		
Increase in short-term loans	70,510	-
Decrease in short-term loans	-	(28,560)
Proceeds from long-term borrowings	-	300,000
Repayments of long-term borrowings	(25,656)	-
Payment of lease liabilities	(9,842)	(10,901)
Cash dividend paid	(311,843)	(311,843)
Interest paid	(8,986)	(3,194)
<b>Net cash used in financing activities</b>	<b>(285,817)</b>	<b>(54,498)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>8,010</b>	<b>5,733</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>74,991</b>	<b>(100,959)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>1,017,296</b>	<b>872,610</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,092,287</b>	<b>771,651</b>

See accompanying notes to consolidated financial statements.



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

**BIOTEQUE CORPORATION AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**September 30, 2023 and 2022**

**(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 incorporated 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.

**(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 9, 2023.

**(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, 2023:

- 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”

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

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**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, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

- (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 IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

**(4) Summary of material 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 material accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

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**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, 2023	December 31, 2022	September 30, 2022
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 measured by multiplying together the pre-tax income for the interim reporting period and the management's best estimate of effective annual tax rate. 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 the 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. Significant accounting estimates and assumptions made by the management may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Group has considered the economic implications of climate change on critical accounting estimates and will continue evaluating the impact on its financial position and financial performance.

The preparation of the consolidated interim 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, 2022.

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

**(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, 2022. Please refer to Note 6 of the 2022 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash on hand	\$ 658	892	636
Cash in bank	<u>1,091,629</u>	<u>1,016,404</u>	<u>771,015</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>\$ 1,092,287</u>	<u>1,017,296</u>	<u>771,651</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<b>Financial assets designated as at fair value through profit or loss:</b>			
RP bills	\$ -	-	31,740
<b>Mandatorily measured at fair value through profit or loss:</b>			
Non-derivative financial assets			
Money market funds and bond funds	118,216	140,268	139,952
Stock listed on domestic markets	<u>5,086</u>	<u>11,293</u>	<u>10,750</u>
Total	<u>\$ 123,302</u>	<u>151,561</u>	<u>182,442</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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Time deposits	<u>\$ 147,040</u>	<u>98,100</u>	<u>6,000</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, 2023 and 2022, the Group held domestic time deposits, with the weighted-average interest rates of 1.16%~5.60% and 0.82%, respectively, which mature on October to December of 2023 and January of 2023, 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, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Notes receivable	\$ 68,648	78,417	80,867
Accounts receivables	210,815	212,678	246,918
Less: loss allowance	(165)	(165)	(165)
	<u>\$ 279,298</u>	<u>290,930</u>	<u>327,620</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, accounts 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, 2023</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 279,222	-	-
1 to 30 days past due	76	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	0.44%	-
151 to 180 days past due	-	1.69%	-
More than 181 days past due	165	100%	165
	<u>\$ 279,463</u>		<u>165</u>
	<u>December 31, 2022</u>		
	<u>Gross carrying amount</u>	<u>Weighted- average loss rate</u>	<u>Loss allowance</u>
Current	\$ 284,890	-	-
1 to 30 days past due	6,040	-	-
31 to 60 days past due	-	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	4.32%	-
151 to 180 days past due	-	12.04%	-
More than 181 days past due	165	100%	165
	<u>\$ 291,095</u>		<u>165</u>

(Continued)

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

	<b>September 30, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance</b>
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	165	100%	165
	<b>\$ 327,785</b>		<b>165</b>

The movements in the allowance for notes, and accounts receivable were as follows:

	<b>Accounts receivable</b>
Balance at January 1, 2023	\$ 165
Impairment loss recognized	-
Balance at September 30, 2023	<b>\$ 165</b>
Balance at January 1, 2022	\$ 165
Impairment loss recognized	-
Balance at September 30, 2022	<b>\$ 165</b>

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

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

(e) Inventories

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Raw materials	\$ 130,124	177,820	191,343
Work in progress	64,502	71,402	65,856
Finished goods	78,114	63,986	71,126
Merchandise	7,473	9,589	6,333
Inventories in transit	13,704	8,916	16,116
	<b>\$ 293,917</b>	<b>331,713</b>	<b>350,774</b>

(Continued)

**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:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Gains on physical inventory	\$ (237)	(44)	(592)	(1,306)
Unallocated production overheads	16,589	7,775	47,054	7,775
Losses on valuation of inventories	32	(930)	32	798
	<u>\$ 16,384</u>	<u>6,801</u>	<u>46,494</u>	<u>7,267</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, 2023 and 2022 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, 2023	\$ 91,834	1,811,920	906,318	11,215	21,095	226,063	59,781	3,128,226
Additions	-	2,769	6,806	170	484	3,022	-	13,251
Disposals	-	-	(317)	-	-	(686)	-	(1,003)
Reclassification (Note 1)	-	4,200	59,927	-	719	8,731	(1,800)	71,777
Effect of changes in foreign exchange rates	-	18,684	7,730	83	96	3,933	-	30,526
Balance at September 30, 2023	<u>\$ 91,834</u>	<u>1,837,573</u>	<u>980,464</u>	<u>11,468</u>	<u>22,394</u>	<u>241,063</u>	<u>57,981</u>	<u>3,242,777</u>
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>
Accumulated depreciation and impairment loss:								
Balance at January 1, 2023	\$ -	276,791	658,497	8,077	19,872	192,148	-	1,155,385
Depreciation	-	33,727	50,959	652	780	16,958	-	103,076
Disposals	-	-	(317)	-	-	(550)	-	(867)
Effect of changes in foreign exchange rates	-	2,895	4,321	83	96	3,281	-	10,676
Balance at September 30, 2023	<u>\$ -</u>	<u>313,413</u>	<u>713,460</u>	<u>8,812</u>	<u>20,748</u>	<u>211,837</u>	<u>-</u>	<u>1,268,270</u>
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>
Carrying amounts:								
Balance at January 1, 2023	<u>\$ 91,834</u>	<u>1,535,129</u>	<u>247,821</u>	<u>3,138</u>	<u>1,223</u>	<u>33,915</u>	<u>59,781</u>	<u>1,972,841</u>
Balance at September 30, 2023	<u>\$ 91,834</u>	<u>1,524,160</u>	<u>267,004</u>	<u>2,656</u>	<u>1,646</u>	<u>29,226</u>	<u>57,981</u>	<u>1,974,507</u>
Balance at January 1, 2022	<u>\$ 91,834</u>	<u>495,147</u>	<u>256,528</u>	<u>2,701</u>	<u>2,277</u>	<u>37,378</u>	<u>592,483</u>	<u>1,478,348</u>
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>

(Note 1) Construction in progress were reclassified as prepayments for business facilities.

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

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

As of September 30, 2023, December 31 and September 30, 2022, 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, 2023	\$ 369,843	38,201	408,044
Additions	290	-	290
Disposals	-	(6,413)	(6,413)
Effect of changes in foreign exchange rates	2,576	49	2,625
Balance at September 30, 2023	<u>\$ 372,709</u>	<u>31,837</u>	<u>404,546</u>
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>
Accumulated depreciation:			
Balance at January 1, 2023	\$ 22,407	24,625	47,032
Depreciation	6,839	4,337	11,176
Disposals	-	(5,077)	(5,077)
Effect of changes in foreign exchange rates	172	40	212
Balance at September 30, 2023	<u>\$ 29,418</u>	<u>23,925</u>	<u>53,343</u>
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>
Carrying amount:			
Balance at January 1, 2023	<u>\$ 347,436</u>	<u>13,576</u>	<u>361,012</u>
Balance at September 30, 2023	<u>\$ 343,291</u>	<u>7,912</u>	<u>351,203</u>
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>

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

(h) Short-term and long-term borrowings

(i) Short-term borrowings

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Unsecured bank loans	\$ <u>72,260</u>	<u>-</u>	<u>-</u>
Unused credit lines	\$ <u>745,433</u>	<u>812,578</u>	<u>715,698</u>
Range of interest rate	<u>2%~6.39%</u>	<u>-</u>	<u>-</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
USD (thousand dollars)	\$ <u>1,000</u>	<u>-</u>	<u>-</u>
Convert to NTD	\$ <u>32,260</u>	<u>-</u>	<u>-</u>

(ii) Long-term borrowings

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Unsecured bank loans	\$ 533,344	557,194	422,034
Less: Current portion	<u>102,615</u>	<u>34,111</u>	<u>35,267</u>
Unsecured long-term borrowings	\$ <u>430,729</u>	<u>523,083</u>	<u>386,767</u>
Unused credit lines	\$ <u>344,500</u>	<u>662,500</u>	<u>808,500</u>
Range of interest rate	<u>1.25%~6.1%</u>	<u>1.13%~5.2%</u>	<u>1%~3.8%</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
USD (thousand dollars)	\$ <u>1,111</u>	<u>1,944</u>	<u>2,222</u>
Convert to NTD	\$ <u>35,844</u>	<u>59,694</u>	<u>70,534</u>

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

As of September 30, 2023, the remaining balances of the long-term borrowings due were as follows:

<u>Period</u>	<u>Amount</u>
2023.10.01~2024.09.30	\$ 102,615
2024.10.01~2025.09.30	114,500
2025.10.01~2026.09.30	129,375
2026.10.01~2027.09.30	134,250
2027.10.01~2028.09.30	52,604
	<u>\$ 533,344</u>

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

(i) Lease liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Current	<u>\$ 12,681</u>	<u>14,397</u>	<u>14,359</u>
Non-current	<u>\$ 291,365</u>	<u>300,837</u>	<u>304,445</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, 2023</u>	<u>For the three months ended September 30, 2022</u>	<u>For the nine months ended September 30, 2023</u>	<u>For the nine months ended September 30, 2022</u>
Interest on lease liabilities	<u>\$ 467</u>	<u>343</u>	<u>1,423</u>	<u>431</u>
Expenses relating to leases of low-value assets	<u>\$ 14</u>	<u>-</u>	<u>33</u>	<u>-</u>

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

	<u>For the nine months ended September 30, 2023</u>	<u>For the nine months ended September 30, 2022</u>
Total cash outflow for leases	<u>\$ 11,298</u>	<u>12,406</u>

As of September 30, 2023 and 2022, 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.

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 lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

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

(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, 2022 and 2021.

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

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Operating costs	\$ 77	78	231	233
Operating expenses	156	617	1,689	906
	<u>\$ 233</u>	<u>695</u>	<u>1,920</u>	<u>1,139</u>

(ii) Defined contribution plans

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

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Operating costs	\$ 1,378	1,362	4,135	3,866
Operating expenses	763	718	2,262	2,151
	<u>\$ 2,141</u>	<u>2,080</u>	<u>6,397</u>	<u>6,017</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:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Operating costs	\$ 52	49	119	117
Operating expenses	27	10	56	33
	<u>\$ 79</u>	<u>59</u>	<u>175</u>	<u>150</u>

(Continued)

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

(k) Income taxes

The amounts of income tax were as follows:

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Current tax expenses	\$ 31,676	35,430	91,659	104,513
Adjustment for prior periods	-	-	(2,887)	(2,987)
Income tax expenses	<u>\$ 31,676</u>	<u>35,430</u>	<u>88,772</u>	<u>101,526</u>

The Company's income tax returns for all years through 2021 were assessed by the tax authorities.

(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, 2023 and 2022. For the related information, please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2022.

As of September 30, 2023 and 2022, the total number of authorized ordinary shares were both 120,000 thousand shares, with a par value of NT\$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:

	September 30, 2023	December 31, 2022	September 30, 2022
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**  
**Notes to the Consolidated Financial Statements**

The Company is authorized the distributable dividends and bonuses or capital reserve in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto 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 9, 2023, the board of directors' meeting resolved to distribute the 2022 earnings. On March 10, 2022, the shareholders' meeting resolved to distribute the 2021 earnings. These earnings were appropriated as follows:

	<u>2022</u>		<u>2021</u>	
	<u>Amount per share (NTD)</u>	<u>Amount</u>	<u>Amount per share (NTD)</u>	<u>Amount</u>
Dividends distributed to ordinary shareholders:				
Cash	\$ 4.50	\$ <u><u>311,843</u></u>	4.50	<u><u>311,843</u></u>

(Continued)

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

(iii) OCI accumulated in reserves, net of tax

	<b>Exchange differences on translation of foreign financial statements</b>
Balance at January 1, 2023	\$ (1,102)
Exchange differences on foreign operations	26,709
Balance at September 30, 2023	<b>\$ 25,607</b>
Balance at January 1, 2022	\$ (50,620)
Exchange differences on foreign operations	65,661
Balance at September 30, 2022	<b>\$ 15,041</b>

(m) Earnings per share

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

(i) Basic earnings per share

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Profit attributable to ordinary shareholders of the Company	\$ 146,080	133,856	347,365	380,061
Weighted-average number of ordinary shares (in thousands)	69,298	69,298	69,298	69,298
Basic earnings per share (express in New Taiwan Dollars)	\$ 2.11	1.93	5.01	5.48

(ii) Diluted earnings per share

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Profit attributable to ordinary shareholders of the Company	\$ 146,080	133,856	347,365	380,061
Weighted-average number of ordinary shares (basic, in thousands)	69,298	69,298	69,298	69,298
Effect on employee remuneration (in thousands)	218	217	287	288
Weighted-average number of ordinary shares (in thousands)	69,516	69,515	69,585	69,586
Diluted earnings per share (express in New Taiwan Dollars)	\$ 2.10	1.93	4.99	5.46

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

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

	<b>For the three months ended September 30, 2023</b>	<b>For the three months ended September 30, 2022</b>	<b>For the nine months ended September 30, 2023</b>	<b>For the nine months ended September 30, 2022</b>
Primary geographical markets:				
Asia	\$ 206,366	218,849	667,094	681,204
South America	44,428	72,077	134,143	204,753
North America	90,404	78,444	184,358	193,842
Others	156,895	154,283	440,689	397,396
Total	<u>\$ 498,093</u>	<u>523,653</u>	<u>1,426,284</u>	<u>1,477,195</u>
Major products service lines:				
Manufacturing, trading and selling of medical consumable	<u>\$ 498,093</u>	<u>523,653</u>	<u>1,426,284</u>	<u>1,477,195</u>

(ii) Contract balances

	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Notes and accounts receivable	\$ 279,463	291,095	327,785
Less: allowance for impairment	(165)	(165)	(165)
Total	<u>\$ 279,298</u>	<u>290,930</u>	<u>327,620</u>
	<b>September 30, 2023</b>	<b>December 31, 2022</b>	<b>September 30, 2022</b>
Current contract liabilities	<u>\$ 44,524</u>	<u>44,970</u>	<u>30,704</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, 2023 and 2022 that was included in the contract liability balance at the beginning of the period were \$40,703 thousand and \$27,961 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**  
**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>For the three months ended September 30, 2023</u>	<u>For the three months ended September 30, 2022</u>	<u>For the nine months ended September 30, 2023</u>	<u>For the nine months ended September 30, 2022</u>
Employee remuneration	\$ 9,426	8,957	23,136	25,436
Directors' and supervisors' remuneration	<u>3,313</u>	<u>2,867</u>	<u>7,995</u>	<u>8,140</u>
	<u>\$ 12,739</u>	<u>11,824</u>	<u>31,131</u>	<u>33,576</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, 2023 and 2022. 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.

The remunerations to employees amounted to \$32,969 thousand and \$28,503 thousand, respectively, for the years ended December 31, 2022 and 2021. The remunerations to directors and supervisors amounted to \$10,550 thousand and \$9,121 thousand, respectively, for the years ended December 31, 2022 and 2021.

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 years of 2022 and 2021.

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>For the three months ended September 30, 2023</u>	<u>For the three months ended September 30, 2022</u>	<u>For the nine months ended September 30, 2023</u>	<u>For the nine months ended September 30, 2022</u>
Interest income:				
Interest income from RP bills	\$ -	129	7	197
Interest income from deposit	4	3	13	7
Interest income from bank deposit	<u>3,029</u>	<u>549</u>	<u>7,666</u>	<u>877</u>
	<u>\$ 3,033</u>	<u>681</u>	<u>7,686</u>	<u>1,081</u>

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

## (ii) Other income

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Subsidy revenue	\$ 102	-	339	375
Compensation income	1	-	32	5
Others	728	1,280	1,850	2,576
	<u>\$ 831</u>	<u>1,280</u>	<u>2,221</u>	<u>2,956</u>

## (iii) Other gains and losses

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Foreign exchange gains	\$ 10,619	19,343	14,669	40,693
Gains on financial assets at fair value through profit or loss	350	1,098	2,185	1,979
Gains on financial assets at amortized cost	3,962	-	5,110	7,423
Others	(87)	(43)	(319)	(115)
	<u>\$ 14,844</u>	<u>20,398</u>	<u>21,645</u>	<u>49,980</u>

## (iv) Finance costs

	For the three months ended September 30, 2023	For the three months ended September 30, 2022	For the nine months ended September 30, 2023	For the nine months ended September 30, 2022
Interest expense on bank borrowings	\$ 2,636	694	7,382	1,773
Interest expense on lease liabilities	467	495	1,423	1,505
Capitalized interest expense	-	(152)	-	(1,074)
	<u>\$ 3,103</u>	<u>1,037</u>	<u>8,805</u>	<u>2,204</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, 2022. 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, 2022.

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

(i) Credit risk

1) Credit risk exposure

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

As of September 30, 2023, December 31 and September 30, 2022, 36%, 27% and 32%, of the Group's notes and accounts receivable were three, two and two customers respectively.

2) 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.

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, 2023 and 2022, 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>
<b>September 30, 2023</b>						
Non-derivative financial liabilities						
Notes payable	\$ 193	193	193	-	-	-
Accounts payable	105,177	105,177	105,177	-	-	-
Other payables	130,076	130,076	130,076	-	-	-
Payables on machinery and equipment	110,965	110,965	110,965	-	-	-
Long-term borrowings (including current portion)	533,344	540,371	105,159	116,585	318,627	-
Lease liabilities (current and non-current)	304,046	337,536	14,490	11,801	27,263	283,982
Short-term borrowings	72,260	72,422	72,422	-	-	-
	<u>\$ 1,256,061</u>	<u>1,296,740</u>	<u>538,482</u>	<u>128,386</u>	<u>345,890</u>	<u>283,982</u>
<b>December 31, 2022</b>						
Non-derivative financial liabilities						
Notes payable	\$ 177	177	177	-	-	-
Accounts payable	135,309	135,309	135,309	-	-	-
Other payables	134,889	134,889	134,889	-	-	-
Payables on machinery and equipment	125,455	125,455	125,455	-	-	-
Long-term borrowings (including current portion)	557,194	565,172	36,221	123,340	386,556	19,055
Lease liabilities (current and non-current)	315,234	350,153	16,287	14,397	28,670	290,799
	<u>\$ 1,268,258</u>	<u>1,311,155</u>	<u>448,338</u>	<u>137,737</u>	<u>415,226</u>	<u>309,854</u>

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

	<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>
<b>September 30, 2022</b>						
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>

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:

	<u>September 30, 2023</u>			<u>December 31, 2022</u>			<u>September 30, 2022</u>		
	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>NTD</u>
<b>Financial assets</b>									
<b>Monetary items</b>									
USD	\$ 15,591	32.26	502,957	14,809	30.70	454,647	6,342	31.74	201,306
EUR	1,069	33.92	36,257	889	32.74	29,106	1,256	31.19	39,173
JPY	26,761	0.2163	5,788	8,165	0.2326	1,899	20,735	0.2203	4,567
PHP	175,813	0.5669	99,664	169,854	0.5502	93,449	172,241	0.5403	93,062
CNY	17,249	4.415	76,153	13,514	4.409	59,582	18,642	4.474	83,403
<b>Investments accounted for using equity method</b>									
USD	15,739	32.26	507,740	15,411	30.70	473,114	15,381	31.74	488,195
PHP	76,823	0.5669	43,549	67,077	0.5502	36,904	60,824	0.5403	32,863
<b>Financial liabilities</b>									
<b>Monetary items</b>									
USD	2,081	32.26	67,124	2,639	30.70	81,017	1,034	31.74	32,830
EUR	135	33.92	4,565	340	32.74	11,129	310	31.19	9,670
JPY	36,636	0.2163	7,924	45,302	0.2326	10,535	58,013	0.2203	12,777
PHP	11,483	0.5669	6,509	14,200	0.5502	7,812	22,150	0.5403	11,968

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, other payables and payable on machinery and equipment that are denominated in foreign currency.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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A weakening (strengthening) of 1% of the NTD against the foreign currency for the nine months ended September 30, 2023 and 2022 would have increased (decreased), the net profit before tax by \$6,347 thousand and \$3,543 thousand, respectively. The analysis is performed on the same basis for 2022.

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, 2023 and 2022, foreign exchange gains (including realized and unrealized portions) amounted to \$14,669 thousand and \$40,693 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 \$4,542 thousand and \$3,157 thousand for the nine months ended September 30, 2023 and 2022 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, 2023 and 2022, 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:

	<b>For the nine months ended September 30</b>			
	<b>2023</b>		<b>2022</b>	
	<b>Other comprehensive income before tax</b>	<b>Net profit before tax</b>	<b>Other comprehensive income before tax</b>	<b>Net profit before tax</b>
<b>Prices of securities at the reporting date</b>				
Increasing 1%	\$ -	51	-	108
Decreasing 1%	\$ -	(51)	-	(108)

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

	September 30, 2022				
	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	\$ 150,702	150,702	-	-	150,702
Designated at fair value through profit or loss	<u>31,740</u>	<u>31,740</u>	-	-	<u>31,740</u>
Subtotal	<u>182,442</u>	<u>182,442</u>	-	-	<u>182,442</u>
Financial assets measured at amortized cost					
Cash and cash equivalents	771,651	-	-	-	-
Financial assets measured at amortized cost	6,000	-	-	-	-
Notes and accounts receivables	327,620	-	-	-	-
Other financial assets	<u>4,070</u>	-	-	-	-
Subtotal	<u>1,109,341</u>	-	-	-	-
Total	<u>\$ 1,291,783</u>	<u>182,442</u>	-	-	<u>182,442</u>
Financial liabilities measured at amortized cost					
Notes and account payables	\$ 124,587	-	-	-	-
Other payables	124,255	-	-	-	-
Payables on machinery and equipment	194,646	-	-	-	-
Long-term borrowings (including current portion)	422,034	-	-	-	-
Lease liabilities (current and non-current)	<u>318,804</u>	-	-	-	-
Total	<u>\$ 1,184,326</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.

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.

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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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, 2023 and 2022, 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, 2022.

(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, 2022. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2022. Please refer to Note 6(s) of the consolidated financial statements for the year ended December 31, 2022 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, 2023 and 2022 were as follows:

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

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

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

	<u>January 1, 2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>September 30, 2023</u>
			<u>Foreign exchange movement</u>	<u>Other</u>	
Short-term borrowings	\$ -	70,510	1,750	-	72,260
Long-term borrowings (including current portion)	557,194	(25,656)	1,806	-	533,344
Lease liabilities (current and non-current)	315,234	(9,842)	8	(1,354)	304,046
Total liabilities from financial activities	<u>\$ 872,428</u>	<u>35,012</u>	<u>3,564</u>	<u>(1,354)</u>	<u>909,650</u>

  

	<u>January 1, 2022</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>September 30, 2022</u>
			<u>Foreign exchange movement</u>	<u>Other</u>	
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>

**(7) Related-party transactions:**

(a) Names and relationship with the Group

<u>Name</u>	<u>Relationship with the Group</u>
Ke Yue Co., Ltd.	The entity with significant influence over the Group
Yide Co., Ltd.	Other related party
Yi sheng Co., Ltd.	Other related party

(b) Significant transactions with related parties:

For the nine months ended September 30, 2023 and 2022, dividends paid to corporate shareholders were \$52,340 thousand and \$46,044 thousand, respectively.

(c) Key management personnel compensation

Key management personnel compensation was comprised as below:

	<u>For the three months ended September 30, 2023</u>	<u>For the three months ended September 30, 2022</u>	<u>For the nine months ended September 30, 2023</u>	<u>For the nine months ended September 30, 2022</u>
Short-term employee benefits	\$ 5,858	4,997	18,820	17,184
Post-employment benefits	137	600	1,634	854
	<u>\$ 5,995</u>	<u>5,597</u>	<u>20,454</u>	<u>18,038</u>

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**BIOTEQUE CORPORATION AND SUBSIDIARIES**  
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**(8) Assets Pledged as security:**

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</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	<u>159,242</u>	<u>165,448</u>	<u>167,516</u>
		<u>\$ 251,677</u>	<u>257,883</u>	<u>259,951</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 significant impact on its financial statements.

**(b) Notes issued as guarantee**

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Bank borrowings and lease guarantee	<u>\$ 2,067,430</u>	<u>2,058,850</u>	<u>1,964,570</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Total contract price	<u>\$ 235,215</u>	<u>485,515</u>	<u>506,911</u>
Paid amount	<u>\$ 209,820</u>	<u>274,957</u>	<u>278,677</u>

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

(Continued)

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

**(12) Other:**

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

By item	By function	For the three months ended September 30, 2023			For the three months ended September 30, 2022		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		47,161	27,470	74,631	51,499	27,314	78,813
Labor and health insurance		4,189	1,838	6,027	3,755	1,664	5,419
Pension		1,507	946	2,453	1,489	1,345	2,834
Remuneration of directors		-	3,313	3,313	-	2,307	2,307
Others		2,551	831	3,382	2,358	835	3,193
Depreciation (Note)		35,176	2,881	38,057	32,161	2,296	34,457
Amortization		290	507	797	273	520	793

By item	By function	For the nine months ended September 30, 2023			For the nine months ended September 30, 2022		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		146,195	78,002	224,197	148,856	80,094	228,950
Labor and health insurance		12,595	5,579	18,174	10,964	5,501	16,465
Pension		4,485	4,007	8,492	4,216	3,090	7,306
Remuneration of directors		-	7,995	7,995	-	6,604	6,604
Others		7,037	2,594	9,631	6,833	2,494	9,327
Depreciation (Note)		105,988	8,264	114,252	83,796	6,899	90,695
Amortization		837	1,537	2,374	781	1,691	2,472

(Note) The capitalized depreciation expenses of right-of-use assets amounting to \$675 thousand and \$4,722 thousand were recognized as construction in progress for the three months and nine months ended September 30, 2022. There was no such transaction for the nine months ended September 30, 2023.

**(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 NTD and USD)

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 (Note 2)	Maximum limit of fund financing (Note 2)
													Item	Value		
1	BIOTEQUE MEDICAL CO., LTD.	BIOTEQUE MEDICAL PHIL. INC.	Accounts receivable from related parties	Yes	16,130 (USD 500)	16,130 (USD 500)	-	2.00 %	2	-	Working Capital	-	None	-	16,523 (Note 2)	16,523 (Note 2)
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	Accounts receivable from related parties	Yes	161,300 (USD 5,000)	161,300 (USD 5,000)	-	2.00%-4.00%	2	-	Working Capital	-	None	-	3,094,217 (Note 2)	3,094,217 (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 NTD and USD)

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)										
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	2	207,894	177,430 (USD 5,500)	177,430 (USD 5,500)	68,104 (USD 2,111)	-	5.73 %	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 NTD and shares)

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	10,595	-	10,595	
"	Yuanta Wan Tai Money Market Fund	"	"	2,497	38,717	-	38,717	
"	Franklin Templeton Sinoam Money Market Fund	"	"	2,992	31,697	-	31,697	
"	Mega Diamond Money Market Fund	"	"	2,894	37,207	-	37,207	
CHUNGTEX INVESTMENT CO., LTD	China Steel Corporation	"	"	11	277	-	277	
"	United microelectronics corp	"	"	10	452	-	452	
"	Taishin Financial Holding Co.,Ltd.	"	"	1	20	-	20	
"	Hua Nan Financial Holdings Co.,Ltd.	"	"	31	643	-	643	
"	Fubon Financial Holding Co, Ltd	"	"	32	1,912	-	1,912	
"	Cathay Financial Holdings Co.,Ltd	"	"	40	1,782	-	1,782	
	Total				123,302		123,302	

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:

(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, 2023, the price paid \$795,306 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, 2023, the price paid \$151,994 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, 2023, the price paid \$172,528 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.

(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	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	130,887	0.42 %	-	-	19,736	-	(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.

(x) Significant transactions and business relationship between the parent company and its subsidiaries for the nine months ended September 30, 2023:

(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	124,088	OA 270	2.76%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Processing costs	78,648	There is no significant difference from translation terms with non-related parties.	5.51%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Other receivables	6,799		OA 270
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Accounts payable	50,310	OA 60	1.12%
0	The Company	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	1	Operating revenue	12,441	There is no significant difference from translation terms with non-related parties.	0.87%
0	The Company	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	1	Accounts receivable	7,032		OA 180
1	BIOTEQUE MEDICAL CO., LTD.	BIOTEQUE MEDICAL PHIL. INC.	3	Other receivables	106	2%	-%
1	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Operating revenue	35,122	There is no significant difference from translation terms with non-related parties.	2.46%
1	BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	3	Accounts receivable	4,052		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.

(Continued)

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

## (b) Information on investees:

The following are the information on investees for the nine months ended September 30, 2023 (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, 2023			Net income (losses) of investee	Share of profits (losses) of investee	Remark
				September 30, 2023	December 31, 2022	Shares (in thousands)	Percentage of ownership	Carrying value			
The Company	BIOTEQUE MEDICAL CO., LTD.	Samoa	Investment activities	16,349	16,349	500	100 %	16,523	(1,561)	(1,561)	Subsidiary
The Company	CHUNGTEX INVESTMENT CO., LTD.	Taipei	Investment activities	28,800	28,800	2,880	100 %	29,991	1,205	1,205	"
The Company	BIOTEQUE MEDICAL PHIL. INC.	Philippines	Manufacturing and Trading of Medical equipment	299,315	299,315	4,881	100 %	499,326	8,835	8,835	"
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Philippines	Trading of Medical equipment	6,801	6,801	100	100 %	43,549	5,648	5,648	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:

Shareholder's Name	Shareholding	Shares	Percentage
Ke Yue Co., Ltd.		6,788,000	9.79 %
JP Morgan Chase Bank, N. A., Taipei Branch in Custody for Stichting Depository APG Emerging Markets Equity Pool		5,141,000	7.41 %

## (14) Segment information:

There were no significant changes in the Group's segment, as well as the profit and loss measurement basis, as disclosed in the consolidated financial statements for the year ended December 31, 2022.

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

	For the three months ended September 30, 2023					
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	\$ 150,198	99,060	242,971	5,864	-	498,093
Intersegment revenue	-	6,520	-	-	(6,520)	-
Total revenue	<u>\$ 150,198</u>	<u>105,580</u>	<u>242,971</u>	<u>5,864</u>	<u>(6,520)</u>	<u>498,093</u>
Reporting segment profit or loss	<u>\$ 457</u>	<u>20,149</u>	<u>141,466</u>	<u>15,684</u>	<u>-</u>	<u>177,756</u>
	For the 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>

(Continued)

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

	<b>For the nine months ended September 30, 2023</b>					
	<b>Segment A</b>	<b>Segment B</b>	<b>Segment C</b>	<b>Other Segments</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
Revenue:						
Revenue from external customers	\$ 469,443	289,230	647,553	20,058	-	1,426,284
Intersegment revenue	-	19,388	-	-	(19,388)	-
Total revenue	<u>\$ 469,443</u>	<u>308,618</u>	<u>647,553</u>	<u>20,058</u>	<u>(19,388)</u>	<u>1,426,284</u>
Reporting segment profit or loss	<u>\$ 16,683</u>	<u>58,095</u>	<u>338,109</u>	<u>23,250</u>	<u>-</u>	<u>436,137</u>
	<b>For the nine months ended September 30, 2022</b>					
	<b>Segment A</b>	<b>Segment B</b>	<b>Segment C</b>	<b>Other Segments</b>	<b>Reconciliation and elimination</b>	<b>Total</b>
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>

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

Total reportable segment revenue after deducting the intersegment revenue was \$6,520 thousand, \$6,768 thousand, \$19,388 thousand and \$19,286 thousand for the three months and nine months ended September 30, 2023 and 2022, respectively.