

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

BIOTEQUE CORPORATION

Parent-Company-Only Financial Statements

**With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022**

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The independent auditors' report and the accompanying 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' report and financial statements, the Chinese version shall prevail.

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安侯建業聯合會計師事務所

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Independent Auditors' Report

To the Board of Directors of Bioteque Corporation:

Opinion

We have audited the financial statements of Bioteque Corporation (“the Company”), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition

Please refer to Note 4(m) and Note 6(p) to the financial statements for the accounting policy of revenue and disclosure of revenue recognition.

Description of key audit matter:

The Company is a listed company in related to public interest, wherein the investors are highly expecting its financial performance. Therefore, the Company's revenue recognition has been identified as one of the key matters while conducting our audit on the financial statements of the Company.

How the matter was addressed in our audit

Our principal audit procedures included understanding the main types of revenue, contract provisions and transaction terms to assess the accuracy of the timing of revenue recognition; conducting the variance analysis on the revenue from major customers to evaluate if there are any significant unusual transactions; as well as testing the design, operation and implementation of the effectiveness of internal control on revenue recognition. Furthermore, we also selected some samples of transaction records of sales before and after the balance sheet date in order to obtain the related transaction documents to evaluate the appropriateness of timing of recognition.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including Audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Huang, Ming-Hung and Tang, Chia-Chien.

KPMG

Taipei, Taiwan (Republic of China)

March 6, 2024

Notes to Readers

The accompanying financial statements are intended only to present the 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 audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying 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' report and financial statements, the Chinese version shall prevail.

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

Balance Sheets

December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022				December 31, 2023		December 31, 2022	
Assets		Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%
Current assets:						Current liabilities:					
1100	Cash and cash equivalents (note 6(a))	\$ 1,135,489	25	839,088	19	2130	Current contract liabilities (note 6(p))	\$ 36,960	1	44,804	1
1110	Current financial assets at fair value through profit or loss (note 6(b))	118,591	3	140,269	3	2150	Notes payable	205	-	133	-
1136	Current financial assets at amortized cost (note 6(c))	92,130	2	92,100	2	2170	Accounts payable (note 7)	136,675	3	135,179	3
1150	Notes receivable, net (notes 6(d) and (p))	65,275	1	70,099	2	2180	Accounts payable—related parties	41,721	1	51,925	1
1170	Accounts receivable, net (notes 6(d) and (p))	181,529	4	187,105	4	2209	Other payables (including related parties) (notes 6(l) and (q))	128,634	3	124,981	3
1180	Accounts receivable—related parties, net (notes 6(d) and (p))	112,091	2	238,507	5	2213	Payable on machinery and equipment	103,930	2	125,455	3
1210	Other receivables—related parties (note 7)	97,651	2	9,868	-	2230	Current tax liabilities	60,049	1	73,555	2
130X	Inventories (note 6(e))	253,063	6	245,770	6	2280	Current lease liabilities (note 6(k))	12,524	-	14,056	-
1460	Non-current assets classified as held for sale, net (note 6(f))	30,208	1	-	-	2322	Long-term borrowings, current portion (note 6(j))	121,871	3	-	-
1476	Other current financial assets (note 8)	601	-	601	-	2399	Other current liabilities	2,797	-	6,141	-
1479	Other current assets	27,265	-	21,636	-		Total current liabilities	<u>645,366</u>	<u>14</u>	<u>576,229</u>	<u>13</u>
	Total current assets	<u>2,113,893</u>	<u>46</u>	<u>1,845,043</u>	<u>41</u>		Non-Current liabilities:				
	Non-current assets:					2540	Long-term borrowings (note 6(j))	446,229	10	497,500	11
1550	Investments accounted for using equity method (note 6(g))	469,626	10	501,900	11	2570	Deferred tax liabilities (note 6(m))	45,445	1	37,940	1
1600	Property, plant and equipment (notes 6(h), 7, 8 and 9)	1,571,205	34	1,574,719	36	2580	Non-current lease liabilities (note 6(k))	288,226	6	300,750	7
1755	Right-of-use assets (note 6(i))	298,034	7	312,827	7	2640	Net defined benefit liability, non-current (note 6(l))	8,284	-	12,914	-
1840	Deferred tax assets (note 6(m))	6,520	-	2,774	-		Total non-current liabilities	<u>788,184</u>	<u>17</u>	<u>849,104</u>	<u>19</u>
1915	Prepayments for business facilities (note 9)	157,492	3	212,634	5		Total liabilities	<u>1,433,550</u>	<u>31</u>	<u>1,425,333</u>	<u>32</u>
1980	Other non-current financial assets	2,981	-	2,689	-		Equity (notes 6(l) and (n)):				
1995	Other non-current assets	3,926	-	4,733	-	3100	Ordinary shares	692,983	15	692,983	16
	Total non-current assets	<u>2,509,784</u>	<u>54</u>	<u>2,612,276</u>	<u>59</u>	3200	Capital surplus	316,950	7	315,168	7
							Retained earnings:				
						3310	Legal reserve	511,268	11	462,155	10
						3320	Special reserve	1,102	-	50,620	1
						3350	Unappropriated retained earnings	1,657,141	36	1,512,162	34
								<u>2,169,511</u>	<u>47</u>	<u>2,024,937</u>	<u>45</u>
							Other equity:				
						3410	Exchange differences on translation of foreign financial statements	10,683	-	(1,102)	-
							Total equity	<u>3,190,127</u>	<u>69</u>	<u>3,031,986</u>	<u>68</u>
	Total assets	<u>\$ 4,623,677</u>	<u>100</u>	<u>4,457,319</u>	<u>100</u>		Total liabilities and equity	<u>\$ 4,623,677</u>	<u>100</u>	<u>4,457,319</u>	<u>100</u>

See accompanying notes to parent-company-only financial statements.

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

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars, Except for Earnings Per Share)

		<u>2023</u>		<u>2022</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (note 6(p))	\$ 1,845,642	100	1,873,160	100
5000	Operating costs (notes 6(e), (h), (i), (l), 7 and 12)	<u>1,073,030</u>	<u>58</u>	<u>1,084,035</u>	<u>58</u>
5900	Gross profit from operations	772,612	42	789,125	42
5910	Less: Unrealized profit from sales	<u>6,022</u>	<u>-</u>	<u>12,592</u>	<u>1</u>
	Net gross profit	<u>766,590</u>	<u>42</u>	<u>776,533</u>	<u>41</u>
6000	Operating expenses (notes 6(h), (i), (k), (l), (q), 7 and 12):				
6100	Selling expenses	66,897	4	81,813	4
6200	Administrative expenses	75,831	4	76,417	4
6300	Research and development expenses	<u>70,442</u>	<u>4</u>	<u>69,978</u>	<u>4</u>
	Total operating expenses	<u>213,170</u>	<u>12</u>	<u>228,208</u>	<u>12</u>
6900	Net operating income	<u>553,420</u>	<u>30</u>	<u>548,325</u>	<u>29</u>
7000	Non-operating income and expenses (notes 6(k), (r) and 7):				
7100	Interest income	11,261	1	1,990	-
7010	Other income	2,775	-	3,092	-
7020	Other gains and losses	(10,140)	(1)	52,979	3
7050	Finance costs	(8,215)	-	(1,941)	-
7375	Share of profit of subsidiaries for using equity method	<u>14,649</u>	<u>1</u>	<u>11,413</u>	<u>1</u>
	Profit from continuing operations before tax	563,750	31	615,858	33
7950	Less: Income tax expenses (note 6(m))	<u>111,200</u>	<u>6</u>	<u>122,318</u>	<u>7</u>
	Profit	<u>452,550</u>	<u>25</u>	<u>493,540</u>	<u>26</u>
8300	Other comprehensive income (loss) (notes 6(l) and (n)):				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	3,867	-	(2,406)	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	<u>3,867</u>	<u>-</u>	<u>(2,406)</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8380	Share of other comprehensive income of subsidiaries accounted for using equity method	11,785	1	49,518	3
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>
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	<u>11,785</u>	<u>1</u>	<u>49,518</u>	<u>3</u>
8300	Other comprehensive income (after tax)	<u>15,652</u>	<u>1</u>	<u>47,112</u>	<u>3</u>
8500	Total comprehensive income	<u>\$ 468,202</u>	<u>26</u>	<u>540,652</u>	<u>29</u>
9750	Basic earnings per share (note 6(o)) (Expressed in New Taiwan Dollars)	<u>\$ 6.53</u>		<u>7.12</u>	
9850	Diluted earnings per share (note 6(o)) (Expressed in New Taiwan Dollars)	<u>\$ 6.50</u>		<u>7.09</u>	

See accompanying notes to parent-company-only financial statements.

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

BIOTEQUE CORPORATION**Statements of Changes in Equity****For the years ended December 31, 2023 and 2022****(expressed in thousands of New Taiwan Dollars)**

	Retained earnings				Other equity	Total equity	
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Exchange differences on translation of foreign financial statements		
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 year ended December 31, 2022	-	-	-	-	493,540	-	493,540
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	(2,406)	49,518	47,112
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	491,134	49,518	540,652
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 December 31, 2022	692,983	315,168	462,155	50,620	1,512,162	(1,102)	3,031,986
Net income for the year ended December 31, 2023	-	-	-	-	452,550	-	452,550
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	3,867	11,785	15,652
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	456,417	11,785	468,202
Appropriation and distribution of retained earnings:							
Legal reserve appropriated	-	-	49,113	-	(49,113)	-	-
Cash dividends of ordinary share	-	-	-	-	(311,843)	-	(311,843)
Reversal of special reserve	-	-	-	(49,518)	49,518	-	-
Changes in capital surplus	-	1,782	-	-	-	-	1,782
Balance at December 31, 2023	\$ 692,983	316,950	511,268	1,102	1,657,141	10,683	3,190,127

See accompanying notes to parent-company-only financial statements.

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BIOTEQUE CORPORATION

Statements of Cash Flows
For the years ended December 31, 2023 and 2022
(expressed in thousands of New Taiwan Dollars)

	2023	2022
Cash flows generated from (used in) operating activities:		
Profit before tax	\$ 563,750	615,858
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	125,719	101,064
Amortization expense	3,566	3,218
Unrealized profit from sales	6,022	12,592
Net loss on financial assets at fair value through profit or loss	(1,586)	(4,958)
Interest expense	8,215	1,941
Net loss on financial assets at amortized cost	(610)	(6,663)
Interest income	(11,261)	(1,990)
Share of profit of subsidiaries for using equity method	(14,649)	(11,413)
Gains on disposal of property, plant and equipment	(4,401)	(4,456)
Prepayments for business facilities transferred to expenses	399	58
Loss on disposal of investments accounted for using equity method	11,336	-
Gains on lease modifications	(18)	(2)
Total adjustments to reconcile profit	<u>122,732</u>	<u>89,391</u>
Changes in operating assets:		
Notes receivable	4,824	(6,795)
Accounts receivable	5,576	11,607
Accounts receivable—related parties	126,416	(51,443)
Other receivables—related parties	4,347	(1,971)
Inventories	(7,293)	(328)
Other current assets	15,314	12,975
Other financial assets—current	-	115
Total changes in operating assets	<u>149,184</u>	<u>(35,840)</u>
Changes in operating liabilities:		
Current contract liabilities	(7,844)	16,676
Notes payable	72	(286)
Accounts payable	1,496	(20,831)
Accounts payable—related parties	(10,204)	2,099
Other payables	3,554	17,852
Other current liabilities	(3,344)	721
Net defined benefit liability	(763)	(326)
Total changes in operating liabilities	<u>(17,033)</u>	<u>15,905</u>
Total changes in operating assets and liabilities	<u>132,151</u>	<u>(19,935)</u>
Total adjustments	<u>254,883</u>	<u>69,456</u>
Cash inflow generated from operations	818,633	685,314
Interest received	11,084	1,491
Income taxes paid	(120,947)	(100,591)
Net cash flows generated from operating activities	<u>708,770</u>	<u>586,214</u>
Cash flows generated from (used in) investing activities:		
Acquisition of financial assets at amortized cost	(405,010)	(180,493)
Proceeds from disposal of financial assets at amortized cost	405,590	359,316
Acquisition of financial assets at fair value through profit or loss	-	(146,700)
Proceeds from disposal of financial assets at fair value through profit or loss	23,264	178,585
Proceeds from capital reduction of investments accounted for using equity method	15,599	-
Acquisition of property, plant and equipment	(13,367)	(415,585)
Proceeds from disposal of property, plant and equipment	80	290
Increase in other receivables—related parties	(92,130)	-
Acquisition of right-of-use assets	(290)	-
Increase in other non-current financial assets	(292)	-
Increase in other non-current assets	-	(4,439)
Increase in prepayments for business facilities	(61,250)	(305,340)
Decrease in payables on machinery and equipment	(21,525)	(47,246)
Dividends received	-	1,350
Increase in other assets	(2,759)	-
Net cash flows used in investing activities	<u>(152,090)</u>	<u>(560,262)</u>
Cash flows generated from (used in) financing activities:		
Increase in short-term loans	40,000	-
Decrease in short-term loans	(40,000)	-
Proceeds from long-term borrowings	70,600	446,000
Payment of lease liabilities	(12,702)	(14,162)
Cash dividends paid	(311,843)	(311,843)
Other financing activities	1,782	-
Interest paid	(8,116)	(2,899)
Net cash flows (used in) generated from financing activities	<u>(260,279)</u>	<u>117,096</u>
Net increase in cash and cash equivalents	<u>296,401</u>	<u>143,048</u>
Cash and cash equivalents at beginning of period	<u>839,088</u>	<u>696,040</u>
Cash and cash equivalents at end of period	<u>\$ 1,135,489</u>	<u>839,088</u>

See accompanying notes to parent-company-only financial statements.

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

Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2023 and 2022

(expressed in thousands of New Taiwan Dollars, unless otherwise specified)

(1) Company history

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

The business operations of the Company are manufacturing, trading and selling of the medical consumable.

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

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

These parent-company-only financial statements were authorized for issue by the board of directors on March 6, 2024 .

(3) New standards, amendments and interpretations adopted:

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

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

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

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

The Company 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 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”

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

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

The Company 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 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:

The material accounting policies presented in the parent-company-only financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the parent-company-only financial statements.

- (a) Statement of compliance

These parent-company-only financial statements have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” .

- (b) Basis of preparation

- (i) Basis of measurement

Except for the following significant accounts, the parent-company-only financial statements have been prepared on a historical cost basis:

- 1) Financial instruments at fair value through profit or loss are measured at fair value;
- 2) The defined benefit liability is measured at fair value of the plan asset less the present value of the defined benefit obligation and the effect of the asset ceiling mentioned in Note 4(n).

- (ii) Functional and presentation currency

The functional currency is determined based on the primary economic environment in which the entity operates. The parent-company-only financial statements are presented in New Taiwan Dollars, which is the Company's functional currency. All financial information presented in New Taiwan Dollars has been rounded to the nearest thousand.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(c) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of the Company at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to noncontrolling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future. Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(d) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

An entity shall classify an assets as currency when:

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash comprises cash on hand and demand deposits., Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(f) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI)– equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through profit or loss (FVTPL)

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

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

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

3) Impairment of financial assets

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

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

The Company measures loss allowances at an amount equal to lifetime ECL except for the following which are measured as 12-month ECL:

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

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

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

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

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

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

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

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

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

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

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

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization;
or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

4) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted-average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(h) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use, are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group, are remeasured in accordance with the Company's accounting policies. Thereafter, generally, the assets or disposal groups are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, any equity-accounted investee is no longer equity accounted.

(i) Investment in associates

When preparing the parent-company-only financial statements, the investments in subsidiaries, which are controlled by the Company, are accounted for using the equity method. Under the equity method, the profit or loss for the period and other comprehensive income presented in the parent-company-only financial statements should be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis; and the owners' equity presented in the parent-company-only financial statements should be the same as the equity attributable to the owners of the parent presented in the financial statements prepared on a consolidated basis. The Company also recognized its shares in the changes in its equity of subsidiaries.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity.

(j) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures	5 ~ 50 years
2) Machinery and equipment	1 ~ 15 years
3) Transportation equipment	3 ~ 10 years
4) Office equipment	3 ~ 5 years
5) Other equipment	1 ~ 10 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(k) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(l) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

(m) Revenue

(i) Revenue from contracts with customers

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

1) Sale of goods

The Company manufactures and sells medical equipment. The Company recognizes revenue when control of the products has been transferred, being when the products are delivered to the customer. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

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

2) Financing components

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

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(ii) Contract costs

1) Incremental costs of obtaining a contract

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

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

2) Costs to fulfil a contract

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

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

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

(n) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(ii) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(o) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - 1) the same taxable entity; or
 - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.
- (p) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares, such as employee bonus.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(q) Operating segments

The Company discloses its segment reporting in the consolidated financial statements. Therefore, the Company does not disclose segment information in the parent-company-only financial statements.

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

The preparation of the financial statements in conformity with the Regulations 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 management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

The Company likely to be facing economic uncertainties such as natural disasters, international political uncertainties and inflation. Those events may have a significant impact in the next financial year on the following accounting estimates, which depend on the future forecasts.

Information about judgments made in applying accounting policies do not have significant effects on the amounts recognized in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact on economic uncertainties:

The loss allowance of accounts receivable

The Company has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Company has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to note 6(d).

(6) Explanation of significant accounts:

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	\$ 862	806
Demand deposits	1,129,054	825,254
Checking accounts	5,573	13,028
Cash and cash equivalents in the statement of cash flows	<u>\$ 1,135,489</u>	<u>839,088</u>

Please refer to note 6(s) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

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

	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss:		
Non-derivative financial assets		
Money market funds and bond funds	\$ 118,591	140,269

- (i) For credit risk and market risk, please refer to note 6(s).
(ii) The financial assets of the Company were not collateralized.

- (c) Current financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Time deposits	\$ 92,130	92,100

The Company 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 years ended December 31, 2023 and 2022, the Company held domestic time deposits, with the weighted-average interest rates of 5.50%~5.75% and 4.60%~4.68%, respectively, which mature in February to March of 2024 and February to March of 2023, respectively.
(ii) For credit risk, please refer to note 6(s).
(iii) The financial assets of the Company were not collateralized.

- (d) Notes and accounts receivables

	December 31, 2023	December 31, 2022
Notes receivable	\$ 65,275	70,099
Accounts receivables	181,529	187,105
Accounts receivables-related parties	112,091	238,507
	\$ 358,895	495,711

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only 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>2023</u>	<u>2022</u>
Unallocated production overheads	\$ 65,279	22,333
Gains on physical inventory	(669)	(961)
Losses on valuation of inventories	<u>2,000</u>	<u>1,000</u>
	<u>\$ 66,610</u>	<u>22,372</u>

The inventories of the Company were not collateralized.

(f) Non-current assets held for sale

The Board of Directors resolved to dissolve CHUNGTEX INVESTMENT CO., LTD. on November 09, 2023, so the investment accounted for using equity method was reported as non-current assets held for sale. The amount of non-current assets held for sale was \$30,208 thousand for the years ended December 31, 2023. There was no such transaction in 2022.

(g) Investment accounted for using equity method

The component of investments accounted for using the equity method at the reporting date were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries	<u>\$ 469,626</u>	<u>501,900</u>

For the related information, please refer to consolidated financial statements for the year ended December 31, 2023.

(h) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022 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, 2023	\$ 91,834	1,438,081	705,178	9,571	19,183	150,966	59,628	2,474,441
Additions	-	2,769	8,118	170	390	1,920	-	13,367
Disposals	-	-	(317)	-	-	(686)	-	(1,003)
Reclassification (Note 1)	-	4,200	79,443	-	719	12,665	(1,800)	95,227
Balance at December 31, 2023	<u>\$ 91,834</u>	<u>1,445,050</u>	<u>792,422</u>	<u>9,741</u>	<u>20,292</u>	<u>164,865</u>	<u>57,828</u>	<u>2,582,032</u>
Balance at January 1, 2022	\$ 91,834	410,756	667,993	8,505	19,183	140,900	582,187	1,921,358
Additions	-	100,027	9,684	1,066	-	3,468	301,340	415,585
Disposals	-	-	(5,843)	-	-	(4,488)	-	(10,331)
Reclassification (Note 1)	-	927,298	33,344	-	-	11,086	(823,899)	147,829
Balance at December 31, 2022	<u>\$ 91,834</u>	<u>1,438,081</u>	<u>705,178</u>	<u>9,571</u>	<u>19,183</u>	<u>150,966</u>	<u>59,628</u>	<u>2,474,441</u>

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

	<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>
Accumulated depreciation and impairment loss:								
Balance at January 1, 2023	\$ -	223,818	520,271	6,510	17,981	131,142	-	899,722
Depreciation	-	36,640	57,697	771	1,011	15,853	-	111,972
Disposals	-	-	(317)	-	-	(550)	-	(867)
Balance at December 31, 2023	<u>\$ -</u>	<u>260,458</u>	<u>577,651</u>	<u>7,281</u>	<u>18,992</u>	<u>146,445</u>	<u>-</u>	<u>1,010,827</u>
Balance at January 1, 2022	\$ -	202,393	476,773	5,976	16,990	116,673	-	818,805
Depreciation	-	21,425	49,341	534	991	18,667	-	90,958
Disposals	-	-	(5,843)	-	-	(4,198)	-	(10,041)
Balance at December 31, 2022	<u>\$ -</u>	<u>223,818</u>	<u>520,271</u>	<u>6,510</u>	<u>17,981</u>	<u>131,142</u>	<u>-</u>	<u>899,722</u>
Carrying amounts:								
Balance at December 31, 2023	<u>\$ 91,834</u>	<u>1,184,592</u>	<u>214,771</u>	<u>2,460</u>	<u>1,300</u>	<u>18,420</u>	<u>57,828</u>	<u>1,571,205</u>
Balance at January 1, 2022	<u>\$ 91,834</u>	<u>208,363</u>	<u>191,220</u>	<u>2,529</u>	<u>2,193</u>	<u>24,227</u>	<u>582,187</u>	<u>1,102,553</u>
Balance at December 31, 2022	<u>\$ 91,834</u>	<u>1,214,263</u>	<u>184,907</u>	<u>3,061</u>	<u>1,202</u>	<u>19,824</u>	<u>59,628</u>	<u>1,574,719</u>

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

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

As of December 31, 2023 and 2022, the property, plant and equipment of the Company had been pledged as collateral for borrowings; please refer to note 8.

(i) Right-of-use assets

The Company leases land and buildings. Information about leases for which the Company has been a lessee is presented below:

	<u>Land</u>	<u>Buildings and structures</u>	<u>Total</u>
Cost:			
Balance at January 1, 2023	\$ 319,149	36,584	355,733
Additions	290	-	290
Disposals	-	(6,413)	(6,413)
Balance at December 31, 2023	<u>\$ 319,439</u>	<u>30,171</u>	<u>349,610</u>
Balance at January 1, 2022	\$ 313,744	36,314	350,058
Additions	5,405	1,213	6,618
Disposals	-	(943)	(943)
Balance at December 31, 2022	<u>\$ 319,149</u>	<u>36,584</u>	<u>355,733</u>
Accumulated depreciation:			
Balance at January 1, 2023	\$ 19,491	23,415	42,906
Depreciation	8,384	5,363	13,747
Disposals	-	(5,077)	(5,077)
Balance at December 31, 2023	<u>\$ 27,875</u>	<u>23,701</u>	<u>51,576</u>
Balance at January 1, 2022	\$ 11,276	17,627	28,903
Depreciation	8,215	6,613	14,828
Disposals	-	(825)	(825)
Balance at December 31, 2022	<u>\$ 19,491</u>	<u>23,415</u>	<u>42,906</u>
Carrying amount:			
Balance at December 31, 2023	<u>\$ 291,564</u>	<u>6,470</u>	<u>298,034</u>
Balance at January 1, 2022	<u>\$ 302,468</u>	<u>18,687</u>	<u>321,155</u>
Balance at December 31, 2022	<u>\$ 299,658</u>	<u>13,169</u>	<u>312,827</u>

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(j) Short-term borrowings

(i) Short-term borrowings

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Unsecured bank loans	\$ -	-
Unused credit lines	\$ 720,913	720,478
Range of interest rate	<u>2%</u>	<u>-</u>

(ii) Long-term borrowings

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Unsecured long-term bank loans	\$ 568,100	497,500
Less: Current portion	(121,871)	-
Total	\$ 446,229	497,500
Unused credit lines	\$ -	662,500
Range of interest rate	<u>1.25%~1.35%</u>	<u>1.13%~1.23%</u>

As of December 31, 2023, the remaining balances of the borrowing due were as follows:

<u>Period</u>	<u>December 31,</u> <u>2023</u>
2024.01.01 ~ 2024.12.31	\$ 121,871
2025.01.01 ~ 2025.12.31	149,800
2026.01.01 ~ 2026.12.31	143,137
2027.01.01 ~ 2027.12.31	134,250
2028.01.01 ~ 2028.12.31	19,042
	<u>\$ 568,100</u>

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

(k) Lease liabilities

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Current	\$ 12,524	14,056
Non-current	\$ 288,226	300,750

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

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BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

The amounts recognized in profit or loss were as follows:

	<u>2023</u>	<u>2022</u>
Interest on lease liabilities	\$ <u>1,879</u>	<u>908</u>
Expenses relating to leases of low-value assets	\$ <u>35</u>	<u>11</u>

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

	<u>2023</u>	<u>2022</u>
Total cash outflow for leases	\$ <u>14,616</u>	<u>16,155</u>

(i) Leases of land, buildings and structures

For the years ended December 31, 2023 and 2022, the Company 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 Company 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.

(l) Employee benefits

(i) Defined benefit plans

Reconciliations of defined benefit obligation at present value and plan assets at fair value were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of the defined benefit obligations	\$ 28,507	33,007
Fair value of plan assets	(20,223)	(20,093)
Net defined benefit liabilities	\$ <u>8,284</u>	<u>12,914</u>

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

1) Composition of plan assets

The Company allocated pension funds in accordance with Regulations for Revenue, Expenditures, Safeguard and Utilization of the Labor Retirement Fund and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

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BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$20,223 thousand as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations:

The movements in present value of the defined benefit obligations for the Company were as follows:

	2023	2022
Defined benefit obligations at January 1	\$ 33,007	29,863
Benefit paid	(2,449)	(1,860)
Current service costs and interest cost	1,739	1,169
Remeasurements losses (gains)	(3,790)	3,835
Defined benefit obligations at December 31	<u>\$ 28,507</u>	<u>33,007</u>

3) Movements of defined benefit plan assets

The movements in present value of the defined benefit plan assets for the Company were as follows:

	2023	2022
Fair value of plan assets at January 1	\$ 20,093	19,029
Amounts contributed to plan	2,161	1,374
Benefits paid	(2,449)	(1,860)
Interest revenue	341	121
Remeasurements gains (losses)	77	1,429
Fair value of plan assets as of December 31	<u>\$ 20,223</u>	<u>20,093</u>

4) Expenses recognized in profit or loss

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

	2023	2022
Current service costs	\$ 1,180	993
Net interest of net liability for defined benefit obligations	218	55
	<u>\$ 1,398</u>	<u>1,048</u>
	2023	2022
Operating costs	\$ (313)	311
Operating expense	1,711	737
	<u>\$ 1,398</u>	<u>1,048</u>

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

- 5) The remeasurements of the net defined benefit liabilities recognized in other comprehensive income

The remeasurements of the net defined benefit liabilities recognized in other comprehensive income were as follows:

	<u>2023</u>	<u>2022</u>
Balance as of January 1	\$ (3,319)	(913)
Recognized in the current period	<u>3,867</u>	<u>(2,406)</u>
Balance as of December 31	<u>\$ 548</u>	<u>(3,319)</u>

- 6) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

The defined benefit obligations:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.63 %	1.75 %
Future salary increase rate	2.00 %	3.00 %

Cost of the defined benefit plan assets:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.75 %	0.63 %
Future salary increase rate	3.00 %	1.50 %

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$930 thousand.

The weighted-average lifetime of the defined benefits plan is 11.76 years.

- 7) Sensitivity analysis

When calculating the present of the defined benefit plan assets, the related actuarial assumptions at the reporting date, including the discount rate, the demission rate and the change of the future salary rate, are required to be judged and estimated.

As of December 31, 2023 and 2022, the changes in main actuarial assumptions might have an impact on the present value of the defined benefit obligation as follows:

	<u>Influences on defined benefit obligations</u>	
	<u>Increased</u>	<u>Decreased</u>
Balance as of December 31, 2023		
Discount rate decrease (increased) by 0.25%	\$ 648	(672)
Future salary increase rate increased (decrease) 0.25%	647	(627)
Balance as of December 31, 2022		
Discount rate decrease (increased) by 0.25%	822	(854)
Future salary increase rate increased (decrease) 0.25%	819	(793)

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BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for 2023 and 2022.

(ii) Defined contribution plans

The Company's allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans. The Company allocates a fixe account to the Bureau of Labor Insurance with out additional legal on constructive obligation.

The pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$8,555 thousand and \$8,198 thousand for the years ended December 31, 2023 and 2022, respectively.

(iii) Short-term benefit obligation

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Paid leave	<u>\$ 109</u>	<u>223</u>

(m) Income taxes

(i) Income tax expense

The components of income tax for 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Current tax expense		
Current period	\$ 121,738	123,871
Adjustment for prior periods	<u>(14,297)</u>	<u>(2,987)</u>
	<u>107,441</u>	<u>120,883</u>
Deferred tax expense		
Origination and reversal of temporary differences	<u>3,759</u>	<u>1,435</u>
Income tax expense	<u>\$ 111,200</u>	<u>122,318</u>

There was no income tax expense of the Company directly recognized in equity or other comprehensive income for the years ended December 31, 2023 and 2022.

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BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

Reconciliations of income tax and profit before tax for 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Profit excluding income tax	\$ <u>563,750</u>	<u>615,858</u>
Income tax using the Company's domestic tax rate	\$ 112,750	123,172
The income tax effects on permanent differences	(602)	-
Adjustment for prior periods	(14,297)	(2,987)
Undistributed earnings additional tax	8,985	3,052
Others	<u>4,364</u>	<u>(919)</u>
Total	\$ <u>111,200</u>	<u>122,318</u>

(ii) Deferred tax assets and liabilities

Changes in the amounts of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022 were as follows:

Deferred tax assets:

	<u>Allowance for obsolete inventories</u>	<u>Unrealized exchange losses</u>	<u>Others</u>	<u>Total</u>
Balance as of January 1, 2023	\$ 899	-	1,875	2,774
Recognized in profit or loss	400	3,239	107	3,746
Balance as of December 31, 2023	\$ <u>1,299</u>	<u>3,239</u>	<u>1,982</u>	<u>6,520</u>
Balance as of January 1, 2022	\$ 697	89	2,553	3,339
Recognized in profit or loss	202	(89)	(678)	(565)
Balance as of December 31, 2022	\$ <u>899</u>	<u>-</u>	<u>1,875</u>	<u>2,774</u>

Deferred tax liabilities:

	<u>Unrealized investment income recognized under equity method</u>	<u>Unrealized exchange gains</u>	<u>Total</u>
Balance as of January 1, 2023	\$ 37,386	554	37,940
Recognized in profit or loss	8,059	(554)	7,505
Balance as of December 31, 2023	\$ <u>45,445</u>	<u>-</u>	<u>45,445</u>
Balance as of January 1, 2022	\$ 37,070	-	37,070
Recognized in profit or loss	316	554	870
Balance as of December 31, 2022	\$ <u>37,386</u>	<u>554</u>	<u>37,940</u>

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

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(n) Capital and other equity

As of December 31, 2023 and 2022, the total number of authorized ordinary shares were both 120,000 thousand shares, 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

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

	December 31, 2023	December 31, 2022
Share capital	\$ 315,168	315,168
Donation from shareholders	1,782	-
	\$ 316,950	315,168

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.

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.

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BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

2) Special reserve

In accordance with Rule 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 board of directors' meeting resolved to distribute the 2021 earnings.

These earnings were appropriated as follows:

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

On March 6, 2024, the Company's Board of Directors resolved to appropriate the 2023 earnings. These earnings were appropriated as follows:

	2023	
	Amount per share (NTD)	Amounts
Dividends distributed ordinary shareholders:		
Cash	\$ 4.50	\$ <u>311,843</u>

(iii) Other equity

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2023	\$ (1,102)
Exchange differences on foreign operations	<u>11,785</u>
Balance at December 31, 2023	<u>\$ 10,683</u>

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

	Exchange differences on translation of foreign financial statements
Balance at January 1, 2022	\$ (50,620)
Exchange differences on foreign operations	49,518
Balance at December 31, 2022	\$ (1,102)

(o) Earnings per share

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

(i) Basic earnings per share

	2023	2022
Profit attributable to ordinary shareholders of the Company	\$ 452,550	493,540
Weighted-average number of ordinary shares (in thousand shares)	69,298	69,298
Basic earnings per share (express in New Taiwan Dollar)	\$ 6.53	7.12

(ii) Diluted earnings per share

	2023	2022
Profit attributable to ordinary shareholders of the Company	\$ 452,550	493,540
Weighted-average number of ordinary shares (basic) (in thousand shares)	69,298	69,298
Effect of employee remuneration (in thousand shares)	326	349
Weighted-average number of ordinary shares (diluted) (in thousand shares)	69,624	69,647
Diluted earnings per share (express in New Taiwan Dollar)	\$ 6.50	7.09

(p) Revenue from contracts with customers

(i) Disaggregation of revenue

	2023	2022
Primary geographical markets:		
Asia	\$ 783,247	769,814
South America	167,674	254,167
North America	298,876	279,352
Others	595,845	569,827
Total	\$ 1,845,642	1,873,160
Major products service lines:		
Manufacturing, trading and selling of medical consumable	\$ 1,845,642	1,873,160

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BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(ii) Contract balances

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Notes and accounts receivable (including related parties)	\$ 358,895	495,711	449,080
Less: allowance for impairment	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 358,895</u>	<u>495,711</u>	<u>449,080</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Current contract liabilities	<u>\$ 36,960</u>	<u>44,804</u>	<u>28,128</u>

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

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability balance at the beginning of the period were \$40,549 thousand and \$28,034 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.

(q) Remuneration to employees and directors

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.

	<u>2023</u>	<u>2022</u>
Employees' remuneration	\$ 30,179	32,969
Directors' remuneration	<u>9,657</u>	<u>10,550</u>
	<u>\$ 39,836</u>	<u>43,519</u>

The amount of employees' remuneration, and directors' 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 years ended December 31, 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.

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 2023 and 2022.

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

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(r) Non-operating income and expenses

(i) Interest income

	<u>2023</u>	<u>2022</u>
Interest income from RP bills	\$ -	161
Interest income from deposit	17	9
Interest income from bank deposit	10,592	1,820
Other	<u>652</u>	<u>-</u>
	<u>\$ 11,261</u>	<u>1,990</u>

(ii) Other income

	<u>2023</u>	<u>2022</u>
Guarantee service revenue	\$ 273	375
Subsidy revenue	700	435
Compensation income	40	5
Others	<u>1,762</u>	<u>2,277</u>
	<u>\$ 2,775</u>	<u>3,092</u>

(iii) Other gains and losses

	<u>2023</u>	<u>2022</u>
Foreign exchange gains (losses)	\$ (11,745)	36,959
Gains on financial assets at fair value through profit or loss	1,586	4,958
Gains on disposal of property plant and equipment	4,401	4,456
Gains on financial assets at amortized cost	610	6,663
Others	<u>(4,992)</u>	<u>(57)</u>
	<u>\$ (10,140)</u>	<u>52,979</u>

(iv) Finance costs

	<u>2023</u>	<u>2022</u>
Interest expense on bank borrowings	\$ 6,336	1,033
Interest expense on lease liabilities	1,879	1,982
Capitalized interest expense	<u>-</u>	<u>(1,074)</u>
	<u>\$ 8,215</u>	<u>1,941</u>

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(s) Financial instruments

(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

If the transactions of the financial instruments are significantly concentrated within certain counterparties, or if the counterparties with similar business activities and economic characteristics are not significantly concentrated within certain counterparties, the concentration of credit risk is highly probable. As of December 31, 2023 and 2022, the notes and accounts receivable were from two major customers as follows:

	<u>Amount</u>	<u>Percentage of the company's receivables</u>
<u>December 31, 2023</u>		
Subsidiary	\$ 112,091	31
C2 Company	<u>60,175</u>	<u>17</u>
	<u>\$ 172,266</u>	<u>48</u>
<u>December 31, 2022</u>		
Subsidiary	\$ 238,507	48
C2 Company	<u>45,797</u>	<u>9</u>
	<u>\$ 284,304</u>	<u>57</u>

3) Receivables securities

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

Other financial assets at amortized costs includes other receivables. The above financial assets are considered to have low risk, and the impairment provision recognized during the period was limited to 12 months expected losses.(Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(f)).

For the years ended December 31, 2023 and 2022, the impairment loss are not recognized and reserved.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(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>6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
December 31, 2023							
Non-derivative financial liabilities							
Notes payable	\$ 205	205	205	-	-	-	-
Accounts payable	136,675	136,675	136,675	-	-	-	-
Accounts payable-related parties	41,721	41,721	41,721	-	-	-	-
Other payables (including related parties)	128,634	128,634	128,634	-	-	-	-
Payables on machinery and equipment	103,930	103,930	103,930	-	-	-	-
Lease liabilities (current and non-current)	300,750	333,777	7,154	7,154	10,496	27,262	281,711
Long-term borrowings	568,100	574,615	47,994	76,300	151,895	298,426	-
	<u>\$ 1,280,015</u>	<u>1,319,557</u>	<u>466,313</u>	<u>83,454</u>	<u>162,391</u>	<u>325,688</u>	<u>281,711</u>
December 31, 2022							
Non-derivative financial liabilities							
Notes payable	\$ 133	133	133	-	-	-	-
Accounts payable	135,179	135,179	135,179	-	-	-	-
Accounts payable-related parties	51,925	51,925	51,925	-	-	-	-
Other payables (including related parties)	124,981	124,981	124,981	-	-	-	-
Payables on machinery and equipment	125,455	125,455	125,455	-	-	-	-
Lease liabilities (current and non-current)	314,806	349,718	7,970	7,970	14,309	28,671	290,798
Long-term borrowings	497,500	502,923	-	-	97,312	386,556	19,055
	<u>\$ 1,249,979</u>	<u>1,290,314</u>	<u>445,643</u>	<u>7,970</u>	<u>111,621</u>	<u>415,227</u>	<u>309,853</u>

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

	<u>December 31, 2023</u>			<u>December 31, 2022</u>		
	<u>Foreign currency (thousand dollars)</u>	<u>Exchange rate</u>	<u>NTD</u>	<u>Foreign currency (thousand dollars)</u>	<u>Exchange rate</u>	<u>NTD</u>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 5,987	30.71	183,866	4,005	30.70	122,956
EUR	494	34.03	16,819	431	32.74	14,125
JPY	24,898	0.22	5,411	8,165	0.23	1,899
CNY	4,172	4.33	18,060	3,091	4.41	13,628
<u>Investments accounted for using equity method</u>						
USD	15,292	30.71	469,626	15,411	30.70	473,114
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	2,416	30.71	74,182	2,639	30.70	81,017
EUR	233	34.03	7,943	340	32.74	11,129
JPY	54,385	0.22	11,821	45,302	0.23	10,535

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

2) Sensitivity analysis

The Company's exposure to foreign currency risk arise from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivables (including related parties), other receivables (including related parties), accounts payables (including related parties), other payables (including related parties) and payables on machinery and equipment that are denominated in foreign currency.

A depreciation (appreciation) of 1% of the NTD against the foreign currency for the years ended December 31, 2023 and 2022 would have increased (decreased), the net profit after tax by \$1,302 thousand and \$499 thousand, respectively. The analysis is performed on the same basis for 2022.

3) Foreign exchange gain and loss on monetary items

For the years ended December 31, 2023 and 2022, foreign exchange profit (loss) (including realized and unrealized portions) were as follows;

	2023		2022	
	Exchange (loss) profit	Average rate	Exchange (loss) profit	Average rate
NTD	\$ (11,745)	-	36,959	-

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company'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 Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1% basic points the Company's net income would have decreased / increased by \$5,681 thousand and \$4,975 thousand for the years ended December 31, 2023 and 2022, respectively, with all other variable factors remain constant. This is mainly due to the Company's borrowing at floating rates.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

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 Company 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 years ended December 31, 2023 and 2022, there were no change on the fair value hierarchy of financial asset.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(t) Financial risk management

(i) Overview

The Company has exposure to the following risks from its financial instruments:

- 1) credit risk
- 2) liquidity risk
- 3) market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risk exposures, please refer to the respective notes in the accompanying parent-Company-Only financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The chairman and general manager are responsible for developing and monitoring the Company's risk management policies. Also they report regularly to the Board of Directors on the activities performed by Company.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set and monitor appropriate risk limits and controls, to ensure they are adhered to accordingly. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors ensures that the supervision of the management is in compliance with the Company's risk management policies and procedures, as well as reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by an Internal Audit, wherein the Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, in which the results are to be reported to the Board of Directors.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments in debt securities.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

1) Trade and other receivable

The Company's exposure to credit risk is mainly influenced by its individual customer's condition. The management also assess the statistical information based on the Company's customers, including the default risk of the customer's industry and nation, which have the factors to influence the Company's credit risk. For the years ended December 31, 2023 and 2022, the Company's accounts receivable were not concentrated in any geographical location, therefore, there were no concentration of credit risks.

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Board of Directors; these limits are reviewed periodically.

The Company sets the allowance for its doubtful accounts to reflect the estimated loss of its trade and other receivables, as well as its investments. The major component of the allowance account contains individually significant exposure related to specific losses. Also, the component includes the losses on similar asset groups that have occurred but not yet identified.

The allowance for doubtful account is based on statistical information of historical payment of the similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2023 and 2022, the residual amounts of guarantees to the subsidiaries are \$168,905 thousand and \$168,850 thousand, respectively.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Company aims to maintain the level of its cash and cash equivalents and other highly marketable debt investments at an amount in excess of expected cash flows on financial liabilities over the succeeding 60 days. The Company also monitors the level of expected cash outflows on trade and other payables. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As of December 31, 2023 and 2022, the Company's unused credit line amounted to \$720,913 thousand and \$1,382,978 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, and equity prices, which will affect the Company's income or the value of its holdings of financial instruments. In order to manage and control the foreign exchange rates, the Company will maintain a certain limit of the net portion of the foreign currency.

The Company designates the stocks listed on domestic markets and bond funds which are classified as financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income respectively; and therefore, the valuation of equity prices will fluctuate according to the changes in market prices. To manage the market risk, the Company transacts with securities trusts institutions with good credit ratings and estimates the equity price risk of its equity instruments through a professional manager.

The Company is exposed to interest risk on the fair value of its financial asset and financial liabilities due to deposit in bank and bank loans. The changes in interest risk on these financial instruments have no significant impact on the fair value.

(u) Capital management

The Board of Directors' policy is to maintain a strong capital base to ensure the confidence of investors, creditors and market, and to sustain future development of the business. The Company use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity. The Company's debt-to-equity ratio at the end of the reporting period as of 31 December, 2023 and 2022, is as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 1,433,550	1,425,333
Less: cash and cash equivalents	<u>1,135,489</u>	<u>839,088</u>
Net liabilities (assets)	<u>\$ 298,061</u>	<u>586,245</u>
Total equity	<u>\$ 3,190,127</u>	<u>3,031,986</u>
Debt-to-equity ratio	<u>9%</u>	<u>19%</u>

The increase in the amounts on investing activities in 2022 resulted in the Company's cash and cash equivalents to decrease.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

- (v) Investing and financing activities not affecting current cash flow

The Company's financial activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022 were as follows:

- (i) For right-of-use assets under leases, please refer to note 6(i).
(ii) Reconciliation of liabilities arising from financial activities was as follows:

	<u>January 1,</u> <u>2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u> <u>Other</u>	<u>December 31,</u> <u>2023</u>
Lease liabilities (current and non- current)	\$ <u>314,806</u>	<u>(12,702)</u>	<u>(1,354)</u>	<u>300,750</u>
	<u>January 1,</u> <u>2022</u>	<u>Cash flows</u>	<u>Non-cash changes</u> <u>Other</u>	<u>December 31,</u> <u>2022</u>
Lease liabilities (current and non- current)	\$ <u>322,470</u>	<u>(14,162)</u>	<u>6,498</u>	<u>314,806</u>

(7) Related-party transactions:

- (a) Parent company and ultimate controlling company

The Company is the ultimate controlling party of the Company and its subsidiaries.

- (b) Names and relationship with the Company

The followings are entities that have had transactions with related party and subsidiary during the periods covered in the parent-company-only financial statements.

<u>Name of related party</u>	<u>Relationship with the Company</u>
BIOTEQUE MEDICAL CO., LTD.	The subsidiary
CHUNGTEX INVESTMENT CO. LTD	The subsidiary
BIOTEQUE MEDICAL PHIL.INC.	The subsidiary
BONTEQ MEDICAL DISTRIBUTION PHIL.INC.	The subsidiary

Note : BIOTEQUE MEDICAL CO., LTD made remittance of share capital on December 25, 2023.
As of December 31, 2023, the company was still under the liquidation.

- (c) Significant transactions with related parties:

- (i) The transaction of entrusting subsidiary to process and repurchase the finished product

The Company sells raw materials to subsidiaries, which they are processed, and then purchases back some of the finished products and sells them to customers. The accounting method is not purchase and sale, however, accounts receivable and payables are still settled in the total amount and are therefore still shown in the total amount.

The amounts sold in 2023 and 2022 were \$160,780 thousand and \$300,982 thousand, respectively, and the amounts of finished products purchased after processing in 2023 and 2022 were \$266,128 thousand and \$356,690 thousand, respectively, with the difference included in the processing cost of \$105,348 thousand and \$55,708 thousand, respectively.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(ii) Disposal of property, plant and equipment

	2022	
Relationship with the Company	Amount of disposal	Gain from disposal
BIOTEQUE MEDICAL PHIL.INC.	\$ 290	-

There was no such transaction in 2023.

(iii) Guarantee

The Company provides endorsement guarantee for subsidiaries, and the details of its were as follows:

	December 31, 2023	December 31, 2022
BIOTEQUE MEDICAL PHIL.INC.	\$ 168,905	168,850

The Company in accordance with the above-mentioned endorsement guarantee, charges 0.5% of the endorsement guarantee fee to the subsidiary. The Company's endorsement guarantee income in 2023 and 2022 were \$273 thousand and \$375 thousand, respectively, while the guarantee fees receivable for the years ended December 31, 2023 and 2022 were \$210 thousand and \$254 thousand, respectively, including other receivables-related parties.

(iv) Receivables from related parties

Account	Relationship	December 31, 2023	December 31, 2022
Accounts receivable-related parties	BIOTEQUE MEDICAL PHIL.INC.	\$ 108,068	232,776
Accounts receivable-related parties	BONTEQ MEDICAL DISTRIBUTION PHIL.INC.	4,023	5,731
Other receivable-related parties	BIOTEQUE MEDICAL PHIL.INC.	97,651	9,868
		\$ 209,742	248,375

(v) Payables to related parties

Account	Relationship	December 31, 2023	December 31, 2022
Accounts payable-related parties	BIOTEQUE MEDICAL PHIL.INC.	\$ 41,721	51,925

(vi) Loans to related parties

	December 31, 2023	December 31, 2022
BIOTEQUE MEDICAL PHIL INC.	\$ 92,130	-

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company's borrowings. The loans to related parties are unsecured. There are no expected credit loss required after the management's assessment.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(d) Key management personnel compensation

Key management personnel compensation was comprised as below:

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 26,736	26,741
Post-employment benefits	1,784	1,007
	<u>\$ 28,520</u>	<u>27,748</u>

(8) Assets Pledged as security:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other current financial assets:			
Restricted bank deposit	Purchase guarantee	\$ 601	601
Property, plant and equipment			
Land	Credit of short-term borrowings	91,834	91,834
Buildings and structures	Credit of short-term borrowings	<u>157,174</u>	<u>165,448</u>
		<u>\$ 249,609</u>	<u>257,883</u>

(9) Commitments and contingencies:

(a) Contingencies

In prior years, the Company 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 Company. The Company assess there is no significant impact on its financial statements.

(b) Notes issued as guarantee

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Long-and short-term borrowings	<u>\$ 1,890,000</u>	<u>1,890,000</u>

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total contract price	<u>\$ 236,831</u>	<u>465,904</u>
Paid amount	<u>\$ 210,804</u>	<u>257,350</u>

(10) Losses due to major disasters: None

(11) Subsequent events: None

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

(12) Other:

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

By item	By function	2023			2022		
		Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits							
Salary		156,066	95,134	251,200	153,795	98,230	252,025
Labor and health insurance		16,816	7,570	24,386	15,001	7,382	22,383
Pension		5,198	4,755	9,953	5,621	3,625	9,246
Remuneration of directors		-	9,759	9,759	-	9,889	9,889
Others		9,719	3,504	13,223	9,294	3,278	12,572
Depreciation (Note)		115,323	10,396	125,719	92,708	8,356	101,064
Amortization		1,068	2,498	3,566	982	2,236	3,218

(Note) The capitalized depreciation expenses of right-of-use assets amounting to \$4,722 thousand was recognized as construction in progress for the years ended December 31, 2022. There was no transaction in 2023.

For the years ended December 31, 2023 and 2022, the number of employees and employee benefits were as follows:

	<u>2023</u>	<u>2022</u>
Number of employees	<u>400</u>	<u>383</u>
Number of non-employee directors	<u>8</u>	<u>6</u>
Average labor cost	<u>\$ 762</u>	<u>786</u>
Average salaries and bonus	<u>\$ 641</u>	<u>669</u>
Average salaries and bonus adjustment	<u>(4.19)%</u>	<u>13.58 %</u>
Compensation to the supervisors	<u>\$ -</u>	<u>1,309</u>

Information of company policy regarding to salary and remuneration:

The purpose that the Company formulates its salary and remuneration policy is to achieve its strategy goal, both short-term and long-term. Such goal is to sustain its business operation, and is achieved via recruiting efficient talents, inspiring work morale of all employees, sustaining outstanding human resources, keeping labor-management in harmony, sharing profit and involving both labor-management parties to the business operation. Internally, the policy should be based on the principal of fairness and consistency, yet reflect the Company's culture of performance oriented. It also needs to comply with the current and future organization's overall salary standard. Externally, by setting up the grade of overall salary and the reward system, the Company can ensure its competitiveness within the industry.

(Continued)

BIOTEQUE CORPORATION
Notes to the Parent-Company-Only Financial Statements

In accordance with article 20 of the Company Act, besides the routine salary and depending on the performance of the operation, if profitable, the Company should appropriate at least 5% of its annual profit as employee reward. Besides, to further motivate employees at all level and encourage them to explore their potentials, the Company also contributes certain percentage of its annual profit as performance and year-end bonus.

Board members:

In accordance with article 20 of the Company Act, if the Company incurs profit during the year, it should allocate no more than 1.6% of its profit as remuneration to the board members. Furthermore, the Company should execute the allocation only when the Company has retained earnings. The board members' remuneration policy is based on the directors' performance evaluation guidelines, the Company's overall operating performance and future operation needs. Reasonable remuneration is given by considering the individual's output to the Company's operation. The proposal is proposed by Remuneration Committee, to be approved by the Board for a resolution, then reported during the shareholders' meeting.

Management team:

The Company's policy for remuneration to the management team in accordance with the Company's regulation which is approved in the board meeting. According to the performance evaluation guidelines, the remuneration is based on the actual performance of an individual and its output to Company's operation, taking into consideration the remuneration distribution standards set by competitors and Human Resource department, as well as the standard decided by the Remuneration Committee, to be proposed to the Board for a resolution, then approved during the shareholders' meeting.

Employees:

Employees' salary rate is set based on the market rate, as well as the operation and organization structure of the Company. The rate is adjusted according to the changes in market salary rate, overall economic circumstance, industrial climate and modification of government regulations.

Each reward is regulated by the Company's reward distribution policy. If the Company incurs profit for the year, the profit shall first be used to pay tax, then offset against any deficit; thereafter, reserved for dividends. Subsequently, certain percentage of the remainder will be distributed as reward bonus to employees based on the evaluation of their performance.

BIOTEQUE CORPORATION

Notes to the Parent-Company-Only Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The followings is the information on the Company's significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the years ended December 31, 2023:

(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 (Note 2)	Maximum limit of fund financing (Note 2)
													Item	Value		
1	The Company	BIOTEQUE MEDICAL PHIL. INC.	Accounts receivable from related parties	Yes	162,050 (USD 5,500)	153,550 (USD 5,500)	92,130 (USD 3,000)	3.00%	2	-	Working Capital	-	None	-	3,190,127 (Note 2)	3,190,127 (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.

(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	178,255 (USD 5,500)	168,905 (USD 5,500)	25,592 (USD 833)	-	5.29 %	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

Notes to the Parent-Company-Only 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	10,629	- %	10,629	
"	Yuanta Wan Tai Money Market Fund	"	"	2,497	38,839	- %	38,839	
"	Franklin Templeton Sinoam Money Market Fund	"	"	2,992	31,798	- %	31,798	
"	Mega Diamond Money Market Fund	"	"	2,894	37,325	- %	37,325	
	Total			-	118,591	- %	118,591	

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	Counter-party	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 December 31, 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 December 31, 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 December 31, 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.

(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
					Amount	Action taken		
The Company	BIOTEQUE MEDICAL PHIL. INC.	Subsidiary	205,719	0.36 %	-	-	20,740	-

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
Notes to the Parent-Company-Only Financial Statements

(b) Information on investees:

The following are the information on investees for the year ended December 31, 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 December 31, 2023			Net income (losses) of investee	Share of profits (losses) of investee	Remark
				December 31, 2023	December 31, 2022	Shares (in thousands)	Percentage of ownership	Carrying value			
The Company	BIOTEQUE MEDICAL CO., LTD.	Samoa	Investment activities	-	16,349	-	- %	-	(1,913)	(1,913)	Subsidiary
The Company	CHUNGTEX INVESTMENT CO., LTD.	Taipei	Investment activities	28,800	28,800	2,880	100.00 %	30,208	1,422	1,422	"
The Company	BIOTEQUE MEDICAL PHIL. INC.	Philippines	Manufacturing and Trading of Medical equipment	299,315	299,315	4,881	100.00 %	469,626	15,140	15,140	"
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Philippines	Trading of Medical equipment	6,801	6,801	100	100.00 %	46,993	10,047	10,047	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 %

(14) Segment information:

Please see the consolidated financial statements for the year ended December 31, 2023.

BIOTEQUE CORPORATION
Statement of cash and cash equivalents
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amounts</u>
Cash on hand		\$ <u>862</u>
Cash in banks:		
Demand deposits		1,022,983
Checking accounts		5,573
Foreign currency deposits		
	USD 2,366,577.85 · @ 30.71	72,678
	JPY 24,871,001.72 · @ 0.21735	5,406
	EUR 291,727.11 · @ 34.03	9,927
	CNY 4,171,934.60 · @ 4.329	<u>18,060</u>
		<u>1,134,627</u>
		\$ <u>1,135,489</u>

BIOTEQUE CORPORATION

Statement of financial assets measured at fair value through profit or loss - current

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Name of financial instrument	Description	Shares or units (in thousand)	Par value	Total amount	Interest rate	Acquisition cost	Fair value		Fair value changes is attributable to the changes in credit risk	Note
							Unit price (in dollars)	Total amount		
Capital Money Market Fund		641	\$ -	-	-	% 10,042	16.5869	10,629	-	
Yuanta Wan Tai Money Market Fund		2,497	-	-	-	% 35,935	15.5532	38,839	-	
Frankline Templeton Sinoam Money Market Fund		2,992	-	-	-	% 30,000	10.6260	31,798	-	
Mega Diamond Money Market Fund		2,894	-	-	-	% 35,055	12.8995	37,325	-	
						111,032		118,591	-	

BIOTEQUE CORPORATION**Statement of notes receivable****December 31, 2023****(Expressed in thousands of New Taiwan Dollars)**

<u>Client name</u>	<u>Amount</u>
A Company	\$ 21,100
B Company	9,710
C Company	7,217
D Company	12,820
E Company	11,702
Other (Each amount is less than 5% of the balance)	<u>2,726</u>
	<u>\$ 65,275</u>

Statement of accounts receivables (including related parties)

<u>Item</u>	<u>Amount</u>
Subsidiary	\$ 112,091
A Company	60,175
B Company	18,595
Other (Each amount is less than 5% of the balance)	<u>102,759</u>
	<u>\$ 293,620</u>

BIOTEQUE CORPORATION

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>		<u>Note</u>
	<u>Cost</u>	<u>Net realizable value</u>	
Raw material	\$ 133,270	133,270	Note
Work in progress	38,931	38,931	Note
Finish goods	71,786	71,647	
Merchandise	4,225	4,045	
Raw materials in transit	<u>11,345</u>	<u>11,345</u>	Note
Total	259,557	<u><u>259,238</u></u>	
Less: provision of valuation of inventories losses	<u>(6,494)</u>		
	<u><u>\$ 253,063</u></u>		

(Note): This inventory is for subsequent manufacturing use, it is not intended to be sold directly, according to the market value of the manufactured goods to calculate its cost, due to its market price is higher than the cost, therefore its cost is listed as the market price.

Statement of other current assets

<u>Item</u>	<u>Amount</u>
Prepaid expense	\$ 10,856
Prepayment to suppliers	5,649
Prepaid insurance premiums	4,653
Tax refund receivable	4,436
Other (Each amount is less than 5% of the balance)	<u>1,671</u>
	<u><u>\$ 27,265</u></u>

BIOTEQUE CORPORATION
Statement of changes in investments accounted for using the equity method
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Name	Beginning balance		Increase		Decrease		Ending balance			Market value or net assets value		Collateral	Note
	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Shares (in thousand)	Amount	Shares (in thousand)	Percentage of ownership	Amount	Unit price (dollars)	Total amount		
BIOTEQUE MEDICAL CO., LTD.	500	\$ 17,273	-	239 (Note 1)	500	17,512 (Note 2)	-	- %	-	-	-	No	
CHUNGTEX INVESTMENT CO., LTD.	2,880	28,786	-	1,422 (Note 3)	2,880	30,208 (Note 4)	-	- %	-	-	-	No	
BIOTEQUE MEDICAL PHIL. INC.	4,481	455,841	-	20,012 (Note 5)	-	6,227 (Note 6)	4,481	100.00 %	469,626	104.80	469,626	No	
		<u>\$ 501,900</u>		<u>21,673</u>		<u>53,947</u>			<u>469,626</u>		<u>469,626</u>		

(Note 1) Comprised of exchange differences on translation for foreign financial statements \$239 thousand.

(Note 2) Comprised of losses on investment \$1,913 thousand and liquidation of BIOTEQUE MEDICAL CO., LTD. with the book value \$15,599 thousand.

(Note 3) Comprised of gains on investment \$1,422 thousand.

(Note 4) Comprised of the amount of non-current assets classified as held for sale \$30,208 thousand due to CHUNGTEX INVESTMENT CO., LTD. liquidated by resolution of the Board of Directors.

(Note 5) Comprised of gains \$15,140 thousand, deferred credits \$4,662 and exchange differences on translation for foreign financial statements \$210 thousand.

(Note 6) Comprised of unrealized gain \$6,022 thousand and deferred debit 205 thousand.

BIOTEQUE CORPORATION**Statement of prepayments****December 31, 2023****(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>
Prepayments for business facilities	<u>\$ 157,492</u>

Statement of other non-current assets

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Other non-current assets	IT software expense	<u>\$ 3,926</u>

Statement of other financial assets**(current and non-current)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>
Other current financial assets	Restricted deposits	<u>\$ 601</u>
Other non-current financial assets	Guarantee deposits paid	<u>\$ 2,981</u>

BIOTEQUE CORPORATION**Statement of notes payable****December 31, 2023****(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>
A Company	\$ <u>205</u>

Statement of accounts payables (including related parties)

<u>Item</u>	<u>Amount</u>
Subsidiary	\$ 41,721
A Company	19,353
B Company	15,303
C Company	10,111
Other (Each amount is less than 5% of the balance)	<u>91,908</u>
	<u>\$ 178,396</u>

BIOTEQUE CORPORATION
Statements of payable on machinery and equipment
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Item	Amounts
Payables on machinery and equipment	\$ 103,930

Statement of other payables

Item	Amount
Employee compensation and directors remuneration payables	\$ 41,337
Accrued bonus	20,987
Wages and salaries payable	15,776
Other (Each amount is less than 5% of the balance)	50,534
	\$ 128,634

BIOTEQUE CORPORATION

Statement of lease liabilities

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Lease term</u>	<u>Discount rate</u>	<u>Ending balance</u>	<u>Note</u>
Building and structures	Parking lot	2028.7.1~2025.6.30	1.175 %	\$ 612	
Building and structures	Office	2010.4.1~2025.3.31	0.91 %	5,976	
land	Factory	2020.8.1~2059.12.31	0.60 %	<u>294,162</u>	
Subtotal				300,750	
Current portion				<u>(12,524)</u>	
Total				<u>\$ 288,226</u>	

Statement of other current liabilities

<u>Item</u>	<u>Amount</u>
Receipts under custody	<u>\$ 2,797</u>

BIOTEQUE CORPORATION
Statement of long-term borrowings
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Bank</u>	<u>Interest rate</u>	<u>Loan term</u>	<u>Amount</u>
Unsecured long-term bank loans	Export-Import Bank of the Republic of China	1.32 %	2022/12/29~2027/12/29	\$ 40,000
"	ChinaTrust Commercial Bank	1.35 %	2021/12/16~2026/12/16	71,100
"	Mega International Commercial Bank Co., Ltd.	1.25 %	2021/12/28~2028/12/28	<u>457,000</u>
	Subtotal			568,100
	Less: Current portion			<u>(121,871)</u>
	Total			<u><u>\$ 446,229</u></u>

Statement of operating revenue
For the year ended December 31, 2023

<u>Item</u>	<u>Amount</u>
Catheter of TPU	\$ 525,806
Bloodline Tube	259,203
IV Bag	363,120
AVF Needle	209,222
Surgical Tubing	99,591
Components	62,485
Catheters of Cardiovascular	155,544
Others	<u>170,671</u>
	<u><u>\$ 1,845,642</u></u>

BIOTEQUE CORPORATION
Statement of operating costs
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

	Item		Amount
Cost of outsourced goods			
	Beginning balance (Amount before deducting allowance to reduce inventory to market)	\$	3,698
	Add: Purchase		35,109
	Less: Ending balance (Amount before deducting allowance to reduce inventory to market)		4,225
	Transferred to expenses		116
	Subtotal		34,466
Cost of self-produced goods:			
	Beginning balance of raw materials		143,098
	Add: Purchase (including inventory transit)		386,390
	Gains on physical inventories		652
	Less: Ending balance of raw materials (including inventory in transit)		144,615
	Transferred to expenses		18,938
	Raw materials consumed		366,587
Direct labor			157,942
Manufacturing overhead			266,294
Manufacturing costs			790,823
	Add: Beginning balance of work in process		44,144
	Purchase		7,270
	Gains of physical inventories		17
	Less: Ending balance of work in process		38,931
	Transferred to expenses		7,198
	Cost of finished goods		796,125
	Add: Beginning balance of finished goods		59,325
	Purchase		259,604
	Others		560
	Less: Ending balance of finished goods (amount before deducting allowance to reduce inventory to market)		71,786
	Transferred to expenses		6,595
Cost of sales of finished goods			1,037,233
Gains on physical inventories			(669)
Losses on valuating of inventories			2,000
Operating costs		\$	1,073,030

BIOTEQUE CORPORATION**Statement of selling expenses****For the year ended December 31, 2023****(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Amount</u>
Freight	\$ 19,924
Payroll	16,215
Export expense	7,258
Advertisements	3,359
Other (Each amount is less than 5% of the balance)	<u>20,141</u>
	<u>\$ 66,897</u>

Statement of administrative expenses

<u>Item</u>	<u>Amount</u>
Payroll	\$ 45,536
Remuneration of directors and supervisors	9,657
Professional services fee	5,707
Other (Each amount is less than 5% of the balance)	<u>14,931</u>
	<u>\$ 75,831</u>

BIOTEQUE CORPORATION
Statement of research and development expenses
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Amount</u>
Payroll	\$ 33,384
Testing	12,234
Labor and Health insurance	3,724
Depreciation	4,777
Other (Each amount is less than 5% of the balance)	<u>16,323</u>
	<u>\$ 70,442</u>

Statement of financial assets at amortized cost, please refer to note 6(c).

Statement of other receivable-related parties, please refer to note 7(c).

Statement of changes in cost and accumulated depreciation of the property, plant and equipment, please refer to note 6(h).

Statement of changes in cost and accumulated depreciation of the right-of-use assets, please refer to note 6(i).

Statement of defined benefit liability, please refer to note 6(l).

Statement of deferred tax assets and liabilities, please refer to note 6(m).

Statement of current contract liabilities, please refer to note 6(p).

Statement of interest income, please refer to note 6(r).

Statement of other income, please refer to note 6(r).

Statement of other gains and losses, please refer to note 6(r).

Statement of finance costs, please refer to note 6(r).

Statement of functional aggregation of employee benefits, depreciations, depletion and amortization, please refer to note 12.