Stock Code:4107

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

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Six Months Ended June 30, 2018 and 2017

Address: 5F.-6, No.23, Sec.1. Chang-An E. Rd., Taipei City 104, Taiwan (R.O.C.)
Telephone: +886-2-2571-0269

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

Table of contents

安侯建業聯合會計師事務所
KPMG
台北市11049信義路5段7號68樓(台北101大樓)
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,
Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)
Telephone 電話 + 886 (2) 8101 6666
Fax 傳真 + 886 (2) 8101 6667
Internet 網址 kpmg.com/tw

Independent Auditors' Review Report

To the Board of Directors of Bioteque Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of the Bioteque Corporation (the "Company") and its subsidiaries (together referred to as the "Group") as of June 30, 2018 and 2017, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2018 and 2017, and the statements of changes in equity and cash flows for the six months ended June 30, 2018 and 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2018 and 2017, and of its consolidated financial performance for the three months and six months ended June 30, 2018 and 2017, as well as its consolidated cash flows for the six months ended June 30, 2018 and 2017 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

KPMG

Taipei, Taiwan (Republic of China)
August 9, 2018

Notes to Readers

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

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

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

Reviewed only, not audited in accordance with the generally accepted auditing standards as of June 30, 2018 and 2017

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2018, December 31, 2017, and June 30, 2017

(Expressed in Thousands of New Taiwan Dollars)

	Assets	June 30, 2018 Amount	%	December 31, 2017 Amount	%	June 30, 2017 Amount	%
	Current assets:						
1100	Cash and cash equivalents (note 6(a))	$ 1,090,318	38	916,854	35	978,820	37
1110	Current financial assets at fair value through profit or loss (note 6(b))	176,076	6	173,542	7	173,604	6
1150	Notes receivable, net (notes 6(e) and (n))	69,725	2	74,723	3	52,071	2
1170	Accounts receivable, net (notes 6(e) and (n))	230,192	8	192,829	7	167,361	6
130X	Inventories (note 6(f))	245,590	9	197,592	7	202,814	8
1476	Other current financial assets (note 8)	1,308	-	1,435	-	2,518	-
1479	Other current assets (note 6(i))	18,651	1	22,606	1	29,444	1
	Total current assets	1,831,860	64	1,579,581	60	1,606,632	60
	Non-current assets:						
1517	Non-current financial assets at fair value through other comprehensive income (note 6(c))	340	-	-	-	-	-
1523	Non-current available-for-sale financial assets (note 6(d))	-	-	328	-	414	-
1600	Property, plant and equipment (notes 6(g) and 8)	950,560	33	959,108	37	966,494	37
1840	Deferred tax assets	3,066	-	3,066	-	1,804	-
1915	Prepayments for business facilities (note 9)	23,015	1	22,933	1	25,746	1
1980	Other non-current financial assets	1,813	-	1,780	-	1,796	-
1995	Other non-current assets (note 6(i))	54,769	2	54,674	2	55,600	2
	Total non-current assets	1,033,563	36	1,041,889	40	1,051,854	40
	Total assets	$ 2,865,423	100	2,621,470	100	2,658,486	100

	Liabilities and Equity	June 30, 2018 Amount	%	December 31, 2017 Amount	%	June 30, 2017 Amount	%
	Current liabilities:						
2100	Short-term borrowings (note 6(h))	$ 80,000	3	80,000	3	80,000	3
2130	Current contract liabilities (notes 3 and 6(n))	22,300	1	-	-	-	-
2150	Notes payable	43,196	2	43,197	2	35,911	1
2170	Accounts payable	88,321	3	53,805	2	60,096	3
2209	Other payables (note 6(p))	107,779	4	97,316	4	87,471	3
2213	Payables on machinery and equipment	2,859	-	9,478	-	6,350	-
2216	Dividends payable	242,544	8	-	-	207,895	8
2230	Current tax liabilities	54,909	2	46,056	2	46,240	2
2320	Long-term liabilities, current portion (notes 6(h) and 9)	50,800	2	37,225	1	20,280	1
2399	Other current liabilities (note 3)	3,356	-	27,200	1	33,736	1
	Total current liabilities	696,064	25	394,277	15	577,979	22
	Non-Current liabilities:						
2540	Long-term borrowings (notes 6(h)、8 and 9)	20,320	1	44,670	2	70,980	3
2570	Deferred tax liabilities	38,448	1	38,448	1	41,035	2
2600	Other non-current liabilities	7	-	8	-	-	-
2640	Net defined benefit liability, non-current	7,339	-	7,291	-	6,785	-
	Total non-current liabilities	66,114	2	90,417	3	118,800	5
	Total liabilities	762,178	27	484,694	18	696,779	27
	Equity attributable to owners of parent (note 6(l)):						
3100	Ordinary shares	692,983	24	692,983	26	692,983	26
3200	Capital surplus	315,168	11	315,168	12	315,168	12
	Retained earnings:						
3310	Legal reserve	283,404	10	253,010	10	253,010	9
3320	Special reserve	6,459	-	-	-	-	-
3350	Unappropriated retained earnings	798,823	28	882,074	34	698,638	26
		1,088,686	38	1,135,084	44	951,648	35
	Other equity interest:						
3410	Exchange differences on translation of foreign financial statements	7,620	-	(5,235)	-	3,045	-
3420	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	(1,212)	-	-	-	-	-
3425	Unrealized gains (losses) on available-for-sale financial assets	-	-	(1,224)	-	(1,137)	-
		6,408	-	(6,459)	-	1,908	-
	Total equity	2,103,245	73	2,136,776	82	1,961,707	73
	Total liabilities and equity	$ 2,865,423	100	2,621,470	100	2,658,486	100

See accompanying notes to consolidated financial statements.

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

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

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2018 and 2017

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

		For the three months ended June 30				For the six months ended June 30			
		2018		2017		2018		2017	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (notes 6(n) and (o))	$ 407,677	100	348,286	100	783,585	100	678,281	100
5000	Operating costs (notes 6(f), (g), (i), (j) and 12)	231,923	57	201,514	58	448,739	57	397,858	59
	Gross profit from operations	175,754	43	146,772	42	334,846	43	280,423	41
6000	Operating expenses (notes 6(g), (j), (p), 7 and 12):								
6100	Selling expenses	18,856	5	16,032	4	34,287	4	30,184	4
6200	Administrative expenses	21,261	5	17,322	5	42,833	6	34,935	5
6300	Research and development expenses	8,895	2	10,340	3	17,586	2	19,118	3
	Total operating expenses	49,012	12	43,694	12	94,706	12	84,237	12
6900	Net operating income	126,742	31	103,078	30	240,140	31	196,186	29
7000	Non-operating income and expenses (note 6(q)):								
7010	Other income	2,538	1	2,190	-	5,633	-	4,477	1
7020	Other gains and losses	17,833	4	7,167	2	7,619	1	(29,184)	(4)
7050	Finance costs	(722)	-	(1,132)	-	(1,507)	-	(2,293)	(1)
	Total non-operating income and expenses	19,649	5	8,225	2	11,745	1	(27,000)	(4)
7900	Profit before tax	146,391	36	111,303	32	251,885	32	169,186	25
7950	Less: Tax expense (note 6(k))	33,116	8	39,902	11	55,739	7	49,537	7
	Profit	113,275	28	71,401	21	196,146	25	119,649	18
8300	Other comprehensive income (loss):								
8310	Components of other comprehensive income that will not be reclassified to profit or loss:								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	33	-	-	-	12	-	-	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	33	-	-	-	12	-	-	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss:								
8361	Exchange differences on translation	25,171	6	1,608	-	12,855	2	(27,489)	(4)
8362	Unrealized gains (losses) on valuation of available-for-sale financial assets	-	-	(51)	-	-	-	89	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income (loss) that will be reclassified to profit or loss	25,171	6	1,557	-	12,855	2	(27,400)	(4)
8300	Other comprehensive income, net	25,204	6	1,557	-	12,867	2	(27,400)	(4)
	Comprehensive income	$ 138,479	34	72,958	21	209,013	27	92,249	14
	Profit, attributable to:								
	Profit, attributable to owners of parent	$ 113,275	28	71,401	21	196,146	25	119,649	18
	Comprehensive income, attributable to:								
	Comprehensive income, attributable to owners of parent	$ 138,479	34	72,958	21	209,013	27	92,249	14
9750	Basic earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)	$	1.63		1.03		2.83		1.73
9850	Diluted earnings per share (note 6(m)) (Expressed in New Taiwan Dollars)	$	1.63		1.03		2.82		1.72

See accompanying notes to consolidated financial statements.

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

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the six months ended June 30, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to owners of parent								
			Retained earnings			Other equity interest			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total equity
Balance at January 1, 2017	$ 692,983	384,467	217,187	-	753,408	30,534	-	(1,226)	2,077,353
Net income for the six months ended June 30, 2017	-	-	-	-	119,649	-	-	-	119,649
Other comprehensive income for the six months ended June 30, 2017	-	-	-	-	-	(27,489)	-	89	(27,400)
Total comprehensive income for the six months ended June 30, 2017	-	-	-	-	119,649	(27,489)	-	89	92,249
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	35,823	-	(35,823)	-	-	-	-
Cash dividends	-	(69,299)	-	-	(138,596)	-	-	-	(207,895)
Balance at June 30, 2017	$ 692,983	315,168	253,010	-	698,638	3,045	-	(1,137)	1,961,707
Balance at January 1,2018	$ 692,983	315,168	253,010	-	882,074	(5,235)	-	(1,224)	2,136,776
Effects of retrospective application	-	-	-	-	-	-	(1,224)	1,224	-
Balance at January 1,2018 after adjustments	692,983	315,168	253,010	-	882,074	(5,235)	(1,224)	-	2,136,776
Net income for the six months ended June 30, 2018	-	-	-	-	196,146	-	-	-	196,146
Other comprehensive income for the six months ended June 30, 2018	-	-	-	-	-	12,855	12	-	12,867
Total comprehensive income for the six months ended June 30, 2018	-	-	-	-	196,146	12,855	12	-	209,013
Appropriation and distribution of retained earnings:									
Legal reserve	-	-	30,394	-	(30,394)	-	-	-	-
Special reserve	-	-	-	6,459	(6,459)	-	-	-	-
Cash dividends	-	-	-	-	(242,544)	-	-	-	(242,544)
Balance at June 30, 2018	$ 692,983	315,168	283,404	6,459	798,823	7,620	(1,212)	-	2,103,245

See accompanying notes to consolidated financial statements.

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

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

BIOTEQUE CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the six months ended June 30, 2018 and 2017

(Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30	
	2018	2017
Cash flows generated from (used in) operating activities:		
Profit before tax	$ 251,885	169,186
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	39,880	37,522
Amortization expense	2,110	1,423
Net losses (gains) on financial assets at fair value through profit or loss	115	(1,132)
Interest expense	1,507	2,293
Interest income	(2,309)	(3,511)
Losses (gains) on disposal of property, plant and equipment	25	(124)
Total adjustments to reconcile profit	41,328	36,471
Changes in operating assets:		
Notes receivable	4,998	24,772
Accounts receivable	(37,363)	(3,031)
Inventories	(47,998)	1,176
Other current assets	4,021	(5,892)
Other financial assets	127	51
Total changes in operating assets	(76,215)	17,076
Changes in operating liabilities:		
Current contract liabilities	22,300	-
Notes payable	(1)	3,539
Accounts payable	34,516	(13,290)
Other payable	10,644	(12,958)
Net defined benefit liability	48	(103)
Other current liabilities	(23,844)	(5,523)
Total changes in operating liabilities	43,663	(28,335)
Total changes in operating assets and liabilities	(32,552)	(11,259)
Total adjustments	8,776	25,212
Cash inflow generated from operations	260,661	194,398
Interest received	2,243	3,563
Income taxes paid	(46,886)	(53,893)
Net cash flows generated from operating activities	216,018	144,068
Cash flows generated from (used in) investing activities:		
Acquisition of financial assets at fair value through profit or loss	(59,231)	(58,694)
Proceeds from disposal of financial assets at fair value through profit or loss	57,267	68,588
Acquisition of property, plant and equipment	(12,817)	(6,146)
Proceeds from disposal of property, plant and equipment	105	163
Decrease (increase) in other non-current financial assets	(33)	52
Decrease (increase) in other non-current assets	(2,205)	1,956
Increase in prepayments for business facilities	(8,695)	(22,710)
Decrease in payables on machinery and equipment	(6,619)	-
Net cash flows used in investing activities	(32,228)	(16,791)
Cash flows generated from (used in) financing activities:		
Proceeds from long-term borrowings	-	40,560
Repayments of long-term borrowings	(12,309)	(5,738)
Decrease in guarantee deposits	(1)	-
Interest paid	(1,688)	(2,275)
Net cash flows generated from (used in) financing activities	(13,998)	32,547
Effect of exchange rate changes on cash and cash equivalents	3,672	29
Net increase in cash and cash equivalents	173,464	159,853
Cash and cash equivalents at beginning of period	916,854	818,967
Cash and cash equivalents at end of period	$ 1,090,318	978,820

See accompanying notes to consolidated financial statements.

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

BIOTEQUE CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

June 30, 2018 and 2017

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

(1) Company history

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

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

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

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

(b) Reinvestment and monopoly investment in securities business.

Please refer to note 14 for the related information.

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

The consolidated financial statements for the six months ended June 30, 2018 and 2017 were authorized for issuance by the board of directors on August 9, 2018.

(3) New standards, amendments and interpretations adopted:

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

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

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

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

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

1) Sales of goods

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

2) Impacts on financial statements

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

	June 30, 2018			January 1, 2018		
Impacted line items on the consolidated balance sheet	**Balances prior to the adoption of IFRS 15**	**Impact of changes in accounting policies**	**Balance upon adoption of IFRS 15**	**Balances prior to the adoption of IFRS 15**	**Impact of changes in accounting policies**	**Balance upon adoption of IFRS 15**
Advance sale receipts (Note)	$ 22,300	(22,300)	-	15,755	(15,755)	-
Current contract liabilities	-	22,300	22,300	-	15,755	15,755
Impact on liabilities		-			-	

(Note) Recognized under other current liabilities.

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) IFRS 9 "Financial Instruments"

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

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

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

1) Classification of financial assets and financial liabilities

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

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

2) Impairment of financial assets

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Transition

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

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

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

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

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

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

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

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

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

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

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

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

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

(iii) Amendments to IAS 7 "Disclosure Initiative"

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

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

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

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2019 in accordance with Ruling No. 1070324857 issued by the FSC on July 17, 2018:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 16 "Leases"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019
Amendments to IFRS 9 "Prepayment features with negative compensation"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019
Amendments to IAS 28 "Long-term interests in associates and joint ventures"	January 1, 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	January 1, 2019

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(i) IFRS 16"Leases"

IFRS 16 replaces the existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

IFRS 16 introduces a single and an on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In addition, the nature of expenses related to those leases will now be changed since IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. The lessor accounting remains similar to the current standard – i.e. the lessors will continue to classify leases as finance or operating leases.

The Group has completed an initial assessment of the potential impact on its consolidated financial statements, wherein the detailed assessment has yet to be completed. The actual impact of applying IFRS 16 on its financial statements in the period of initial application will depend on future economic conditions, including the Group' s discounting rate, the composition of the Group' s lease portfolio at that date, the Group' s latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions.

So far, the most significant impact identified is that the Group will have to recognize the new assets and liabilities for its operating leases of offices, warehouses, and factory facilities.

No significant impact is expected for the Group's finance leases. Besides, The Group does not expect the adoption of IFRS 16 to have any impact on its ability to comply with the revised maximum leverage threshold loan covenant.

1) Determining whether an arrangement contains a lease

On transition to IFRS 16, the Group can choose to apply either of the following:

—IFRS 16 definition of a lease to all its contracts; or

— a practical expedient that does not need any reassessment whether a contract is, or contains, a lease.

The Group is assessing the potential impact of using the practical expedient.

2) Transition

As a lessee, the Group can apply the standard using either of the following:

—retrospective approach; or

—modified retrospective approach with optional practical expedients.

The Group is assessing the potential impact.

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

As of the date, the following IFRSs that have been issued by the IASB, but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021

Above IFRS issued by IASB but not yet endorsed by the FSC which may not be relevant to the Group.

(4) Summary of significant accounting policies:

(a) Statement of compliance

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

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

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

Name of investor	Name of subsidiary	Principal activity	Shareholding June 30, 2018	Shareholding December 31, 2017	Shareholding June 30, 2017
The Company	BIOTEQUE MEDICAL CO., LTD.	Investment activities	100.00 %	100.00 %	100.00 %
The Company	CHUNGTEX INVESTMENT CO., LTD	Investment activities	100.00 %	100.00 %	100.00 %
The Company	BIOTEQUE MEDICAL PHIL. INC.	Manufacturing and Trading of Medical equipment	100.00 %	100.00 %	100.00 %
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Trading of Medical equipment	100.00 %	100.00 %	100.00 %

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

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

— it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

— its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Fair value through other comprehensive income (FVOCI)

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

− it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

− its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

3) Fair value through profit or loss (FVTPL)

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

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

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) Impairment of financial assets

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

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

—debt securities that are determined to have low credit risk at the reporting date；and

— other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

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

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

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

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

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

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

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

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

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

—significant financial difficulty of the borrower or issuer ;

—a breach of contract such as a default or being more than 180 days past due ;

— the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;

— it is probable that the borrower will enter bankruptcy or other financial reorganization ; or

—the disappearance of an active market for a security because of financial difficulties.

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

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

5) Derecognition of financial assets

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

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

1) Sale of goods

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

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

2) Financing components

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

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

(i) Incremental costs of obtaining a contract

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

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

(ii) Costs to fulfil a contract

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

— the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;

— the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and

— the costs are expected to be recovered.

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

(f) Income taxes

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

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

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

(g) Employee benefits

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

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

(6) Explanation of significant accounts:

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

(a) Cash and cash equivalents

	June 30, 2018	December 31, 2017	June 30, 2017
Cash on hand	$ 692	332	461
Cash in bank	924,332	756,435	816,085
RP bills	165,294	160,087	162,274
Cash and cash equivalents in the consolidated statement of cash flows	$ 1,090,318	916,854	978,820

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

	June 30, 2018	December 31, 2017	June 30, 2017
Financial assets designated as at fair value through profit or loss:			
Money market funds and bond funds	$ -	143,319	143,125
RP bills	29,740	28,809	29,194
Stock listed on domestic markets	-	1,414	1,285
Mandatorily measured at fair value through profit or loss:			
Non-derivative financial assets			
Money market funds and bond funds	143,105	-	-
Stock listed on domestic markets	3,231	-	-
Total	$ 176,076	173,542	173,604

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

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

	June 30, 2018
Equity investments at fair value though other comprehensive income:	
Stock listed on domestic markets	$ 340

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

On January 1, 2018, the Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes. These investments were classified as available-for-sale financial assets on December 31, 2017 and June 30, 2017.

No strategic investments were disposed as of June 30, 2018, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

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

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

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

	December 31, 2017	June 30, 2017
Stock listed on domestic markets	$ 328	414

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

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

(e) Note and trade receivables

	June 30, 2018	December 31, 2017	June 30, 2017
Note receivables	$ 69,725	74,723	52,071
Trade receivables	230,192	192,829	167,361
Less: Loss allowance	-	-	-
	$ 299,917	267,552	219,432

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on June 30, 2018. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provision as of June 30, 2018 was determined as follows:

	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 267,692	-	-
1 to 30 days past due	31,129	-	-
31 to 60 days past due	1,096	-	-
61 to 90 days past due	-	-	-
91 to 120 days past due	-	-	-
121 to 150 days past due	-	-	-
151 to 180 days past due	-	23.08 %	-
More than 181 days past due	-	100 %	-
	$ 299,917		-

As of December 31 and June 30, 2017, the Group applies the incurred loss model to consider the loss allowance provision of notes and trade receivable, and the aging analysis of notes and trade receivable, which were past due but not impaired, was as follows:

	December 31, 2017	June 30, 2017
Past due 1 to 60 days	$ 41,956	15,445

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

(f) Inventories

	June 30, 2018	December 31, 2017	June 30, 2017
Raw materials	$ 156,208	114,211	129,846
Work in progress	42,666	41,791	42,209
Finished goods	20,528	18,367	12,866
Merchandise	1,831	1,148	1,455
Raw materials in transit	24,357	22,075	16,438
	$ 245,590	197,592	202,814

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Gains on physical inventory	$ 714	517	1,124	575

The inventories of the Group were not collateralized.

(g) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Group for the six months ended June 30, 2018 and 2017 were as follows:

	Land	Building and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress	Total
Cost:								
Balance at January 1, 2018	$ 91,834	733,352	676,379	9,066	19,570	114,377	6,738	1,651,316
Additions	-	2,477	2,197	-	556	7,474	113	12,817
Disposals	-	-	(660)	-	-	(79)	-	(739)
Reclassification (Note)	-	6,136	3,274	-	-	5,897	(6,694)	8,613
Effect of changes in foreign exchange rates	-	7,862	2,400	24	30	1,095	(3)	11,408
Balance at June 30, 2018	$ 91,834	749,827	683,590	9,090	20,156	128,764	154	1,683,415
Balance at January 1, 2017	$ 91,834	722,187	610,984	5,989	19,417	118,782	51,726	1,620,919
Additions	-	-	2,376	2	60	3,974	67	6,479
Disposals	-	-	(249)	(662)	-	-	-	(911)
Reclassification (Note)	-	36,700	39,727	926	135	1,386	(43,236)	35,638
Effect of changes in foreign exchange rates	-	(18,419)	(4,491)	(64)	(80)	(2,101)	(1,924)	(27,079)
Balance at June 30, 2017	$ 91,834	740,468	648,347	6,191	19,532	122,041	6,633	1,635,046
Accumulated depreciation and impairment loss:								
Balance at January 1, 2018	$ -	174,326	412,932	4,318	16,252	84,380	-	692,208
Depreciation	-	9,942	21,249	421	543	7,725	-	39,880
Disposals	-	-	(569)	-	-	(40)	-	(609)
Effect of changes in foreign exchange rates	-	487	435	17	17	420	-	1,376
Balance at June 30, 2018	$ -	184,755	434,047	4,756	16,812	92,485	-	732,855
Balance at January 1, 2017	$ -	155,734	372,477	4,213	14,968	85,818	-	633,210
Depreciation	-	9,598	20,422	352	817	6,333	-	37,522
Disposals	-	-	(210)	(662)	-	-	-	(872)
Effect of changes in foreign exchange rates	-	(620)	(292)	(28)	(21)	(347)	-	(1,308)
Balance at June 30, 2017	$ -	164,712	392,397	3,875	15,764	91,804	-	668,552
Carrying amounts:								
Balance at January 1, 2018	$ 91,834	559,026	263,447	4,748	3,318	29,997	6,738	959,108
Balance at June 30, 2018	$ 91,834	565,072	249,543	4,334	3,344	36,279	154	950,560
Balance at January 1, 2017	$ 91,834	566,453	238,507	1,776	4,449	32,964	51,726	987,709
Balance at June 30, 2017	$ 91,834	575,756	255,950	2,316	3,768	30,237	6,633	966,494

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

As of June 30, 2018, December 31 and June 30, 2017, the property, plant and equipment of the Group had been pledged as collateral for borrowings; please refer to note 8.

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(h) Short-term and long-term borrowings

(i) Short-term borrowings

	June 30, 2018	December 31, 2017	June 30, 2017
Unsecured bank loans	$ 80,000	80,000	80,000
Unused credit lines	$ 897,352	679,010	771,890
Range of interest rate	0.91%	0.91%	0.91%~0.95%

(ii) Long-term borrowings

	June 30, 2018	December 31, 2017	June 30, 2017
Unsecured bank loans	$ 71,120	81,895	91,260
Less: Current portion	(50,800)	(37,225)	(20,280)
	$ 20,320	44,670	70,980
Unused credit lines	$ 30,480	29,780	45,630
Range of interest rate	2.70%~3.77%	2.51%~3.07%	2.90%~3.00%

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

	June 30, 2018	December 31, 2017	June 30, 2017
USD (thousand dollars)	$ 667	1,500	2,333
Convert to NTD	$ 20,320	44,670	70,980

As of June 30, 2018, the remaining balance of the borrowing due were as follows:

Period	Amount
2018.07.01～2019.06.30	$ 50,800
2019.07.01～2020.06.30	20,320
	$ 71,120

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Operating lease

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

As of June 30, 2018, December 31 and June 30, 2017, the amounts of the prepaid rent were $50,693 thousand, $49,882 thousand and $51,315 thousand, respectively, which recognized in other current assets of $724 thousand, $707 thousand and $722 thousand and in other non-current assets of $49,969 thousand, $49,175 thousand and $50,593 thousand, respectively.

The amounts of rental were as follows:

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Operating costs	$ 177	180	351	364

(j) Employee benefits

(i) Defined benefit plans

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

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

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Operating expenses	$ 69	70	139	139
Operating expenses	125	295	360	556
	$ 194	365	499	695

(ii) Defined contribution plans

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

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Operating costs	$ 1,350	1,329	2,699	2,723
Operating expenses	572	531	1,142	1,059
	$ 1,922	1,860	3,841	3,782

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(k) Income taxes

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

The amounts of income tax were as follows:

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Current period	$ 33,181	36,917	55,804	46,552
Adjustment for prior periods	(65)	2,985	(65)	2,985
Income tax expenses	$ 33,116	39,902	55,739	49,537

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

(l) Capital and other equity

Except for the following disclosure, there was no significant change for capital and other equity for the periods from January 1 to June 30, 2018 and 2017. For the related information, please refer to note 6(j) of the consolidated financial statements for the six months ended December 31, 2017.

(i) Capital surplus

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

	June 30, 2018	December 31, 2017	June 30, 2017
Share capital	$ 315,168	315,168	315,168

(ii) Retained earnings

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

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

1) Special reserve

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

2) Earnings distribution

On June 15, 2018 and June 22, 2017, the shareholder's meeting resolved to distribute the 2017 and 2016 earnings as follows:

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) OCI accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial asset measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total
Balance at January 1, 2018	$ (5,235)	-	(1,224)	(6,459)
Effects of retrospective application	-	(1,224)	1,224	-
Balance at January 1, 2018 after adjustments	(5,235)	(1,224)	-	(6,459)
Exchange differences on foreign operations	12,855	-	-	12,855
Unrealized gains (losses) from financial asset measured at fair value through other comprehensive income	-	12	-	12
Balance at June 30, 2018	$ 7,620	(1,212)	-	6,408

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial asset measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Total
Balance at January 1, 2017	$ 30,534	-	(1,226)	29,308
Exchange differences on translation of foreign financial statements	(27,489)	-	-	(27,489)
Unrealized gains (losses) on available-for-sale financial assets	-	-	89	89
Balance at June 30, 2017	$ 3,045	-	(1,137)	1,908

(m) Earnings per share

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

(i) Basic earnings per share

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Profit attributable to ordinary shareholders of the Company	$ 113,275	71,401	196,146	119,649
Weighted-average number of ordinary shares	69,298	69,298	69,298	69,298
Basic earnings per share (express in New Taiwan Dollar)	$ 1.63	1.03	2.83	1.73

(ii) Diluted earnings per share

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Profit attributable to ordinary shareholders of the Company	$ 113,275	71,401	196,146	119,649
Weighted-average number of ordinary shares (basic)	69,298	69,298	69,298	69,298
Effect of employee remuneration (in thousands)	73	46	215	241
Weighted-average number of ordinary shares (diluted)	69,371	69,344	69,513	69,539
Diluted earnings per share (express in New Taiwan Dollar)	$ 1.63	1.03	2.82	1.72

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(n) Revenue from contracts with customers

(i) Disaggregation of revenue

		Three months ended June 30, 2018	Six months ended June 30, 2018
Primary geographical markets:			
Asia	$	126,985	251,149
South America		48,806	94,987
North America		44,693	79,684
Others		187,193	357,765
	$	407,677	783,585
Major products service lines:			
Manufacturing, trading and selling of medical equipment	$	407,677	783,585

For details on revenue for the six months ended June 30, 2017 please refer to note 6(o).

(ii) Contract balances

		June 30, 2018	January 1, 2018
Notes and accounts receivable	$	299,917	267,552
Less: allowance for impairment		-	-
Total	$	299,917	267,552

		June 30, 2018	January 1, 2018
Current contract liabilities	$	22,300	15,755

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

The amount of revenue recognized for the six months ended June 30, 2018 that was included in the contract liability balance at the beginning of the period was $12,371 thousand.

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Revenue

		Three months ended June 30, 2017	Six months ended June 30, 2017
Sale of goods	$	348,875	678,893
Other operating income		246	246
Less: sale returns and allowances		(835)	(858)
	$	348,286	678,281

(p) Remuneration to employees, directors and supervisors

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

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

The Company's estimated remuneration is as follows:

		Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Employee remuneration	$	7,815	3,917	13,438	9,029
Directors' and supervisors' remuneration		2,501	1,867	4,300	2,889
	$	10,316	5,784	17,738	11,918

The amount of employee remuneration, and directors' and supervisors' remuneration were estimated based on profit before tax, net of the amount of the remuneration, and multiplied by the rule of Company's Article of Association. The above remuneration were included in the operating expenses of the six months ended June 30, 2018 and 2017. The differences between the actual distributed amounts as determined by the Board of Directors and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year.

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

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Non-operating income and expenses

(i) Other income

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Interest income:				
Interest income from RP bills	$ 920	1,331	1,725	2,777
Interest income from funds	90	89	179	178
Interest income from deposit	2	2	5	5
Interest income from bank deposit	157	424	400	551
	1,169	1,846	2,309	3,511
Subsidy revenue	-	30	263	526
Compensation income	19	-	592	-
Others	1,350	314	2,469	440
	$ 2,538	2,190	5,633	4,477

(ii) Other gains and losses

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Foreign exchange gains (losses)	$ 18,431	6,961	8,381	(30,087)
Gains (losses) on financial assets at fair value through profit or loss	(114)	249	(115)	1,132
Gains (losses) on disposal of property plant and equipment	1	-	(25)	124
Others	(485)	(43)	(622)	(353)
	$ 17,833	7,167	7,619	(29,184)

(iii) Finance costs

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Interest expense on bank borrowings	$ (722)	(1,132)	(1,507)	(2,293)

(r) Financial instruments

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

(i) Credit risk

1) Credit risk exposure

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Concentration of credit risk

As of June 30, 2018, December 31 and June 30, 2017, 28%, 27% and 17% of the Group' s accounts receivable were concentrated on 2, 2 and 1 specific customers, respectively.

3) Receivables securities

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

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

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	within 1 year	1-2 years	2-5 years	Over 5 years
June 30, 2018						
Non-derivative financial liabilities						
Short-term borrowing	$ 80,000	80,232	80,232	-	-	-
Long-term liabilities, current portion	50,800	53,184	53,184	-	-	-
Notes payable	43,196	43,196	43,196	-	-	-
Accounts payable	88,321	88,321	88,321	-	-	-
Other payables	44,901	44,901	44,901	-	-	-
Payables on machinery and equipment	2,859	2,859	2,859	-	-	-
Dividends payable	242,544	242,544	242,544	-	-	-
Long-term borrowings	20,320	26,223	-	21,006	5,217	-
	$ 572,941	581,460	555,237	21,006	5,217	-
December 31, 2017						
Non-derivative financial liabilities						
Short-term borrowing	$ 80,000	80,272	80,272	-	-	-
Long-term liabilities, current portion	37,225	39,489	39,489	-	-	-
Notes payable	43,197	43,197	43,197	-	-	-
Accounts payable	53,805	53,805	53,805	-	-	-
Other payables	36,421	36,421	36,421	-	-	-
Payables on machinery and equipment	9,478	9,478	9,478	-	-	-
Long-term borrowings	44,670	46,124	-	35,948	10,176	-
	$ 304,796	308,786	262,662	35,948	10,176	-
June 30, 2017						
Non-derivative financial liabilities						
Short-term borrowing	$ 80,000	80,760	80,760	-	-	-
Long-term liabilities, current portion	20,280	21,614	21,614	-	-	-
Notes payable	35,911	35,911	35,911	-	-	-
Accounts payable	60,096	60,096	60,096	-	-	-
Other payables	23,253	23,253	23,253	-	-	-
Payables on machinery and equipment	6,350	6,350	6,350	-	-	-
Dividends payable	207,895	207,895	207,895	-	-	-
Long-term borrowings	70,980	72,084	-	51,685	20,399	-
	$ 504,765	507,963	435,879	51,685	20,399	-

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(iii) Market risk

1) Currency risk

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

	June 30, 2018			December 31, 2017			June 30, 2017		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets									
Monetary items									
USD	$ 14,743	30.48	449,374	20,780	29.78	618,818	21,317	30.42	648,460
EUR	1,560	35.55	55,453	1,262	35.64	44,990	1,486	34.73	51,608
JPY	166,510	0.2755	45,882	160,294	0.2648	43,438	183,343	0.2717	50,077
PHP	35,682	0.5855	20,892	46,686	0.6115	28,465	25,534	0.617	15,754
CNY	10,975	4.601	50,494	6,612	4.573	30,238	3,913	4.488	17,562
Investments accounted for using equity method									
USD	17,379	30.48	529,722	14,455	29.78	430,459	15,167	30.42	461,368
PHP	7,713	0.5855	4,516	7,029	0.6115	4,298	7,306	0.617	4,508
Financial liabilities									
Monetary items									
USD	1,197	30.48	36,476	971	29.78	28,913	895	30.42	27,217
EUR	462	35.55	16,424	128	35.64	4,575	81	34.73	2,797
JPY	35,573	0.2755	9,802	25,512	0.2648	6,754	47,784	0.2717	12,980
PHP	14,819	0.5855	8,677	15,282	0.6115	9,345	10,642	0.617	6,566

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

A strengthening (weakening) of 1% of the NTD against the foreign currency for the six months ended June 30, 2018 and 2017 would have increased (decreased), the net profit after tax by $4,406 thousand and $6,091 thousand, respectively. The analysis is performed on the same basis for 2017.

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the six months ended June 30, 2018 and 2017, foreign exchange gains (losses) (including realized and unrealized portions) amounted to $8,381 thousand and $(30,087) thousand, respectively.

2) Interest rate analysis

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

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

If the interest rate had increased / decreased by 1% basic points the Group's net income would have increased / decreased by $1,209 thousand and $1,421 thousand for the six months ended June 30, 2018 and 2017 with all other variable factors remain constant. This is mainly due to the Group's borrowing at floating rates.

3) Other market price risk

For the six months ended June 30, 2018 and 2017, the sensitivity analyzes for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

	For the six months ended June 30			
	2018		2017	
Prices of securities at the reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 1%	$ 3	26	4	1,736
Decreasing 1%	$ (3)	(26)	(4)	(1,736)

(iv) Fair value of financial instruments

1) Fair value hierarchy

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2018				
		Fair value			
	Bok value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	$ 146,336	146,336	-	-	146,336
Designated at fair value through profit or loss	29,740	29,740	-	-	29,740
Subtotal	176,076	176,076	-	-	176,076
Financial assets at fair value through other comprehensive income					
Stocks listed on domestic markets	340	340	-	-	340
Financial assets measured at amortized cost					
Cash and cash equivalents	1,090,318	-	-	-	-
Notes and accounts receivables	299,917	-	-	-	-
Other financial assets	3,121	-	-	-	-
Subtotal	1,393,356	-	-	-	-
Total	$ 1,569,772	176,416	-	-	176,416
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 80,000	-	-	-	-
Long-term liabilities, current portion	50,800	-	-	-	-
Notes and accounts payables	131,517	-	-	-	-
Other payable	44,901	-	-	-	-
Payables on machinery and equipment	2,859	-	-	-	-
Dividends payable	242,544	-	-	-	-
Long-term borrowings	20,320	-	-	-	-
Total	$ 572,941	-	-	-	-

	December 31, 2017				
		Fair value			
	Bok value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 173,542	173,542	-	-	173,542
Available-for-sale financial assets					
Stocks listed on domestic markets	328	328	-	-	328
Loans and receivables					
Cash and cash equivalents	916,854	-	-	-	-
Notes and accounts receivables	267,552	-	-	-	-
Other financial assets	3,215	-	-	-	-
Subtotal	1,187,621	-	-	-	-
Total	$ 1,361,491	173,870	-	-	173,870
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 80,000	-	-	-	-
Long-term liabilities, current portion	37,225	-	-	-	-
Notes and accounts payables	97,002	-	-	-	-
Other payable	36,421	-	-	-	-
Payables on machinery and equipment	9,478	-	-	-	-
Long-term borrowings	44,670	-	-	-	-
Total	$ 304,796	-	-	-	-

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	June 30, 2017				
		Fair value			
	Bok value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 173,604	173,604	-	-	173,604
Available-for-sale financial assets					
Stocks listed on domestic markets	414	414	-	-	414
Loans and receivables					
Cash and cash equivalents	978,820	-	-	-	-
Notes and accounts receivables	219,432	-	-	-	-
Other financial assets	4,314	-	-	-	-
Subtotal	1,202,566	-	-	-	-
Total	$ 1,376,584	174,018	-	-	174,018
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 80,000	-	-	-	-
Long-term liabilities, current portion	20,280	-	-	-	-
Notes and accounts payables	96,007	-	-	-	-
Other payable	23,253	-	-	-	-
Payables on machinery and equipment	6,350	-	-	-	-
Dividends payable	207,895	-	-	-	-
Long-term borrowings	70,980	-	-	-	-
Total	$ 504,765	-	-	-	-

2) Valuation techniques for financial instruments measured at fair value

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

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

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

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

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

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Categories and fair values of financial instruments

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

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

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

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

For the six months ended June 30, 2018 and 2017, there were no change on the fair value hierarchy of financial asset.

(s) Financial risk management

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

(t) Capital management

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

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

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes	
	January 1, 2018	Cash flows	Foreign exchange movement	June 30, 2018
Long-term borrowings (including current portion)	$ 81,895	(12,309)	1,534	71,120
Total liabilities from financial activities	$ 81,895	(12,309)	1,534	71,120

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(7) Related-parties transactions:

(a) Names and relationship with related parties

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

(b) Significant transactions with related parties: None.

(c) Key management personnel compensation

Key management personnel compensation were comprised as below:

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Short-term employee benefits	$ 5,520	4,301	10,236	7,514
Post-employment benefits	44	270	309	505
	$ 5,564	4,571	10,545	8,019

(8) Pledged assets:

Pledged assets	Object	June 30, 2018	December 31, 2017	June 30, 2017
Other current financial assets:				
Restricted bank deposit	Purchase guarantee	$ 601	601	601
Property, plant and equipment				
Land	Credit of long-term borrowings	91,834	91,834	91,834
Building	Credit of long-term borrowings	195,685	199,641	203,598
Equipment	Credit of long-term borrowings	23,534	27,732	32,100
		$ 311,654	319,808	328,133

(9) Commitments and contingencies:

(a) Contingencies

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Notes issued as guarantee

	June 30, 2018	December 31, 2017	June 30, 2017
Long-term borrowings	$ 877,160	784,010	889,920

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

	June 30, 2018	December 31, 2017	June 30, 2017
Total contract price	$ 46,616	40,252	35,897
Paid amount	$ 22,507	20,759	25,995

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

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

By function / By item	Three months ended June 30, 2018			Three months ended June 30, 2017		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	46,068	26,279	72,347	37,067	15,134	52,201
Labor and health insurance	3,670	1,373	5,043	3,505	985	4,490
Pension	1,419	697	2,116	1,399	826	2,225
Remuneration of directors	-	1,802	1,802	-	1,426	1,426
Others	1,978	758	2,736	1,898	1,043	2,941
Depreciation	19,286	905	20,191	17,939	793	18,732
Amortization	518	566	1,084	352	425	777

By function / By item	Six months ended June 30, 2018			Six months ended June 30, 2017		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits						
Salary	90,101	40,978	131,079	72,907	31,617	104,524
Labor and health insurance	7,263	2,547	9,810	7,251	2,440	9,691
Pension	2,838	1,502	4,340	2,862	1,615	4,477
Remuneration of directors	-	3,161	3,161	-	2,262	2,262
Others	3,935	2,113	6,048	4,004	1,767	5,771
Depreciation	38,100	1,780	39,880	35,912	1,610	37,522
Amortization	944	1,166	2,110	670	753	1,423

(b) Seasonality of operations

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(13) Other disclosures:

(a) Information on significant transactions:

The followings were the information on significant transactions required by the " Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Group for the six months ended June 30, 2018 :

(i) Leading to other parties:

(In thousands of dollars)

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period (Note 3)	Ending balance (Note 3)	Amount of used loan facilities (Note 4)	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
1	BIOTEQUE MEDICAL CO., LTD.	BIOTEQUE MEDICAL PHIL. INC.	Accounts receivable from related parties	Yes	121,920 (USD4,000)	121,920 (USD4,000)	121,920 (USD4,000)	2.00%	2	-	Working Capital	-	None	-	259,486 (Note 2)	259,486 (Note 2)

Note 1: Purposes of lending were as follows:

1. Business relationship
2. Short-term financing

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

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

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

(ii) Guarantees and endorsements for other parties:

(In thousands of dollars)

Number	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 1)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company										
1	The Company	BIOTEQUE MEDICAL CO., LTD.		207,895	91,440 (USD3,000)	91,440 (USD3,000)	-	-	4.35 %	346,492	Y	N	N
2	The Company	BIOTEQUE MEDICAL PHIL. INC.		207,895	198,120 (USD6,500)	198,120 (USD6,500)	71,120 (USD2,333)	-	9.42 %	346,492	Y	N	N

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

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

(Continued)

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(In thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Remark
				Shares/Units (in thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Capital Money Market Fund	None	Current financial assets at fair value through profit or loss	641	10,300	-	10,300	
〃	Yuanta Wan Tai Money Market Fund	〃	〃	2,497	37,686	-	37,686	
〃	Franklin Templeton Sinoam Money Market Fund	〃	〃	2,992	30,811	-	30,811	
〃	Mega Diamond Money Market Fund	〃	〃	2,894	36,151	-	36,151	
〃	Paradigm Pion Money Market Fund	〃	〃	1,970	22,676	-	22,676	
〃	LEAD DATA INC.	〃	Non-current financial assets at fair value through other comprehensive income	53	340	0.04	340	
CHUNGTEX INVESTMENT CO., LTD.	E.SUN FINANCIAL HOLDING COMPANY,LTD.	〃	Current financial assets at fair value through profit or loss	30	637	-	637	
〃	China Steel Corporation	〃	〃	11	260	-	260	
〃	UNITED MICROELECTRONICS CORP.	〃	〃	10	169	-	169	
〃	EVERGREEN MARINE CORP. (TAIWAN) LTD.	〃	〃	-	3	-	3	
〃	TAISHIN FINANCIAL HOLDING CO., LTD.	〃	〃	61	878	-	878	
〃	CHANG HWA CONNERCIAL BANK., LTD.	〃	〃	30	531	-	531	
〃	MAYER STEEL PIPE CORPORATION	〃	〃	10	159	-	159	
〃	Realy Development & Construction Corp.	〃	〃	10	262	-	262	
〃	HIGGTEC INC.	〃	〃	10	332	-	332	
〃	PineBridge Emerging Market Corporate Strategy Bond Fund B	〃	〃	378	3,155	-	3,155	
〃	Fuh Hwa Emerging Market High Yield Bond Fund B	〃	〃	412	2,326	-	2,326	
BIOTEQUE MEDICAL CO., LTD	Bonds with a rating of BBB-or better by the standard & poor's	〃	〃	-	29,740	-	29,740	

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

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

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

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

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

(In thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	BIOTEQUE MEDICAL PHIL. INC.	Subsidiary	146,981	1.29 %	-	-	20,087	-

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

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

(x) Significant transactions and business relationship between the parent company and its subsidiaries for the six months ended June 30, 2018:

(In thousands of New Taiwan Dollars)

No. (Note 1)	Name of company	Name of counter-party	Nature of relationship (Note 2)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Account receivables	122,992	OA 270	4.29%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Processing costs	20,832	There is no significant difference from translation terms with non-related parties.	2.66%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Other receivables	23,989	OA 270	0.84%
0	The Company	BIOTEQUE MEDICAL PHIL. INC.	1	Account payables	21,219	OA 30	0.74%
1	BIOTEQUE MEDICAL CO., LTD.	BIOTEQUE MEDICAL PHIL. INC.	3	Other receivables	121,920	2%	4.25%

Note 1: Company numbering as follows:

Parent company—0

Subsidiary starts from 1

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

Parent company to subsidiary—1

Subsidiary to parent company—2

Subsidiary to subsidiary—3

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

(b) Information on investees:

The following are the information on investees for the six months ended June 30, 2018 (excluding information on investees in Mainland China):

(In thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2018			Net income (losses) of investee	Share of profits (losses) of investee	Remark
				June 30, 2018	December 31, 2017	Shares (in thousands)	Percentage of ownership	Carrying value			
The Company	BIOTEQUE MEDICAL CO., LTD.	Samoa	Investment activities	16,349	16,349	500	100.00 %	259,486	1,273	1,273	Subsidiary
The Company	CHUNGTEX INVESTMENT CO., LTD.	Taipei	Investment activities	28,800	28,800	2,880	100.00 %	28,833	(225)	(225)	"
The Company	BIOTEQUE MEDICAL PHIL. INC.	Philippines	Manufacturing and Trading of Medical equipment	299,315	230,895	4,481	100.00 %	270,236	15,216	15,216	"
BIOTEQUE MEDICAL PHIL. INC.	BONTEQ MEDICAL DISTRIBUTION PHIL. INC.	Philippines	Trading of Medical equipment	6,801	6,801	100	100.00 %	4,516	399	399	Investment through subsidiary

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

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

BIOTEQUE CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(14) Segment information:

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

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

	Three months ended June 30, 2018					
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	172,678	78,810	152,521	3,668	-	407,677
Intersegment revenue	-	6,312	-	-	(6,312)	-
Total revenue	$ 172,678	85,122	152,521	3,668	(6,312)	407,677
Reporting segment profit or loss	$ 28,778	21,988	76,441	19,184	-	146,391

	Three months ended June 30, 2017					
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	137,661	66,019	134,194	10,412	-	348,286
Intersegment revenue	-	5,038	-	-	(5,038)	-
Total revenue	$ 137,661	71,057	134,194	10,412	(5,038)	348,286
Reporting segment profit or loss	$ 10,150	18,488	67,708	14,957	-	111,303

	Six months ended June 30, 2018					
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	329,498	147,051	300,572	6,464	-	783,585
Intersegment revenue	-	11,188	-	-	(11,188)	-
Total revenue	$ 329,498	158,239	300,572	6,464	(11,188)	783,585
Reporting segment profit or loss	$ 55,086	37,695	148,689	10,415	-	251,885

	Six months ended June 30, 2017					
	Segment A	Segment B	Segment C	Other Segment	Reconciliation and elimination	Total
Revenue:						
Revenue from external customers	277,782	137,259	248,968	14,272	-	678,281
Intersegment revenue	-	10,180	-	-	(10,180)	-
Total revenue	$ 277,782	147,439	248,968	14,272	(10,180)	678,281
Reporting segment profit or loss	$ 19,843	37,186	125,347	(13,190)	-	169,186

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

Total reportable segment revenue after deducting the intersegment revenue was $11,188 and $10,180 thousand dollars in the six months ended June 30, 2018 and 2017.