Stock code: 4116

BENQ MEDICAL TECHNOLOGY CORP.
AND SUBSIDIARIES

Consolidated Financial Statements and Independent Auditors' Review Report

For the Six Months Ended June 30, 2021 and 2020

Company: 7F, No. 46, Zhouzi St., Neihu Dist., Taipei 11493, Taiwan
Telephone: (02)8797-5533

The independent auditors' review report and the accompanying financial statements are the English translation of 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.

Content

KPMG
KPMG
68F., TAIPEI 101 TOWER, No. 7, Sec. 5, Xinyi Road, Taipei City 11049, Taiwan (R.O.C.)
Telephone no.: + 886 (2) 8101 6666
Fax no.: + 886 (2) 8101 6667
Website: kpmg.com/tw

Independent Auditors' Review Report

The Board of Directors of BenQ Medical Technology Corp.

Foreword

We have reviewed the consolidated balance sheets as of June 30, 2021 and 2020, the consolidated statements of comprehensive income for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, the consolidated statements of changes in equity and consolidated statements of cash flows for the six months ended June 30, 2021 and 2020, and the notes to consolidated financial statements (including summary of significant accounting policies) of BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES. The Management is responsible for preparing the consolidated financial statements with fair representation in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standards ("IAS") 34, "Interim Financial Reporting" as endorsed by Financial Supervisory Commission of the Republic of China ("FSC"). Our responsibility is to express a conclusion based on our review of the consolidated financial statements.

Scope of Review

We conducted our review in accordance with the Statement of Auditing Standards No. 65, "Review of Financial Information Performed by the Independent Auditor of the Entity." The process of reviewing the consolidated financial statements includes making enquiries (mainly to personnel in charge of financial and accounting matters), analyzing, and other reviewing procedures. The scope of review is substantially less than the scope of an audit. As such, we may not be able to obtain assurance on all significant matters that an audit could otherwise provide, and therefore we are unable to express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that the consolidated financial statements are in any incompliance of "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standards ("IAS") 34, "Interim Financial Reporting" as endorsed by Financial Supervisory Commission of the Republic of China ("FSC"), such that the consolidated financial position of BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES as of June 30, 2021 and 2020, and the consolidated financial performance for the three months ended June 30, 2021 and 2020 and for the six months ended June 30, 2021 and 2020, as well as the consolidated cash flows for the six months ended June 30, 2021 and 2020 do not present fairly.

The engagement partners on the review resulting in this independent auditors' review report are Tang, Tzu-Chieh and Shin, Wei-Ming.

KPMG
Taipei, Taiwan (Republic of China)
August 5, 2021

Notes to Readers

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

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

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

June 30, 2021 and 2020. Reviewed but unaudited in pursuant to Generally Accepted Auditing Standards.

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2021, December 31 and June 30, 2020

(Expressed in Thousands of New Taiwan Dollars)

		June 30, 2021		December 31, 2020		June 30, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note VI(1))	$ 260,183	15	255,055	14	214,877	13
1150-1170	Notes and accounts receivable (Note VI(3) and (21))	159,593	9	193,186	11	219,132	13
1181	Accounts receivable - related parties (Note VI(3)(21) and VII)	8,710	1	3,360	-	7,794	-
1200	Other receivables	1,345	-	1,637	-	1,623	-
1212	Other receivables - related parties (Note VII)	1,809	-	50	-	49	-
130x	Inventories (Note VI(4))	212,762	12	204,563	11	193,614	11
1410-1470	Prepayments and other current assets(Note VII)	29,915	2	30,378	2	28,460	2
1476	Other financial assets-current (Note VI(2) and VIII)	54,234	3	88,431	5	40,570	2
	Total current assets	728,551	42	776,660	43	706,119	41
	Non-current assets:						
1550	Investments accounted for using equity method (Note VI(5))	29,804	2	29,955	2	28,505	2
1600	Property, plant and equipment (Note VI(7), VII, and VIII)	720,043	41	713,121	40	698,923	41
1755	Right-of-use assets (Note VI(8) and VII)	82,611	5	81,954	5	93,996	5
1760	Investment properties - net (Note VI(9) and VIII)	48,411	3	49,195	3	49,980	3
1780	Intangible assets (Note VI(10)and VII)	90,674	5	95,381	5	100,811	6
1840	Deferred income tax assets	9,814	-	9,814	-	9,304	-
1900	Other non-current assets (Note VI(11))	27,531	2	38,840	2	36,090	2
	Total non-current assets	1,008,888	58	1,018,260	57	1,017,609	59
	Total assets	$ 1,737,439	100	1,794,920	100	1,723,728	100

		June 30, 2020		December 31, 2020		June 30, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term loans (Note VI(12))	$ 69,224	4	80,234	4	74,781	4
2150-2170	Notes and accounts payable	124,943	7	136,336	8	110,050	6
2181	Accounts payable - related parties (Note VII)	12,095	1	9,404	-	16,697	1
2200	Other payables (Note VI(19)(22))	163,123	9	158,173	9	187,192	11
2220	Other payables - related parties (Note VII)	1,805	-	2,030	-	2,454	-
2230	Current income tax liabilities	4,457	-	11,474	1	6,527	-
2250	Provision-current (Note VI(15))	8,544	1	10,301	1	10,710	1
2280	Lease liabilities-current (Note VI(14) and VII)	31,761	2	30,018	2	30,763	2
2300	Other current liabilities (Note VI(21))	19,500	1	26,456	1	27,151	2
2322	Long-term loans due within a year (Note VI(13))	45,000	3	3,724	-	6,238	-
	Total current liabilities	480,452	28	468,150	26	472,563	27
	Non-current liabilities:						
2540	Long-term loans (Note VI(13))	123,750	7	136,276	8	115,845	7
2570	Deferred income tax liabilities	9,672	1	10,089	1	10,507	1
2640	Net defined benefit liabilities - non-current	3,150	-	3,542	-	3,593	-
2580	Lease liabilities-non-current (Note VI(14) and VII)	51,842	3	53,057	3	64,092	4
2645	Guarantee deposit received	5,083	-	6,684	-	6,648	-
	Total non-current liabilities	193,497	11	209,648	12	200,685	12
	Total liabilities	673,949	39	677,798	38	673,248	39
	Equity attributable to shareholders of the Company (Note VI(19))						
3110	Common stock	445,660	25	445,660	25	445,660	26
3200	Capital surplus	297,921	17	297,921	17	297,921	17
3300	Retained earnings	277,297	16	313,622	17	266,038	15
3400	Other equity	(3,339)	-	(3,195)	-	(4,444)	-
	Total equity attributable to shareholders of the Company	1,017,539	58	1,054,008	59	1,005,175	58
36XX	**Non-controlling interests**	45,951	3	63,114	3	45,305	3
	Total equity interest	1,063,490	61	1,117,122	62	1,050,480	61
	Total Liabilities and equity	$ 1,737,439	100	1,794,920	100	1,723,728	100

(Please see notes to consolidated financial statements)

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

Reviewed but unaudited in pursuant to Generally Accepted Auditing Standards.

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Six Months Ended June 30, 2021 and 2020 and For the Three Months Ended June 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		April to June 2021		April to June 2020		January to June 2021		January to June 2020	
		Amount	%	Amount	%	Amount	%	Amount	%
4000	**Operating revenues (Note VI (21), VII and XVI)**	$ 337,193	100	323,687	100	668,760	100	624,234	100
5000	**Costs of revenue (Note VI (4)(7)(8)(10)(14)(17)(22), VII and XII)**	(234,396)	(70)	(209,874)	(65)	(445,585)	(67)	(395,176)	(63)
	Gross profit	102,797	30	113,813	35	223,175	33	229,058	37
	Operating expenses (Note VI (3)(7)(8)(9)(10)(14)(17)(22), VII and XII):								
6100	Selling expenses	(63,307)	(19)	(66,636)	(20)	(133,324)	(20)	(128,322)	(21)
6200	General and administrative expenses	(25,937)	(7)	(27,983)	(9)	(56,094)	(8)	(60,077)	(10)
6300	Research and development expenses	(9,195)	(3)	(10,737)	(3)	(20,615)	(3)	(21,193)	(3)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 19	(1,515)	-	151	-	(2,745)	-	534	-
	Total operating expenses	(99,954)	(29)	(105,205)	(32)	(212,778)	(31)	(209,058)	(34)
	Operating income	2,843	1	8,608	3	10,397	2	20,000	3
	Non-operating income and loss (Note VI(5)(14)(23) and VII):								
7100	Interest income	137	-	197	-	358	-	445	-
7010	Other income	5,485	1	2,249	-	9,164	1	4,123	1
7020	Other gains and losses	(491)	-	(642)	-	(410)	-	88	-
7050	Financing costs	(994)	-	(993)	-	(1,893)	-	(2,045)	-
7375	Share of losses of joint ventures accounted for using equity method	106	-	4,412	1	(55)	-	3,599	-
	Total non-operating income and loss	4,243	1	5,223	1	7,164	1	6,210	1
	Income before income tax	7,086	2	13,831	4	17,561	3	26,210	4
7950	**less: Income tax expenses (Note VI(18))**	(1,769)	-	(2,758)	(1)	(4,881)	(1)	(5,707)	(1)
	Net income	5,317	2	11,073	3	12,680	2	20,503	3
	Other comprehensive income (Note VI (5)(19)):								
8360	**Items that may be reclassified subsequently to profit or loss**								
8361	Exchange differences on translation of foreign operations	(94)	-	(217)	-	(48)	-	(365)	-
8370	Share of other comprehensive income of joint ventures accounted for using equity method	(195)	-	(470)	-	(96)	-	(770)	-
8399	Income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(289)	-	(687)	-	(144)	-	(1,135)	-
	Other comprehensive income for the period	(289)	-	(687)	-	(144)	-	(1,135)	-
	Total comprehensive income for the period	$ 5,028	2	10,386	3	12,536	2	19,368	3
	Net Income attributable to:								
8610	Owners of the parent	$ 3,362	1	8,375	2	8,241	1	16,244	2
8620	Non-controlling interests	1,955	1	2,698	1	4,439	1	4,259	1
		$ 5,317	2	11,073	3	12,680	2	20,503	3
	Comprehensive income (loss) attributable to:								
8710	Owners of the parent	$ 3,073	1	7,688	2	8,097	1	15,109	2
8720	Non-controlling interests	1,955	1	2,698	1	4,439	1	4,259	1
		$ 5,028	2	10,386	3	12,536	2	19,368	3
	Earnings per share (in New Taiwan dollars, Note VI (20))								
9750	**Basic earnings per share**	$	0.08		0.19		0.18		0.36
9850	**Diluted earnings per share**	$	0.08		0.19		0.18		0.36

(Please see notes to consolidated financial statements)

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

Reviewed but unaudited in pursuant to Generally Accepted Auditing Standards.

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the Six Months Ended June 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to shareholders of the Company									
			Retained earnings				Other equity			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Subtotal	Financial statement translation differences attributable to of foreign operations	Total equity attributed to shareholders of the Company	Non-controlling interest	Total equity
Balance as of January 1, 2020	$ 445,660	297,921	88,432	1,925	219,601	309,958	(3,309)	1,050,230	55,605	1,105,835
Net income	-	-	-	-	16,244	16,244	-	16,244	4,259	20,503
Other comprehensive income for the period	-	-	-	-	-	-	(1,135)	(1,135)	-	(1,135)
Total comprehensive income for the period	-	-	-	-	16,244	16,244	(1,135)	15,109	4,259	19,368
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	7,541	-	(7,541)	-	-	-	-	-
Special reserve	-	-	-	1,384	(1,384)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(60,164)	(60,164)	-	(60,164)	-	(60,164)
Cash dividends distributed to non-controlling interests by subsidiaries	-	-	-	-	-	-	-	-	(19,666)	(19,666)
Balance as of June 30, 2020	-	-	-	-	-	-	-	-	5,107	5,107
Balance as of January 1, 2021	**$ 445,660**	**297,921**	**95,973**	**3,309**	**166,756**	**266,038**	**(4,444)**	**1,005,175**	**45,305**	**1,050,480**
Net income	$ 445,660	297,921	95,973	3,309	214,340	313,622	(3,195)	1,054,008	63,114	1,117,122
Other comprehensive income for the period	-	-	-	-	8,241	8,241	-	8,241	4,439	12,680
Total comprehensive income for the period	-	-	-	-	-	-	(144)	(144)	-	(144)
Appropriation and distribution of retained earnings:	-	-	-	-	8,241	8,241	(144)	8,097	4,439	12,536
Legal reserve										
Special reserve	-	-	6,383	-	(6,383)	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(44,566)	(44,566)	-	(44,566)	-	(44,566)
Cash dividends distributed to non-controlling interests by subsidiaries	-	-	-	(114)	114	-	-	-	-	-
Increase in non-controlling interests	-	-	-	-	-	-	-	-	(21,602)	(21,602)
Balance as of June 30, 2021	**$ 445,660**	**297,921**	**102,356**	**3,195**	**171,746**	**277,297**	**(3,339)**	**1,017,539**	**45,951**	**1,063,490**

(Please see notes to consolidated financial statements)

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

Reviewed but unaudited in pursuant to Generally Accepted Auditing Standards.

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
For the Six Months Ended June 30, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	January to June 2021	January to June 2021
Cash flows from operating activities:		
Income before income tax	$ 17,561	26,210
Adjustments:		
Adjustments to reconcile (profits) losses		
Depreciation	43,893	35,481
Amortization	6,493	6,021
Interest expense	1,893	2,045
Interest income	(358)	(445)
Share of (profits) losses of joint ventures accounted for using equity method	55	(3,599)
Gains on disposal of property, plant and equipment, net	-	(2)
Gains on lease modification	(415)	(423)
Total adjustments to reconcile profits (losses)	51,561	39,078
Changes in operating assets and liabilities:		
Changes in operating assets:		
Notes and accounts receivable	33,593	(32,223)
Accounts receivable - related parties	(5,350)	(4,877)
Other receivables	176	785
Other receivables - related parties	(1,759)	3,095
Inventories	(8,199)	(14,849)
Prepayments and other current assets	463	329
Total changes in operating assets	18,924	(47,740)
Changes in operating liabilities:		
Notes and accounts payable	(11,393)	(21,006)
Accounts payable - related parties	2,691	6,900
Other payables	(35,411)	(18,799)
Other payables - related parties	(225)	(519)
Provisions for liabilities	(1,757)	69
Other current liabilities	(6,956)	7,784
Net defined benefit liabilities	(392)	(350)
Total changes in operating liabilities	(53,443)	(25,921)
Total changes in operating assets and liabilities	(34,519)	(73,661)
Total adjustments	17,042	(34,583)
Cash provided by (used in) operations	34,603	(8,373)
Interest received	474	475
Interest paid	(1,891)	(2,037)
Income tax refunded	(12,315)	(13,261)
Net cash provided by (used in) operating activities	20,871	(23,196)

(Please see notes to consolidated financial statements)

(Continued on next page)

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

Reviewed but unaudited in pursuant to Generally Accepted Auditing Standards.

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Consolidated Statements of Cash Flows (continued from the preceding page)

For the Six Months Ended June 30, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	January to June 2021	January to June 2021
Cash flows from investing activities:		
Net cash used in from merger and acquisition of subsidiaries	$ -	(10,219)
Acquisition of property, plant and equipment	(23,803)	(8,167)
Proceeds from disposal of property, plant and equipment	-	2
Decrease (increase) in refundable deposits	(503)	460
Acquisition of intangible assets	(721)	(4,885)
Decrease in other financial assets	34,197	12,700
Increase in other non-current assets	(2,015)	(11,902)
Net cash used in investing activities	7,155	(22,011)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(11,010)	22,306
Increase in long-term loans	100,000	30,000
Repayments of long-term loans	(71,250)	(1,667)
Increase (decrease) in guarantee deposit received	(1,601)	2,546
Payment of lease liabilities	(17,394)	(15,746)
Cash dividends distributed to non-controlling interests by subsidiaries	(21,602)	(19,666)
Net cash provided by (used in) financing activities	(22,857)	17,773
Effect of changes in exchange rates	(41)	(315)
Net decrease in cash and cash equivalents	5,128	(27,749)
Cash and cash equivalents at beginning of period	255,055	242,626
Cash and cash equivalents at end of period	**$ 260,183**	**214,877**

(Please see notes to consolidated financial statements)

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

Reviewed but unaudited in pursuant to Generally Accepted Auditing Standards.

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the Six Months Ended June 30, 2021 and 2020

(Unless specified otherwise, all amounts are expressed in thousands of New Taiwan Dollars)

(I) History and Organization

BENQ MEDICAL TECHNOLOGY CORP. AND SUBSIDIARIES (hereafter the Company), formerly known as Trident Medical Corp., received authorization from the Ministry of Economic Affairs for its incorporation on March 21, 1989, at 7F, No. 46, Zhouzi St., Neihu Dist., Taipei 11493, Taiwan. The Company and subsidiaries (hereafter "the Group") are primarily engaging in the manufacturing, assembly, maintenance, repair and sales of medical equipment and consumables.

(II) Authorization of the Consolidated Financial Statements

These consolidated financial statements were approved by the Board of Directors on August 5, 2021 before being issued.

(III) Application of New Standards, Amendments, and Interpretations

(1) Effects of the adoption of new standards, amendments, and interpretations as endorsed by Financial Supervisory Commission of the Republic of China (hereafter "FSC")

From January 1, 2021, the Group shall adopt below amendments of International Financial Reporting Standards (IFRSs). And, there is no significant impact on the consolidated financial statements caused by adoption of the IFRSs.

- Amendment to IFRS 4, "Extension of the Temporary Exemption from Applying IFRS 9"
- A mendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 36, "Interest Rate Benchmark Reform—Phase 2"

From April 1, 2021, the Group shall adopt below amendments of International Financial Reporting Standards (IFRSs). And, there is no significant impact on the consolidated financial statements caused by adoption of the IFRSs.

- Amendment to IFRS 16, "Covid-19-Related Rent Concessions beyond 30 June 2021"

(2) Impacts of IFRSs endorsed by FSC but not yet effective

From January 1, 2022, the Group shall adopt below amendments of International Financial Reporting Standards (IFRSs). And, there is no significant impact on the consolidated financial statements caused by adoption of the IFRSs

- Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"
- Amendments to IAS 37 "Onerous Contracts—Cost of Fulfilling a Contract"

- Annual improvements to IFRS standards 2018~2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

(3) New standards, amendments and interpretations that have yet endorsed by FSC

The following new standards, amendments and interpretations issued by International Accounting Standard Board that have yet endorsed by FSC, which may be relevant to the Group:

New Standards, Amendments, or Interpretations	Content of Amendment	Effective Date by International Accounting Standard Board
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt or other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Group is evaluating the impact of the above IFRSs and Interpretation on the consolidated financial statements and business operating activities. The relevant impact shall be disclosed once the evaluation is concluded.

The Group expects the following new standards, amendments and interpretations that have yet to be endorsed by FSC shall not pose a significant impact on the Consolidated Financial Statements:

- Amendments to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”
- IFRS 17 “Insurance Contract” and Amendment to IFRS 17
- Amendments to IAS 1, “Disclosure of Accounting Policies”
- Amendments to IAS 8, “Definition of Accounting Estimates”
- Amendments to IAS 12, “Deferred Tax related to Assets and Liabilities arsing from a Single Transaction”

(IV) Summary of Significant Accounting Policies

(1) Statement of compliance

These consolidated financial statements are prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereafter “the Preparation Regulations”) and the IAS 34, “Interim Financial Reporting” as endorsed by FSC. These consolidated financial statements do not include all necessary disclosure as in the yearly consolidated financial statements prepared in accordance with IFRSs, IASs, Interpretations and SIC Interpretations as endorsed by FSC (hereafter “Taiwan-IFRSs”).

Except for the following, the significant accounting policies of these consolidated financial statements are identical to the consolidated financial statements for 2020. For more information, please see Note IV to consolidated financial statements for 2020.

(2) Basis of consolidation

The basis of consolidation of these consolidated financial statements are identical to the consolidated financial statements for 2020. For more information, please see Note IV (3) to consolidated financial statements for 2020.

1. Subsidiaries included in the consolidated financial statements

Subsidiaries included in these consolidated financial statements:

			Ownership (%)		
Investor	**Subsidiary**	**Main business activities**	**June 30, 2021**	**December 31, 2020**	**June 30, 2020**
The Company	Asiaconnect International Co., Ltd. ("Asiaconnect")	Wholesaling and retailing of medical consumables and equipment and information software	99.75%	99.75%	99.75%
The Company	Highview Investments Limited ("Highview")	Investment and holding company	100.00%	100.00%	100.00%
The Company	LILY Medical Corporation ("LILY")	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	100.00%
The Company	BenQ AB DentCare Corporation (“BABD”)	Wholesaling and retailing of medical consumables and equipment	88.00%	88.00%	88.00%
The Company	BenQ Healthcare Corp. ("BHS")	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	100.00%
The Company	Eastech Co., Ltd ("Eastech")	Wholesaling and retailing of medical consumables and equipment	70.00%	- %	- %
LILY	LILY Medical (Suzhou) Co., Ltd. ("ALS)	Wholesaling and retailing of medical consumables and equipment	100.00%	100.00%	100.00%
Highview	BenQ Medical Technology (Shanghai) Ltd. ("BMTS)	Agency of international and entrepot trade business	100.00%	100.00%	100.00%
BHS	New Best Hearing International Trade Co., Ltd. ("NBHIT)	Wholesaling and retailing of medical consumables and equipment	52.00%	52.00%	52.00%

(Note): The Group obtained de facto control of the company in February 2020 and included it into consolidation.

2. Subsidiaries not included in the consolidated financial statements: None.

(3) Employee benefits

The defined benefit pension plans of the interim period are computed based on the year-to-date pension cost rate derived using actuarial valuation at the end of the preceding year, adjusted for significant market fluctuation, reduction, settlement or other significant one-off events.

(4) Income tax

In pursuant to the IAS 34, “Interim Financial Reporting,” paragraph B12, the Group measures and discloses the income tax expense for the interim period.

The income tax expense is computed by multiplying the net income before tax of the interim period with the effective tax rate for the full financial year best estimated by the

Management, and fully recognized as the current income tax expense.

For income tax expenses recognized directly in equity or other comprehensive income, it is measured using the appropriate tax rate expected to realize or when settled, on the temporary difference arising between the carrying amount of assets and liabilities for financial reporting purposes, and their tax bases.

(V) Critical Accounting Judgments and Key Sources of Estimates and Assumptions on Uncertainty

In pursuant to the Preparation Regulations and the IAS 34, "Interim Financial Reporting" as endorsed by FSC, when preparing for these consolidated financial statements, the Management are required to make judgment, estimates and assumptions, which will impact the adoption of accounting policies and the reporting of assets, liabilities, income, and expenses. The actual amount might differ from the estimated amount.

For the preparation of the consolidated financial statements, the Management makes critical accounting judgments, estimates and assumptions on uncertainty using the accounting policies of the Group, consistent with Notes V of the consolidated financial statements for 2020.

(VI) Details of Significant Accounts

Except for the following, the details of significant accounts of these consolidated financial statements does not differ with the consolidated financial statements for 2020. For more information, please see Note VI to the consolidated financial statements for 2020.

(1) Cash and cash equivalents

	June 30, 2021	December 31, 2020	June 30, 2020
Cash on hand and revolving funds	$ 1,111	976	1,719
Demand deposits and checking accounts	206,822	195,929	160,913
Time deposits	52,250	58,150	52,245
	$ 260,183	255,055	214,877

(2) Other financial assets-current

	June 30, 2021	December 31, 2020	June 30, 2020
Domestic certificate of deposits with original maturities less than three months	$ 54,234	88,431	40,570

The estimation of the Group is based on the collection of contractual cash flows when the asset reaches maturity. The cash flows of the financial asset consist of principal and interest on the principal amount outstanding. Therefore, it is measured at amortized cost.

(3) Notes and accounts receivable (measured at amortized cost)

	June 30, 2021	December 31, 2020	June 30, 2020
Notes receivable	$ 7,291	10,978	9,728
Accounts receivable	157,550	184,711	211,250
Less : Loss allowance	(5,248)	(2,503	(1,846)
	159,593	193,186	219,132
Accounts receivable-related parties	8,710	3,360	7,794
	$ 168,303	196,546	226,926

The Group applies the simplified approach to provide for the ECLs of notes and accounts receivable, i.e. measuring the lifetime ECLs and include forward-looking information. Analysis of expected credit loss on notes and accounts receivable of the Group is as follows:

	June 30, 2021		
	Gross carrying amount of notes and accounts receivable	Weighted average loss rate	Loss allowance for expected credit losses
Current	$ 144,920	0.41%	590
Past due 1 - 90 days	13,107	2.20%	289
Past due 91 - 180 days	1,639	41.55%	681
Past due 181 - 270 days	1,237	32.26%	399
Past due 271 - 365 days	1,431	54.65%	782
Past due over 365 days	2,507	100.00%	2,507
	$ 164,841		5,248

	December 31, 2020		
	Gross carrying amount of notes and accounts receivable	Weighted average loss rate	Loss allowance for expected credit losses
Current	$ 144,009	0.35%	502
Past due 1 - 90 days	43,063	1.01%	435
Past due 91 - 180 days	1,263	1.82%	23
Past due 181 - 270 days	6,852	15.19%	1,041
Past due 271 - 365 days	-	-	-
Past due over 365 days	502	100.00%	502
	$ 195,689		2,503

	June 30, 2020		
	Gross carrying amount of notes and accounts receivable	Weighted average loss rate	Loss allowance for expected credit losses
Current	$ 144,161	0.02%	28
Past due 1 - 90 days	71,507	0.83%	595
Past due 91 - 180 days	4,009	1.62%	65
Past due 181 - 270 days	184	22.28%	41
Past due 271 - 365 days	-	-	-
Past due over 365 days	1,117	100.00%	1,117
	$ 220,978		1,846

As of June 30, 2021, December 31 and June 30, 2020, the Group has no expected credit losses from accounts receivable - related parties, and the analysis is as below:

	June 30, 2021	December 31, 2020	June 30, 2020
Current	$ 8,710	3,360	7,794

Movements of the loss allowance for notes and accounts receivable of the Group is as follows:

	January to June 2021	January to June 2020
Beginning balance	$ 2,503	2,380
Impairment losses	2,745	-
Reversal of impairment losses	-	(534)
End balance	$ 5,248	1,846

(4) Inventories

	June 30, 2021	December 31, 2020	June 30, 2020
Raw materials	$ 69,382	74,406	76,827
Work-in-progress	30,210	24,839	22,123
Finished goods	30,191	30,767	20,546
Merchandise Inventories	78,551	60,742	68,376
Inventories in transit	4,428	13,809	5,742
	$ 212,762	204,563	193,614

For the three months ended June 30, 2021 and 2020 and for the six months ended

June 30, 2021 and 2020, the amount of inventories recognized as costs of revenue are as following:

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Cost of inventories sold	$ 230,484	204,546	439,778	389,123
Write-down of inventories	4,666	4,376	7,706	5,448
Gains on physical inventories	(754)	(662)	(1,899)	(1,009)
Write-off of inventories	-	1,614	-	1,614
	$ 234,396	209,874	445,585	395,176

The above the write-down of inventories was resulted from the decrease in net realizable value.

(5) Investments accounted for using equity method

The joint ventures that the Group accounted for using the equity method are not significant. The financial information is listed below and the amounts integrated in the consolidated financial statements are as follows:

		Carrying amount		
Investee company	**Main business activities**	**June 30, 2021**	**December 31, 2020**	**June 30, 2020**
TDX Medical Technology (Jiangsu) Co., Ltd (TDX)	Wholesaling and retailing of medical consumables and equipment	$ 29,804	29,955	28,505

The total comprehensive income or loss of the joint venture attributable to the Group is as follows:

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Net income (loss)	$ 106	4,412	(55)	3,599
Other comprehensive income	(195)	(470)	(96)	(770)
Total comprehensive income	$ (89)	3,942	(151)	2,829

(6) Subsidiaries

1. Acquisition of subsidiary

On February 3, 2020, after the Board of Directors passed the resolution, the Group acquired a 70% stake in Eastech Co., Ltd (hereafter Eastech), and integrated Eastech into the consolidation since the acquisition date (February 12, 2020). The main business of Eastech comprises distribution and sales of branded medical imaging products. Via its sales channels, the acquisition of Eastech allows the Consolidated Company to venture into the medical imaging market and create a platform for human and veterinary medical imaging, furthering the development of the medical equipment industry.

(i) Consideration transferred

According to the equity interest transfer agreement, on February 3, 2020, the

Company purchased a 70% stake of Eastech with cash payment of NT$20,300 thousand, and without contingent consideration or other equity instrument as consideration transferred.

(ii) According to IFRS, the identifiable assets and liabilities arising from the acquisition at fair value should be measured as at the acquisition date. The valuation conducted by experts appointed by the Company is as follows:

Consideration transferred:		
Cash		$ 20,300
Add: Non-controlling interests (measured at non-controlling interests' proportionate share of the fair value of identifiable net assets)		5,107
Identifiable net assets acquired at fair value:		
Cash and cash equivalents	$ 10,081	
Notes and accounts receivable	5,424	
Inventories	3,827	
Prepayments and other current assets	650	
Property, plant and equipment	895	
Right-of-use assets	2,661	
Intangible asset - distribution agreement	3,302	
Deferred income tax assets	226	
Refundable Deposits	945	
Short-term loans	(4,755)	
Notes and accounts payable	(1,944)	
Other payables	(1,234)	
Lease liabilities (current and non-current)	(2,678)	
Other current liabilities	(374)	
Deferred income tax liabilities	(663)	16,363
Goodwill		$ 9,044

(iii) Intangible asset

Goodwill mainly comprises the profitability of Eastech medical imaging products and teamwork of the employees. None of the goodwill recognized is expected to be taxable.

Intangible asset - The distribution agreement is amortized over the estimated future economic useful life of 2.9 years according to straight-line amortization.

(iv) Pro forma information

Since February 11, 2020 (acquisition date) to June, 2020, the operating results of Eastech has been consolidated into the consolidated statements of comprehensive income of the Group, in which the sales revenue and net income amounted to

NT$9,911 thousand and (NT$594) thousand respectively. If the acquisition occurred on January 1, 2020, the pro forma projection for sales revenue and net income of the Group in the first two quarters of 2020 would have amounted to NT$624,253 thousand and NT$19,330 thousand respectively.

2. Subsidiaries that the Group has material non-controlling interests

Subsidiaries in which the Group has material non-controlling interests were as follows:

Subsidiary	Principal place of business/ Country of incorporation	The Percentage of ownership and voting rights held by non-controlling interests		
		June 30, 2021	December 31, 2020	June 30, 2020
NBHIT	Taiwan	48%	48%	48%

The summarized financial information of subsidiaries prepared in accordance with Taiwan-IFRSs were as follows. The information includes the fair value adjustment made by the Group during the acquisition as at the acquisition date:

The summarized financial information of NBHIT:

	June 30, 2021	December 31, 2020	June 30, 2020
Current assets	$ 47,703	112,713	64,035
Non-current assets	135,675	129,962	139,209
Current liabilities	(53,642)	(81,002)	(69,831)
Non-current liabilities	(34,029)	(31,653)	(37,670)
Net assets	$ 95,707	130,020	95,743
The carrying amount of non-controlling interests	$ 32,420	48,890	32,437

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Operating sales	$ 57,230	68,857	121,065	130,793
Net income	$ 3,592	6,179	8,192	9,973
Other comprehensive income	-	-	-	-
Total comprehensive income	$ 3,592	6,179	8,192	9,973
Net income attributable to non-controlling interests	$ 1,724	2,966	3,932	4,787
Total comprehensive income attributable to non-controlling interests	$ 1,724	2,966	3,932	4,787

		January to June 2021	January to June 2020
Cash flow from operating activities	$	(241)	6,602
Cash flow from investing activities		12,394	4,749
Cash flow from financing activities		(53,280)	(50,167)
Effect of changes in exchange rates		-	-
Net decrease in cash and cash equivalents	$	(41,127)	(38,816)
Cash dividends paid to non-controlling interests	$	20,402	19,666

(7) Property, plant and equipment

Movements of the costs, accumulated depreciation and impairment loss of property, plant and equipment of the Group are as follows:

		Land	Buildings	Machinery	Other equipment	Total
Cost:						
Balance as of January 1, 2021	$	314,314	362,715	185,275	124,666	986,970
Additions		-	-	12,282	7,314	19,596
Disposals		-	-	(132)	-	(132)
Reclassification		-	-	12,043	719	12,762
Effect of changes in exchange rates		-	-	-	(5)	(5)
Balance as of June 30, 2021	$	314,314	362,715	209,468	132,694	1,019,191
Balance as of January 1, 2020	$	314,314	361,765	149,105	111,370	936,554
Acquisition through business combination (Note VI(6))		-	-	-	1,494	1,494
Additions		-	950	5,253	5,493	11,696
Disposals		-	-	(296)	(96)	(392)
Reclassification		-	-	2,358	1,136	3,494
Effect of changes in exchange rates		-	-	-	(45)	(45)
Balance as of June 30, 2020	$	314,314	362,715	156,420	119,352	952,801
Accumulated depreciation and impairment loss:						
Balance as of January 1, 2021	$	-	59,037	126,445	88,367	273,849
Depreciation		-	5,368	13,835	6,233	25,436
Disposals		-	-	(132)	-	(132)
Effect of changes in exchange rates		-	-	-	(5)	(5)
Balance as of June 30, 2021	$	-	64,405	140,148	94,595	299,148
Balance as of January 1, 2020	$	-	48,229	111,235	75,640	235,104
Acquisition through business combination (Note VI(6))		-	-	-	599	599
Depreciation		-	5,440	7,104	6,066	18,610
Disposals		-	-	(296)	(96)	(392)
Effect of changes in exchange rates		-	-	-	(43)	(43)
Balance as of June 30, 2020	$	-	53,669	118,043	82,166	253,878

	Land	Buildings	Machinery	Other equipment	Total
Carrying amount:					
June 30, 2021	$ 314,314	298,310	69,320	38,099	720,043
January 1, 2021	$ 314,314	303,678	58,830	36,299	713,121
June 30, 2020	$ 314,314	309,046	38,377	37,186	698,923

For information on the property, plant and equipment of the Group serving as collaterals for bank loans, please see Note VIII.

(8) Right-of-use assets

Movements of the costs and depreciation of buildings that the Group leases as office spaces and branch offices, and transportation equipment are as follows:

	Buildings	Transportation equipment	Total
Cost of right-of-use assets:			
Balance as of January 1, 2021	$ 138,795	8,962	147,757
Additions	16,990	1,230	18,220
Lease modification	117	-	117
Write-off	(3,052)	-	(3,052)
Effect of changes in exchange rates	(25)	-	(25)
Balance as of June 30, 2021	$ 152,825	10,192	163,017
Balance as of January 1, 2020	$ 127,230	8,521	135,751
Acquisition through business combination (Note VI(6))	2,970	-	2,970
Additions	10,919	1,788	12,707
Lease modification	(4,154)	-	(4,154)
Write-off	(2,307)	-	(2,307)
Effect of changes in exchange rates	(111)	-	(111)
Balance as of June 30, 2020	$ 134,547	10,309	144,856
Accumulated depreciation of right-of-use assets:			
Balance as of January 1, 2021	$ 61,467	4,336	65,803
Depreciation	16,398	1,275	17,673
Write-off	(3,052)	-	(3,052)
Effect of changes in exchange rates	(18)	-	(18)
Balance as of June 30, 2021	$ 74,795	5,611	80,406
Balance as of January 1, 2020	$ 33,984	3,413	37,397
Acquisition through business combination (Note VI(6))	309	-	309

	Buildings	Transportation equipment	Total
Depreciation	14,916	1,157	16,073
Lease modification	(550)	-	(550)
Write-off	(2,307)	-	(2,307)
Effect of changes in exchange rates	(62)	-	(62)
Balance as of June 30, 2020	$ 46,290	4,570	50,860
Carrying amount:			
Balance of June 30, 2021	$ 78,030	4,581	82,611
January 1, 2021	$ 77,328	4,626	81,954
June 30, 2020	$ 88,257	5,739	93,996

(9) Investment properties

	Buildings
Costs or costs identified:	
Balance as of January 1, 2021 (i.e. balance as of June 30, 2021)	$ 54,762
Balance as of January 1, 2020 (i.e. balance as of June 30, 2020)	$ 54,762
Depreciation and impairment loss:	
Balance as of January 1, 2021	$ 5,567
Depreciation	784
Balance as of June 30, 2021	$ 6,351
Balance as of January 1, 2020	$ 3,984
Depreciation	798
Balance as of June 30, 2020	$ 4,782
Carrying amount:	
Balance of June 30, 2021	$ 48,411
January 1, 2021	$ 49,195
June 30, 2020	$ 49,980

Investment properties comprise factories leased out. The fair value of the investment properties of the Group does not differ significantly from the disclosure at Note VI (9) of the consolidated financial statements for 2020.

For investment properties serving as collateral for bank loans, please see Note VIII.

(10) Intangible asset

The change of intangible asset is as follows:

		Goodwill	Computer software	Customer relationships and sales channels	Other Intangible asset	Total
Costs:						
Balance as of January 1, 2021	$	56,873	27,017	48,011	29,582	161,483
Addition		-	721	-	-	721
Write-off		-	(10,349)	-	(2,000)	(12,349)
Reclassification		-	1,065	-	-	1,065
Balance as of June 30, 2021	$	56,873	18,454	48,011	27,582	150,920
Balance as of January 1, 2020	$	47,829	25,005	48,011	24,375	145,220
Acquisition through business combination (Note VI(6))		9,044	-	3,302	-	12,346
Addition		-	2,980	-	1,905	4,885
Write-off		-	(1,438)	-	-	(1,438)
Balance as of June 30, 2020	$	56,873	26,547	51,313	26,280	161,013
Accumulated amortization:						
Balance as of January 1, 2021	$	-	22,396	24,634	19,072	66,102
Amortization		-	2,321	2,468	1,704	6,493
Write-off		-	(10,349)	-	(2,000)	(12,349)
Reclassification		-	-	(1,038)	1,038	-
Balance of June 30, 2021	$	-	14,368	26,064	19,814	60,246
Balance as of January 1, 2020	$	-	19,985	18,659	16,975	55,619
Amortization for the current period		-	1,988	2,940	1,093	6,021
Write-off		-	(1,438)	-	-	(1,438)
Balance as of June 30, 2020	$	-	20,535	21,599	18,068	60,202
Carrying amount:						
Balance of June 30, 2021	$	56,873	4,086	21,947	7,768	90,674
January 1, 2021	$	56,873	4,621	23,377	10,510	95,381
June 30, 2020	$	56,873	6,012	29,714	8,212	100,811

According to IAS 36, the goodwill acquired by the Group must undergo assessment for impairment at least once a year. Pursuant to the assessment for impairment conducted by the Group on December 31, 2020, goodwill has not suffered any impairment. For details, please see Note VI (10) to the consolidated financial statements for 2020. On June 30, 2021, the Group conducted an assessment based on the sales revenue meeting target in the first two quarters of 2021, and concluded that no impairment was incurred yet.

(11) Other non-current assets

		June 30, 2021	December 31, 2020	June 30, 2020
Prepayments for equipment	$	8,554	20,364	21,383
Pension plan assets		3,031	3,033	129
Refundable Deposits		15,946	15,443	14,578
	$	27,531	38,840	36,090

(12) Short-term loans

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured bank loans	$ 69,224	80,234	74,781
Unused credit facilities	$ 1,197,233	1,192,121	1,227,477
Interest rate bracket	0.68%~1.50%	0.75%~2.09%	0.88%~2.09%

(13) Long-term loans

	June 30, 2021	December 31, 2020	June 30, 2020
Unsecured bank loans	$ 168,750	140,000	122,083
less: current portion of long-term loans	(45,000)	(3,724)	(6,238)
	$ 123,750	136,276	115,845
Unused credit facilities	$ 525,000	535,000	565,000
Interest rate bracket	1.03%~1.29%	1.10%~1.18%	1.13%~1.60%

For assets pledged as collateral to secure the bank loans, please see Note VIII.

(14) Lease liabilities

The lease liabilities of the Group are as follows:

	June 30, 2021	December 31, 2020	June 30, 2020
Current	$ 31,761	30,018	30,763
Non-current	$ 51,842	53,057	64,092

Please see Note VI (24) for the maturity profile of financial instruments.

Profit and loss recognized are as follows:

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Interest expense of lease liabilities	$ 340	406	690	816
Current lease payments not included as lease liability measurement	$ 882	416	2,144	854
Short-term lease expense	$ 986	724	1,815	1,261

Items recognized in Cash Flows Statement:

	January to June 2021	January to June 2020
Total cash outflow for leases	$ 22,043	18,677

1. Lease of buildings

Pertaining to office spaces and branch offices of the Group, the lease tenors for office spaces range from three to eight years, and branch offices, three to nine years, of which some of the leases have a renewal option for tenor as per the original lease contract.

2. Other leases

The lease tenors of transportation equipment of the Group range from one to five years. Further, some lease tenor of transportation equipment is one year and thus deemed as short-term lease. The Group chooses to adopt recognition exemption and does not recognize the relevant right-of-use assets and lease liabilities.

(15) Provision for product warranty

	June 30, 2021	December 31, 2020	June 30, 2020
Provision for product warranty	$ 8,544	10,301	10,710

During the six months ended June 30, 2021 and 2020, the Group did not have major changes in the provision for product warranty. For details, please see Note VI (15) to consolidated financial statements for 2020.

(16) Operating leases

During the six months ended June 30, 2021 and 2020, the Group did not have a new addition of a significant operating leasing contract as a leaser. For details, please see Notes VI (16) of the consolidated financial statements for 2020.

(17) Employee benefits

1. Defined benefit plans

As no significant market fluctuation, reduction, settlement or other significant one-off events have occurred since the last yearly reporting date, the Group has adopted actuarial valuation as at December 31, 2021 and 2020 for pension cost measurement and pension cost for interim period disclosure.

Under the defined benefit plans of the Group, the details of pension expenses are as follows:

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Costs of revenue	$ -	-	10	39
Operating expenses	(12)	-	(12)	(5)
	$ (12)	-	(2)	34

2. Defined contribution plans

Under the procedure for defined contribution plans of the Group, the pension expenses reported are as follows:

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Costs of revenue	$ 1,257	1,034	2,599	2,081
Operating expenses	2,587	2,473	5,233	4,958
	$ 3,844	3,507	7,832	7,039

(18) Income tax

1. Income tax expense

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Current income tax expense	$ 1,769	2,758	4,881	5,707

2. For the six months Ended June 30, 2021 and 2020, no income tax had been directly recognized under equity and other comprehensive income or loss items.
3. Income tax audit

The Company's income tax returns for the years through 2019 have been examined and approved by the R.O.C. income tax authorities.

(19) Capital and other equity

Except for the following, during the six months ended June 30, 2021 and 2020, there was no major change in capital and other equity. For details, please see Notes VI (19) of the consolidated financial statements for 2020.

1. Common stock

As of June 30, 2021, and December 31 and June 30, 2020, the Company' s authorized shares of common stock consisted of 52,000 thousand shares, with par value of NT$10 per share, of which 44,566 thousand shares were issued and outstanding.

2. Capital surplus

The balances of capital surplus of the Company are as follows:

	June 30, 2021	**December 31, 2020**	**June 30, 2020**
Additional paid-in capital in excess of par issued	$ 297,921	297,921	297,921

3. Retained earnings

According to the Article of Incorporation, any profit that the Company makes shall be first appropriated for tax payment, recovering of past losses, and 10% of the appropriation goes to legal reserve, as well as setting aside for or reversing special reserve. The remaining balance of the annual net income, together with unappropriated earnings from the beginning of the year, if any, can be distributed as dividends after the profit distribution or loss off-setting plan proposed by the Board of Directors is approved during the Shareholders' meeting. For the aforementioned earning distribution, if a cash dividend is distributed, the Board of Directors is authorized to approve and report to the Shareholders' meeting.

The Company adopts a residual dividend policy to enhance future growth and sustainable development. If profit is available, the distribution of dividend shall not be lower than 10% of the net income after tax for the year. The dividend distribution should take into account the future development of operational scale and the cash flows need. The yearly cash dividend distributed shall not be lower than 10% of the cash and stock dividends combined.

On April 22, 2021, the amount of cash dividend in the profit distribution for 2020 was approved by the Board of Directors; other items in the profit distribution for 2020 reached the statutory resolution threshold on June 9, 2021 and approved by the

Shareholders' Meeting on July 15, 2021. In addition, on June 10, 2020, the profit distribution for 2019 was approved by the Shareholders' Meeting. The profit distribution distributed to Shareholders was as follows:

	2020		2019	
	Dividend per share (NTD)	**Amount**	**Dividend per share (NTD)**	**Amount**
Legal reserve		$ 6,383		$ 7,541
Special reserve		$ (114)		$ 1,384
Dividends per share:				
Cash	$ 1.00	44,566	1.35	60,164

4. Other equity (net after tax)

Exchange differences on translation from foreign operations

	January to June 2021	January to June 2020
Beginning balance	$ (3,195)	(3,309)
Foreign exchange differences arising from translation of foreign operations	(48)	(365)
Shares of foreign currency translation differences of associates and joint ventures	(96)	(770)
End balance	$ (3,339)	(4,444)

5. Non-controlling interests (net after tax)

	January to June 2021	January to June 2020
Beginning balance	$ 63,114	55,605
Equity attributable to non-controlling interests:		
Net income	4,439	4,259
Cash dividends	(21,602)	(19,666)
Increase in non-controlling interests	-	5,107
End balance	$ 45,951	45,305

(20) Earnings per share (EPS)

1. Basic EPS

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Net income attributable to shareholders of the Company	$ 3,362	8,375	8,241	16,244
Weighted-average number of ordinary shares outstanding (in thousands)	44,566	44,566	44,566	44,566
Basic EPS (NT$)	$ 0.08	0.19	0.18	0.36

2. Diluted EPS

		April to June 2021	April to June 2020	January to June 2021	January to June 2020
Net income attributable to shareholders of the Company	$	3,362	8,375	8,241	16,244
Weighted-average number of ordinary shares outstanding (basic) (in thousands)		44,566	44,566	44,566	44,566
Effect of dilutive potential common stock (in thousands)					
Effect of employee bonuses		17	50	85	140
Weighted-average number of ordinary shares outstanding (diluted) (in thousands)		44,583	44,616	44,651	44,706
Diluted EPS (NT$)	$	0.08	0.19	0.18	0.36

(21) Revenue from contracts with customers

1. Disaggregation of revenue

		April to June 2021	April to June 2020	January to June 2021	January to June 2020
Primary geographical markets:					
Taiwan	$	202,828	169,447	402,329	342,370
Mainland China		100,482	106,948	197,175	187,854
India		10,049	17,284	18,840	31,365
Others		23,834	30,008	50,416	62,645
	$	337,193	323,687	668,760	624,234
Main products:					
Medical equipment	$	145,049	146,519	271,507	274,958
Medical services		70,656	95,438	161,935	175,006
Medical consumables		121,488	81,730	235,318	174,270
	$	337,193	323,687	668,760	624,234

2. Contract balances

		June 30, 2021	December 31, 2020	June 30, 2020
Notes and accounts receivable (including related parties)	$	173,551	199,049	228,772
less: Loss allowance		(5,248)	(2,503)	(1,846)
	$	168,303	196,546	226,926
Contract liabilities (listed as other current liabilities)	$	15,139	20,868	22,583

For disclosure on notes and accounts receivable and related loss allowance, please refer to Note VI (3).

The changes in contract liabilities are mainly due to the timing difference between products transferred or service rendered, i.e. satisfying contractual obligations by the

Group, and payment made by customers.

The Group recognized revenue from the beginning balance of contract liability as of January 1, 2021 and 2020, which amounted to NT$961 thousand and NT$686 thousand for the three months ended June 30, 2021 and 2020 respectively and NT$16,391 thousand and NT$11,446 thousand for the six months Ended June 30, 2021 and 2020 respectively.

(22) Remuneration to employees and Directors

According to the Article of Incorporation, if any profit is available, 5% to 20% thereof should be set aside as employee compensation and no more than 1% should be set aside as Directors' remuneration. However, the profit should be appropriated to deduct the accumulated deficit first, if any. The aforementioned employees that are eligible for stock options or cash compensation may include employees of affiliated companies that meet certain conditions.

The compensation of employees for the three months ended June 30, 2021 and 2020 amounted to NT$45 thousand and NT$966 thousand respectively and for the six months ended June 30, 2021 and 2020 amounting to NT$532 thousand and NT$1,907 thousand respectively; and, the remuneration of Directors amounted for the three months ended June 30, 2021 and 2020 amounting to NT$3 thousand and NT$81 thousand respectively and for the six months ended June 30, 2021 and 2020 amounting to NT$44 thousand and NT$159 thousand respectively. The compensation of employees and the remuneration of Directors were estimated by multiplying pre-tax income prior to being deducted by remuneration to employees and Directors of the period with the distribution percentage of remuneration to employees and Directors. The compensation and remuneration were classified as the costs of revenue or expenses for the period. If the actual disbursement in the following year differs from the estimated amount, the difference is treated as change in accounting estimation, and recognized in the profit and loss in the next annual period.

The estimated amounts of employee compensation for 2020 and 2019 amounted to NT$6,707 thousand and NT$8,511 thousand respectively; and the estimated amounts of Director remuneration amounted to NT$559 thousand and NT$709 thousand respectively. The aforementioned amounts did not differ from the employee compensation and Director remuneration approved by the Board, and were all disbursed in cash. For details, please see the Market Observation Post System.

(23) Non-operating income and loss

1. Interest income

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Interest income from bank deposits	$ 137	197	358	445

2. Other income

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Rental income	$ 3,045	1,698	6,219	3,448
Others	2,440	551	2,945	675
	$ 5,485	2,249	9,164	4,123

3. Other gains and losses

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Gains on disposal of property, plant and equipment, net	$ -	2	-	2
Foreign currency exchange losses	(699)	(1,058)	(825)	(337)
Gains on lease modification	208	414	415	423
	$ (491)	(642)	(410)	88

4. Financing costs

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Interest expense of bank loans	$ 654	587	1,203	1,229
Financial expense of lease liabilities	340	406	690	816
	$ 994	993	1,893	2,045

(24) Financial instruments

Except for the following, the fair value of the financial instruments and the credit, liquidity and market risks exposed due to the financial instruments have no significant changes. For details, please see Notes VI (24) and (25) of the consolidated financial statements for 2020.

1. Categories of financial instruments

(i) Financial assets

	June 30, 2021	December 31, 2020	June 30, 2020
Financial assets measured at amortized cost:			
Cash and cash equivalents	$ 260,183	255,055	214,877
Notes and accounts receivable and other receivables (including related parties)	171,457	198,233	228,598
Other financial assets-current	54,234	88,431	40,570
Other non-current assets - refundable deposits	15,946	15,443	14,578
	$ 501,820	557,162	498,623

(ii) Financial liabilities

	June 30, 2021	December 31, 2020	June 30, 2020
Financial liabilities measured at amortized cost:			
Short-term loans	$ 69,224	80,234	74,781
Notes and accounts payable and other payables (including related parties)	301,966	305,943	316,393
Lease liabilities (current and non-current)	83,603	83,075	94,855
Long-term loans (including current portion)	168,750	140,000	122,083
Guarantee deposit received	5,083	6,684	6,648
	$ 628,626	615,936	614,760

(iii) Fair value of financial instruments

The Management of the Group opines that carrying values of financial assets and liabilities measured at amortized cost is similar to their fair values.

2. Credit risk

Credit risk is the risk of financial loss to the Group when a counterparty of a financial asset transaction fails to meet its contractual obligations, and arises primarily from bank deposits (including the bank deposits recognized as other financial asset-current). The maximum exposure to credit risk amounts to the carrying amount of the Group's financial assets.

The Group deposits its cash in reputable financial institutions, resulting in no significant credit risk, in the Group's opinion.

The Group has established credit policy and determined the credit limit of each customer according to its financial status in pursuant to the policy. As of June 30, 2021, December 31 and June 30, 2020, 30%, 25%, and 43%, respectively, of the balances of notes and accounts receivable are made up by three customers combined. The Group evaluates the financial status of the customers on a regular basis to mitigate the credit risk. For information on maximum exposure to credit risk arises from notes and accounts receivable, please see Notes VI (3).

3. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling its financial liabilities by delivering cash or other financial assets. The Group manages liquidity risk by monitoring the current and mid- to long-term cash demand regularly, and maintaining adequate cash and cash equivalents, and line of credit at banking facilities. As at June 30, 2021, and December 31 and June 30, 2020, the unused credit facilities of the Group amounted to NT$1,722,233 thousand, NT$1,727,121 thousand and NT$1,792,477 thousand respectively.

The following table summarizes the maturity profile of the Group's financial liabilities based on the earliest repayment dates, and is prepared according to the contractual undiscounted payments.

	Contractual Cash flows	Within 6 months	6-12 months	1-2 years	More than 2 years
June 30, 2021					
Non-derivative financial liabilities:					
Short-term loans	$ 69,224	69,224	-	-	-
Long-term loans (including current portion)	172,113	13,027	33,705	64,85	60,524
Notes and accounts payable and other payables (including related parties)	301,966	301,966	-	-	-
Guarantee deposit received	5,083	125	-	-	4,958
Lease liabilities	84,813	17,501	14,732	23,94	28,636
	$ 633,199	401,843	48,437	88,80	94,118
December 31, 2020					
Non-derivative financial liabilities					
Short-term loans	$ 80,234	80,234	-	-	-
Long-term loans	143,604	2,024	3,260	76,12	62,199
Notes and accounts payable and other payables (including related parties)	305,943	305,943	-	-	-
Guarantee deposit received	6,684	150	-	-	6,534
Lease liabilities	85,607	16,338	14,961	23,33	30,974
	$ 622,072	404,689	18,221	99,45	99,707
June 30, 2020					
Non-derivative financial liabilities					
Short-term loans	$ 74,781	66,781	8,000	-	-
Long-term loans	125,616	3,325	4,520	81,27	36,498
Notes and accounts payable and other payables (including related parties)	316,393	316,393	-	-	-
Guarantee deposit received	6,648	40	-	-	6,608
Lease liabilities	98,004	16,395	15,761	26,44	39,401
	$ 621,442	402,934	28,281	107,72	82,507

The Group does not expect that the cash flows included in the maturity analysis would occur significantly earlier or at significantly different amounts.

4. Market risk

(i) Foreign exchange risk

The financial assets and liabilities of the Group that exposed to significant foreign exchange risk:

		June 30, 2021			December 31, 2020			June 30, 2020		
		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets										
Monetary Items										
USD	$	3,597	27.868	100,241	3,589	28.350	101,748	5,568	29.660	165,147
Financial liabilities										
Monetary Items										
USD		2,274	27.868	63,372	2,800	28.350	79,380	2,350	29.660	69,701

The foreign exchange risk of the Group is mainly due to translation differences, gains, or losses of cash and cash equivalents, accounts receivable (including related-party transactions), accounts payable (including related-party transactions), other receivables (including related-party transactions), other payables (including related-party transactions), and bank loans in foreign currencies. As of June 30, 2021 and 2020, if NTD depreciated/appreciated 1% against USD, all variables remained unchanged, the net income before tax for the three months ended June 30, 2021 and 2020 would increase/decrease NT$369 thousand and NT$954 thousand respectively. Both periods adopted the same basis for analysis.

The gains and losses on foreign exchange of monetary items (including realized and unrealized ones) to the functional currency of the Group and the parent company (NTD) are as follows:

		January to June 2021		January to June 2020	
		Foreign exchange gains (loss)	Average forex rate	Foreign exchange gains (loss)	Average forex rate
NTD	$	(762)	-	(374)	-
RMB		(14)	4.3547	8	4.2027

(ii) Interest rate risk

The Group's bank loans carried floating interest rates. To mitigate the interest rate risk, the Group periodically assesses the interest rates of different banks and currencies, and maintains good relationships with financial institutions for a lower financing cost. The Group also strengthens the management of working capital to reduce the dependence on bank loans and diversify the risk arising from fluctuation of interest rates.

The following sensitivity analysis is based on the risk exposure to floating-interest-rate of bank loans as at the reporting date. The sensitivity analysis assumes the liabilities recorded as of the reporting date had been outstanding for the entire period. The internal reporting of the Group to the Management on the fluctuation of 1% increase or decrease in yearly interest rate also represents the evaluation of the Management on the reasonable changes of the interest rate.

If the yearly interest rate increases/decreases 1%, all variables remained unchanged, the net income before tax of the Group for the three months ended June 30, 2021 and 2020 would decrease/increase NT$1,190 thousand and NT$984 thousand respectively.

(25) Financial risk management

The goal and policy of the financial risk management of the Group and the disclosure made at Notes VI (25) of the consolidated financial statements for 2020 undergo no significant changes.

(26) Capital management

The goal, policy and procedures of capital management of the Group does not differ from the disclosure made at the consolidated financial statements. For details, please see Notes VI (26) of the consolidated financial statements for 2020.

(27) Changes in liabilities from financing activities

1. For the acquisition of right-of-use assets through leases, please see Note (VI) (8).
2. Reconciliation of liabilities arising from financing activities was as follows:

Reconciliation of liabilities arising from financing activities were as follows:

			Non-cash changes	
	January 1, 2021	**Cash flows**	**Lease modification**	**June 30, 2021**
Short-term loans	$ 80,234	(11,010)	-	69,224
Long-term loans	140,000	28,750	-	168,750
Lease liabilities	83,075	(17,394)	17,922	83,603
Guarantee deposit received	6,684	(1,601)	-	5,083
Liabilities from financing activities	$ 309,993	(1,255)	17,922	326,660

			Non-cash changes		
	January 1, 2020	**Cash flows**	**Lease modification**	**Acquisition through business combination**	**June 30, 2020**
Short-term loans	$ 47,720	22,306	-	4,755	74,781
Long-term loans	93,750	28,333	-	-	122,083
Lease liabilities	99,243	(15,746)	8,680	2,678	94,855
Guarantee deposit received	4,102	2,546	-	-	6,648
Liabilities from financing activities	$ 244,815	37,439	8,680	7,433	298,367

(VII) Related-party Transactions

(1) Parent company and ultimate controlling company

BenQ Corporation is the parent company of the Company. Qisda Corporation is the ultimate controlling company of the Company, indirectly holding a 54.96% stake in ordinary shares outstanding, and its Consolidated Financial Statements are made available to the public.

(2) Related party name and categories

During the reporting period of these consolidated financial statements, the related parties that transacted with the Group were as follows:

Name of related party	Relationship with the Group
Qisda Corporation (Qisda)	Ultimate controlling company of the Group
BenQ Corporation (BenQ)	The parent company of the Group
TDX Medical Technology (Jiangsu) Co., Ltd. (TDX)	Joint venture of the Group
Suzhou Trident Original Medical Technology Co., Ltd. (STOMT)	Subsidiary of Joint venture of TDX
Other related parties:	
BenQ Asia Pacific Corp.	Subsidiary of BenQ
BenQ GURU Corp.	Subsidiary of BenQ
BenQ Co., Ltd.	Subsidiary of BenQ
BenQ Technology (Shanghai) Co., Ltd.	Subsidiary of BenQ
BenQ Intelligent Technology (Shanghai) Co., Ltd	Subsidiary of BenQ
BenQ Materials Corporation (BMC)	Subsidiary of Qisda
BenQ Material (Suzhou), Co., Ltd.	Subsidiary of BMC
BenQ Materials Medical Supplies (Suzhou) Co., Ltd	Subsidiary of BMC
Sigma Medical Supplies Corporation (SMS)	Subsidiary of BMC
BenQ Medical (Shanghai) Co., Ltd.	Subsidiary of Qisda
K2 Medical Co., Ltd. (Thailand)	Subsidiary of Qisda
K2 International Medical Inc.	Subsidiary of Qisda
Golden Spirit Co., Ltd.	Subsidiary of Qisda
Data Image Corporation	Subsidiary of Qisda
Aewin Technologies Co., Ltd	Subsidiary of Qisda
Global Intelligence Network Co., Ltd.	Subsidiary of Qisda
Sysage Technology Co., Ltd.	Subsidiary of Qisda
BenQ Dialysis Technology Corp.	Subsidiary of Qisda
Partner Tech Corp.	Subsidiary of Qisda
Alpha Networks Inc.	Subsidiary of Qisda
DFI Inc.	Subsidiary of Qisda
Darfon Electronics Corporation	Associates of Qisda
Q.S.Control Corporation	Associates of Qisda
AU Optronics Corporation (AUO)	Corporate Shareholder using in the equity method of Qisda

AUO Education Service Corp.	Subsidiary of Qisda
BenQ Foundation	Substantive related party of Qisda

(3) Related-party transactions

1. Operating revenues

The sales to related parties were as follows:

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Ultimate controlling company	$ 1,949	17	2,003	417
Joint venture	1,914	743	3,035	956
Other related parties	4,774	4,757	18,038	18,857
	$ 8,637	**5,517**	**23,076**	**20,230**

The sales to related parties by the Group were not comparable to the sales prices for third-party customers as the specifications of products were different. Meanwhile, the conditions of the transactions did not significantly differ from normal sales.

2. Purchases

The purchases made by the Group with related parties were as follows:

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Ultimate controlling company	$ 5,679	15,234	12,800	20,074
Joint venture	16,283	4,081	30,604	18,402
Other related parties	4,124	3,960	8,297	7,257
	$ 26,086	**23,275**	**51,701**	**45,733**

The conditions of procurement between the Group and the related parties above do not differ significantly from transactions with an external party.

3. Leases

(i) The Group leases factory plant and offices from Qisda and the rental was set by referring to the rental market of the area. The interest expense recognized for the three months ended June 30, 2021 and 2020 amounted to NT$108 thousand and NT$146 thousand respectively and for the six months ended June 30, 2021 and 2020 amounted to NT$225 thousand and NT$307 thousand respectively. As of June 30, 2021 and December 31 and June 30, 2020, the balance of lease liabilities amounted to NT$25,539 thousand, NT$29,677 thousand, and NT$33,781 thousand respectively.

(ii) The Group has leased offices from Qisda and other related parties and the agreements are short-term leases. The Group opted for exemption of recognition and did not recognize the related right-of-use assets and lease liabilities. For the three months ended June 30, 2021 and 2020, the rental expense amounted to NT$226 thousand and NT$353 thousand respectively; for the six months ended June 30, 2021 and 2020, the rental expense amounted to NT$452 thousand and NT$711 thousand respectively. On June 30, 2021 and 2020, the related payables are classified under other payables.

4. Acquisition and disposal of property, plant and equipment

For the six months ended June 30, 2021, the Group purchased fixed assets from Qisda which amounted to NT$1,206 thousand. As of June 30, 2021, the related payables were fully settled.

For the six months ended June 30, 2020, the Group purchased fixed assets from other related parties which amounted to NT$720 thousand. As of June 30, 2020, the related payables are classified under other payables.

5. Others

(i) For the three months and six months ended June 30, 2021 and 2020,the service rendered to the Group by the ultimate controlling company, the parent company and other related parties amounted to NT$203 thousand, NT$407 thousand, NT$394 thousand, and NT$927 thousand respectively. As at June 30, 2021 and 2020, the related payables were classified under other payables.

(ii) The purchases made by the Group with Joint Venture, STOMT, was under the agreed payment term of TT in Advance. As of June 30, 2021 and December 31 and June 30, 2020, the balance of prepayments amounted to NT$5,010 thousand, NT$7,794 thousand, and NT$7,665 thousand respectively, which were classified under prepayment and other current assets.

(iii) For the six months ended June 30, 2021 and 2020, the donations that the Group made to BenQ Foundation amounted to NT$500 thousand and NT$600 thousand respectively and were recognized as general and administrative expenses.

(iv) The Company and the parent company, BenQ Corp., entered into a trademark licensing agreement. BenQ Corp. authorized the Company to use its trademark on products and services. The trademark licensing stipulated by the contract took effect on June 10, 2014 and shall end upon termination by either party.

6. Receivables from related parties

The receivables from related parties of the Group are as follows:

Account	Related-party categories	June 30, 2021	December 31, 2020	June 30, 2020
Accounts receivable-related parties	Ultimate controlling company	$ 2,035	60	-
Accounts receivable-related parties	Joint venture	3,693	2,719	3,267
Accounts receivable-related parties	Other related parties	2,982	581	4,527
Other receivables-related parties	Ultimate controlling company	1,576	-	-

Account	Related-party categories	June 30, 2021	December 31, 2020	June 30, 2020
Other receivables-related parties	Joint venture	182	-	-
Other receivables-related parties	Other related parties	51	50	49
		$ 10,519	3,410	7,843

7. Payables to related parties

The payables to related parties of the Group are as follows:

Account	Related-party categories	June 30, 2021	December 31, 2020	June 30, 2020
Accounts payable-related parties	Ultimate controlling company	$ 4,643	2,341	10,314
Accounts payable-related parties	Joint venture	2,033	2,242	1,105
Accounts payable-related parties	Other related parties	5,419	4,821	5,278
Other payables-related parties	Ultimate controlling company	1,334	1,496	1,403
Other payables-related parties	Parent company	375	-	593
Other payables-related parties	Other related parties	96	534	458
Lease liabilities - current	Ultimate controlling company	8,376	8,309	8,242
Lease liabilities - non-current	Ultimate controlling company	17,163	21,368	25,539
		$ 39,439	41,111	52,932

(4) Transaction with key management personnel

Compensation for key management personnel:

	April to June 2021	April to June 2020	January to June 2021	January to June 2020
Short-term employee benefits	$ 2,449	2,495	4,910	5,151
Post-employment benefits	27	27	54	54
	$ 2,476	2,522	4,964	5,205

(VIII) Pledged Assets

The carrying value of pledged assets of the Group is as follows:

Pledged Assets	Pledged to secure	June 30, 2021	December 31, 2020	June 30, 2020
Other financial assets-current	Performance bond	$ 80	838	733
Land and buildings	Credit lines of bank loans	497,728	502,998	508,268
Investment Property	Credit lines of bank loans	48,411	49,195	49,980
		$ 546,219	553,031	558,981

(IX) Significant Commitments and Contingencies: None.

(X) Significant Loss from Disaster: None.

(XI) Significant Subsequent Events: None.

(XII) Others

(1) Employee benefits, depreciation, and amortization are as follows:

Item / Category	April to June 2021			April to June 2020		
	Costs of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits						
Salaries	30,729	43,639	74,368	24,088	49,903	73,991
Insurance	3,206	4,948	8,154	2,326	4,058	6,384
Pension	1,257	2,575	3,832	1,034	2,473	3,507
Other employee benefits	2,140	1,224	3,364	1,642	1,799	3,441
Depreciation	12,634	9,921	22,555	8,698	9,402	18,100
Amortization	356	2,861	3,217	361	2,812	3,173

Item / Category	January to June 2021			January to June 2020		
	Costs of revenue	Operating expenses	Total	Cost of revenue	Operating expenses	Total
Employee benefits						
Salaries	64,150	92,088	156,238	48,617	98,060	146,677
Insurance	6,655	10,013	16,668	4,655	8,779	13,434
Pension	2,609	5,221	7,830	2,120	4,953	7,073
Other employee benefits	4,370	2,592	6,962	3,323	3,265	6,588
Depreciation	24,577	19,316	43,893	17,168	18,313	35,481
Amortization	720	5,773	6,493	678	5,343	6,021

(2) The impact of seasonal or cyclical factors to the operation of the Group is not significant.

(XIII) Additional Disclosures

(1) Information on significant transactions

For the three months ended June 30, 2021, according to the Preparation Regulations, the information on significant transactions is as follows:

1. Financing provided to other parties: None.
2. Guarantees and endorsements provided to other parties: None.
3. Marketable securities held at the reporting date (excluding investments in subsidiaries, associates, and joint ventures): None.
4. Marketable securities for which the accumulated purchase or sale amounts for the year exceed $300 million or 20% of the paid-in capital: None.
5. Acquisition of real estate which exceeds $300 million or 20% of the paid-in capital: None.
6. Disposal of real estate which exceeds $300 million or 20% of the paid-in capital: None.
7. Total purchases from and sales to related parties which exceed $100 million or 20% of the paid-in capital: None.
8. Receivables from related parties which exceed $100 million or 20% of the paid-in capital: None.
9. Transactions about derivative instruments: None.
10. Business relationships and significant intercompany transactions:

Number (Note 1)	Company Name	Counterparty	Nature of Relationship (Note 1)	Intercompany Transactions(Note 3)			
				Account	Amount	Transaction Terms	Percentage of Consolidated Net Revenue or Total Assets(Note 4)
0	The Company	BHS	1	Sales	19,694	ME 30 Days	2.94%
1	Asiaconnect	BHS	3	Sales	7,507	ME 30 Days	1.12%

Note 1: Parties to the intercompany transactions are identified and numbered as follow:
1. "0" represents the Company
2. Subsidiaries are numbered from "1".

Note 2: Nature of relationships of the intercompany transactions are numbered as follow:
1 represents the transactions from the parent company to subsidiary.
2 represents the transactions from subsidiary to the parent company.
3 represents the transactions between subsidiaries.

Note 3: Intercompany relationships and significant intercompany transactions are disclosed only for the amounts that exceed 1% of consolidated net revenue or total assets. The corresponding purchased and accounts payables are not disclosed.

Note 4: Transactions amount divided by consolidated operating revenues or consolidated total assets

Note 5: The above intercompany transactions have been eliminated when preparing the consolidated financial statements

(2) Information on investees:

For the six months ended June 30, 2021, the information on investees is as follows (excluding investments in Mainland China):

(Amounts in thousands of New Taiwan dollars / shares, unless specified otherwise)

Investor	Investee	Location	Main Business Activities	Original investment Amount		Balance as of Mar 31, 2020			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				June 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
The Company	Asiaconnect International Co., Ltd.	Neihu, Taipei	Wholesaling and retailing of medical consumables and equipment and information software	21,984	21,984	1,995	99.75%	26,371	1,413	1,409	(Note)
The Company	Highview Investments Limited	Samoan Islands	Investment and holding company	36,211	36,211	1,062	100.00%	8,561	(367)	(367)	(Note)
The Company	Lily Medical Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	185,000	185,000	10,000	100.00%	233,837	8,661	8,174	(Note)
The Company	BenQ AB DentCare Corporation	Taiwan	Wholesaling and retailing of medical consumables and equipment	88,000	88,000	8,800	88.00%	56,207	110	645	(Note)

Investor	Investee	Location	Main Business Activities	Original investment Amount		Balance as of Mar 31, 2020			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				June 30, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Amount			
The Company	BenQ HealthCare Corp.	Taiwan	Wholesaling and retailing of medical consumables and equipment	100,000	100,000	10,000	100.00%	117,833	11,151	11,151	(Note)
The Company	Eastech Co., Ltd	Taiwan	Wholesaling and retailing of medical consumables and equipment	20,300	20,300	700	70.00%	21,843	2,087	1,144	(Note)
BenQ HealthCare Corp.	New Best Hearing International Trade Co., Ltd.	Taiwan	Wholesaling and retailing of medical consumables and equipment	59,280	59,280	1,092	52.00%	63,242	9,678	4,260	(Note)

(Note) The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(3) Information on investments in Mainland China:

1. Name, main businesses and products of investee in Mainland China:

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

Investee Company Name	Main Business Activities	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2021 (Note 2)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2021	Net Income (Loss) of the Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Amount as of June 30, 2021 (Note 2)	Accumulated Inward Remittance of Earnings as of June 30, 2021
					Outflow	Inflow						
BenQ Medical Technology (Shanghai) Ltd.	Agency of international and entrepot trade business	27,868 (USD 1,000 thousand)	(1)	27,868 (USD 1,000 thousand)	-	-	27,868 (USD 1,000 thousand)	(367)	100.00 %	(367)	10,427 (Note 3)	-
LILY Medical (Suzhou) Co., Ltd.	Wholesaling and retailing of medical consumables and equipment	5,852 (USD 210 thousand)	(2)	5,852 (USD 210 thousand)	-	-	5,852 (USD 210 thousand)	(258)	100.00 %	(258)	2,519 (Note 3)	-
TDX Medical Technology (Jiangsu) Co., Ltd	Wholesaling and retailing of medical consumables and equipment	86,146 (RMB20,000 thousand)	(2)	34,458 (RMB 8,000 thousand)	-	-	34,458 (RMB 8,000 thousand)	(136)	40.00 %	(55)	29,804	-

(Note 1) (1) Indirect investment in Mainland China through a holding company established in a third country; (2) Direct investment in Mainland China companies.
(Note 2) The above amounts are translated as per the following exchange rates: USD: NTD = 1:27.868 and RMB: NTD = 1:4.3073.
(Note 3) The above amounts have been eliminated when preparing the consolidated financial statements.
(Note 4) The company is a limited liability company and shareholding information is unavailable.

2. Limits on investments in Mainland China:

	Accumulated Investment in Mainland China as of March 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	62,326 (USD 1,000 and RMB 8,000)	78,783 (USD 2,827)	610,523
LILY	5,852 (USD 210)	5,852 (USD 210)	105,349

3. Significant transactions with investee companies in Mainland China:

Counterparty	Relationships with the Company	Transaction Term					Notes receivable (payables) or Accounts receivable (payables)		Unrealized gain or loss
		Type	Amount	Price	Payment term	Comparison with transactions with an external party	Balance	Percentage	
TDX and its subsidiaries	Joint venture, directly held by the Company	Purchase	30,604	As agreed	Prepayment	No significant difference	2,033	1.48%	827

(4) Information on Major Shareholders:

(Express in shares)

Share Shareholder's Name	Number of shares held	Shareholding Percentage
BenQ Co., Ltd.	19,353,427	43.43%
Darly Venture Inc.	3,548,646	7.96%

(XIV) Segment Information

(1) General information

The reportable segments of the operational divisions of the Group consist of R&D and manufacturing divisions, and retail divisions. R&D and manufacturing divisions engage in manufacturing, assembly, maintenance and repair of medical equipment and facilities. Retail divisions engage in sales of various medical services and products.

The profit and loss of operating segments are mainly measured by the operating income, which also serves as the basis for performance evaluation. The reported amounts are consistent with the reporting to the operational decision makers. In addition to the aforementioned, the accounting policies of the operating segments do not significantly differ from the material policies of the Group.

The Group's operating segment information and reconciliation are as follows

(Expressed in Thousands of New Taiwan Dollars)

	April to June 2021			
	R&D and Manufacturing Divisions	Retail Division	Adjustment and Elimination	Total
External revenue	$ 279,964	57,229	-	337,193
Intra-group revenue	246	1	(247)	-
Total segment revenue	$ 280,210	57,230	(247)	337,193
Segment profit (loss)	$ (1,678)	5,337	(816)	2,843

	April to June 2020			
	R&D and Manufacturing Divisions	Retail Division	Adjustment and Elimination	Total
External revenue	$ 254,830	68,857	-	323,687
Intra-group revenue	-	-	-	-
Total segment revenue	$ 254,830	68,857	-	323,687
Segment profit (loss)	$ 1,490	7,732	(614)	8,608

	January to June 2021			
	R&D and Manufacturing Divisions	Retail Division	Adjustment and Elimination	Total
External revenue	$ 547,696	121,064	-	668,760
Intra-group revenue	415	1	(416)	-
Total segment revenue	**$ 548,111**	**121,065**	**(416)**	**668,760**
Segment profit (loss)	**$ 444**	**10,939**	**(986)**	**10,397**

	January to June 2020			
	R&D and Manufacturing Divisions	Retail Division	Adjustment and Elimination	Total
External revenue	$ 493,441	130,793	-	624,234
Intra-group revenue	-	-	-	-
Total segment revenue	**$ 493,441**	**130,793**	**-**	**624,234**
Segment profit (loss)	**$ 8,598**	**12,574**	**(1,172)**	**20,000**