



TSE: 2352

# QISDA 2023 ANNUAL REPORT

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Qisda Annual report is available at <https://www.qisda.com/home.aspx>

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### QISDA ON THE INTERNET

Qisda's Investor Relations home page on the  
worldwide website offers a wealth of  
corporate information, including the latest  
annual report and financial results.  
Website: [Qisda.com](http://Qisda.com)

### OVERSEAS SECURITY EXCHANGE LISTING

For further information, visit Qisda worldwide  
website and Login at Investor Relations  
Qisda Global Depositary Shares  
Luxemburg Stock Exchange  
Website: [Qisda.com](http://Qisda.com) -Investor Relations

## Letter to Shareholders

Dear Shareholders,

In the face of challenges such as war, inflation, interest rate hikes, and debt issues in banking and real estate, the global economic environment in 2023 remained complex. Despite this, Qisda reported consolidated revenue of NT\$203.6 billion, a 15% decrease compared to the previous year. However, due to our continued focus on the healthcare sector, we achieved a 20% growth in the medical business, maintaining Qisda's overall consolidated revenue above NT\$200 billion. Our operating income reached NT\$5.01 billion, and net income was NT\$4.52 billion. The net income attributable to Qisda was NT\$2.98 billion, with earnings per share of NT\$1.51.

### **Building a Sustainable Future – Together Towards Excellence**

Qisda is committed to sustainable business practices, maintaining transparency in ESG indicators such as environmental impact, social responsibility, and corporate governance. In 2023, Qisda scored 81 points in the **S&P Global ESG** rating (out of a maximum 100), marking its debut inclusion in the S&P Global Sustainability Yearbook 2024. It achieved the distinction of being in the **top 5% globally**, standing out among the evaluated 9400 global enterprises. Qisda received a low-risk rating of 14.13 points in the **Sustainalytics ESG Risk Ratings** (out of a maximum 0 points). Our **Corporate Governance Evaluation on TWSE** remained in the top 6% to 20% of listed companies. Qisda has been a component of **TWSE Corporate Governance 100 Index** for five consecutive years since 2019 and has been a component of **TWSE RAFI® Taiwan High Compensation 100 Index** for nine consecutive years since 2015. Additionally, we have been recognized as **"Best Companies to Work for in Asia"** for five consecutive years.

Qisda extends the spirit of sustainability, encapsulated in "Together make the world better," to its affiliated enterprises and partners throughout the supply chain. We continue to pursue the "3-4-5" sustainability goals, committing to a 30% reduction in supply chain carbon emissions by 2030, 100% use of renewable energy by 2040, and achieving net-zero emissions by 2050. In 2023, Qisda led a consortium of 23 companies to obtain the world's first ISO 20121 sustainability event certification at COMPUTEX, demonstrating our commitment to green exhibitions with zero waste. Qisda and six affiliated companies received 29 sustainability awards, showcasing Qisda's leadership in sustainable business practices.

### **Strategic Focus and Expansion of High-Margin Businesses**

Qisda is progressing towards the goal of achieving **over half of its profits from high-value-added businesses by 2027**. Despite challenging external factors in 2023, we continued our strategic focus and expanded high-margin businesses, achieving a 20-year-record-high average gross margin of 16.2%. This focus involved divesting non-core businesses and optimizing the organization, concentrating resources on four key business directions. In 2023, we facilitated the integration of Wixtar, Brainstorm acquired by MetaAge, and K2 Medical acquired by BenQ Medical Tech, enhancing the efficiency of customer service by consolidating resources within subsidiary companies.

In expanding high-margin businesses, our dedication resulted in the Medical business surpassing NT\$24.6 billion in revenue in 2023, a 20% growth from the previous year, accounting for 12% of Qisda's total revenue. The revenue contribution from Business Solutions (BSG) and Networking & Communication (NCG) stood at 16% and 14%, respectively. Considering high-value-added product lines, these new high-margin businesses collectively accounted for approximately half of the total revenue. The display business adjusted its inventory to respond to supply and demand changes while actively cultivating high-end models in preparation for market recovery.

### **Future Outlook**

Looking ahead to 2024, although uncertainties in the economic environment persist, conditions are gradually stabilizing. Qisda will continue to focus on its four main operational directions, aiming to ascend to new heights and create long-term value for the company. Our plans include:

1. **Optimize Current Business:** Consolidating the global top 2 leading positions of displays and projectors, with a focus on high-end, high-priced, professional, and medical displays.
2. **Expand Medical Business:** Expanding the reach of BenQ Medical Center and actively pursuing a listing in Hong Kong to support the rapid growth of the hospital business. In the strategy of "Dual Engines in Medical Devices and Pharmaceuticals," we focus on technological innovation in medical equipment. We are enhancing the quality and differentiation of products, including blood dialysis, ultrasound, oral scanners, digital dentistry, and surgical room equipment. Additionally, we are actively expanding into overseas markets, particularly in Southeast Asia. In the medical pharmaceutical distribution channel, we prioritize the needs of the aging population, integrating Qisda's innovative technological strength with the pharmaceutical expertise of our partners to create a comprehensive healthcare system for the public.
3. **Accelerate Business Solutions:** Strengthening the integration of information technology (IT) and operational technology (OT) to create an OMO omnichannel service. Developing comprehensive hardware and software services to meet the diverse needs of different vertical markets in the face of trends such as cloud integration, cybersecurity, AI computing, new energy, smart automation, and new infrastructure.
4. **Deploy Network Business:** Recognizing the central role of networks in the digital environment, Qisda, through its subsidiaries like Alpha Networks Inc., Hitron Technologies Inc., Interactive Digital Technologies Inc., aims to create a comprehensive broadband service integrating both wired and wireless networks. Expanding into the telecom market, seizing 5G opportunities, and positioning in low-orbit satellites and space opportunities to provide seamless and rapid broadband services

**Innovation Excellence – Leveraging the Influence of the Grand Fleet**

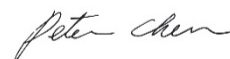
Qisda sustains its competitive advantage through innovation and technological development, allocating an average of 2% to 3% of annual revenue to product innovation and R&D. Accumulating to date, we hold a total of 1,251 patents worldwide. In 2023, Qisda introduced QMUT, a new technology in the medical field involving capacitive ultrasound probes. This innovative technology and process aim to provide more precise and easily interpretable medical images for doctors, with potential applications in various medical fields.

The value transformation of Qisda has entered its second chapter, and the resource platform created for the “Grand Fleet Partners” is actively contributing positively to the group and the industrial landscape of Taiwan. We extend our gratitude to all shareholders for their long-term support and encouragement. The management team and all employees of the company will continue to work diligently to maximize benefits for the company and shareholders.

Finally, we wish everyone good health, good luck and fortune.

Sincerely,

Chairman: Peter Chen



President: Joe Huang



# Company Profile

## I. Date of Founding: April 21, 1984

## II. Company History:

April, 1984	Company established with a registered capital at NT\$140,000,000 (currency for the following monetary amount would all be NT\$ except specifically specified), the paid in capital was 35,000,000.
April, 1993	The Subsidiary "BenQ" established in Suzhou of mainland China.
November, 1993	The Headquarter and Production Base of the Company established in Gueishan of Taoyuan.
July, 1996	Officially listed at TWSE.
November, 1996	First issuance of foreign currency convertible bonds with a total value of US\$110,000,000.
January, 1998	Initiation of construction of BenQ Suzhou Science and Technology Park.
December, 1998	First issuance of domestic debenture with a total value of NT\$20,000,000.
June, 2000	First issuance of domestic unsecured convertible bonds with a total value of NT\$4,000,000,000.
February, 2001	Second issuance of foreign currency convertible bonds with a total value of US\$175,000,000.
January, 2002	The Private Brand "BenQ" created and the English name of the Company changed to "BenQ Corporation".
May, 2002	The Board of Directors collectively elected Mr. K.Y. Lee as the Chairman.
June, 2002	The Shuang-shing Plant in Gueishan of Taoyuan activated for production.
February, 2003	Established the joint venture with Royal Philips Electronic.
January, 2004	The Subsidiary Da-zhou Communication System Co., Ltd. (whose 100% of shares were held by the VCompany) merged and acquired by the Company.
June, 2005	First issuance of domestic debenture with a total value of NT\$4,000,000,000. Initiation of construction of BenQ Medical Center in Nanjing.
October, 2005	BenQ became the fourth most valuable out of the Top Ten "Branding Taiwan" brands. M&A with mobile departments of Siemens became officially effective and the operation of BenQ Mobile GmbH & Co OHG started.
December, 2005	Issuance of overseas depositary receipt with total volume of 150,000,000 shares.
January, 2006	The first crossover edition of mobile phone product by BenQ-Siemens hit the market.
April, 2006	Production integration of optical storage products with Lite-On IT Corporation. The Board of Directors determined to terminate capital increase to BenQ Mobile.
November, 2006	BenQ included into the TOP 10 Leading Brands of Chinese Consumer Electronic Industry, becoming one of the most influential Chinese brands.
January, 2007	First issuance of unsecured exchangeable bonds with a total amount of NT\$4,500,000,000.
June, 2007	The Shareholders' Meeting approved proposals of brand segmentation, capital reduction for cover accumulated deficits and change of corporate name.
July, 2007	The corporate name was changed from BenQ Corporation to Qisda Corporation.
September, 2007	Capital reduction initiated. The listed company name at TWSE changed to Qisda (2352).
April, 2008	Capital increase by private placement of common stock at the amount of NT\$5,000,000,000.
May, 2008	Operation of BenQ Medical Center in Nanjing initiated.
June, 2008	The Shareholders' Meeting approved the proposals of establishing positions of Independent Directors and the Audit Committee.
July, 2009	Initiation of construction of BenQ Medical Center in Suzhou.
August, 2011	The Board of Directors approved the proposal of establishing the Remuneration Committee.

October, 2011	BenQ won the prize of Best Chinese Enterprise in Human Resources Management for three years in a row and also won the prize of Best Remuneration and Performance Management. BenQ Medical Center in Nanjing rated by the Health Department of Jiangsu Province as the Level 3 Hospital.
September, 2012	Selected by IDB of MOEA as the model enterprise for Outstanding CSR Reports of 2012.
November, 2012	Won the Bronze Medal of Manufacturing Industry of 2012 Taiwan Corporate Sustainability Awards.
May, 2013	Operation of BenQ Medical Center in Suzhou initiated.
October, 2013	BenQ Medical Center was rated the 7 <sup>th</sup> I of the top 100 most competitive Chinese private-owned hospitals.
November, 2013	Won the Taiwan Top 50 Corporate Sustainability Report Award and the Climate Leadership Award of 2013 Taiwan Corporate Sustainability Awards
December, 2013	Selected by IDB of MOEA as the model enterprise for Quality CSR Reports of 2013.
November, 2014	Won the Silver Medal of "Large Enterprises, Electronics Industry II" of Taiwan Top 50 Corporate Sustainability Report Awards.
April, 2015	Rated as the top 5% by 2015 Corporate Governance Appraisal System of TWSE.
May, 2015	Won the first prize of Eco-friendly Enterprise of 2015 Global Views Monthly Corporate Sustainability Awards.
May, 2016	Won the prize of Model Enterprise of Electronic Technology Group of 2016 Global Views Monthly Corporate Sustainability Awards.
November, 2016	Won the Gold Medal "Electronic and IT Manufacturing Industry" and the "Climate Leadership Award" of Taiwan Top 50 Corporate Sustainability Report Award of 2016 Taiwan Corporate Sustainability Awards.
April, 2017	Completed the public tender offer of 42.06% of shares of Partner Tech Corp.
May, 2017	"Best Business Continuity Approach of the Year" of StrategicRISK.
November, 2017	"Top 50 Corporate Sustainability Report Awards" and "Top 50 Corporate Sustainability Awards" of 2017 Taiwan Corporate Sustainability Awards of TAISE.
November, 2017	Completed the public tender offer of 36.28% of shares of DFI.
January, 2018	Recognized by Thomson Reuters as one of the entity of the Top 100 Global Technology Leaders.
March, 2018	Recognized as one of the 30 model Taiwanese enterprises by CSRone Reporting.
March, 2018	Participated in the subscription of common stocks from private placement by Alpha Networks Inc. for capital increase by cash with a shareholding ratio of the Company at approximately 18.38%.
August, 2018	Participated in the subscription of common stocks of K2 International Medical Inc. or capital increase by cash with a shareholding ratio of the Company at approximately 29.85%.
November, 2018	Participated in the subscription of common stocks from private placement by Dataimage for capital increase by cash with a shareholding ratio of the Company at approximately 28.82%.
April, 2019	The first safety certification of Human-Robot Collaboration (HRC) around Taiwan
June, 2019	Awarded prize for HR Asia, Best Companies to Work For In Asia Awards
July, 2019	To establish a new joint venture company (BenQ Biotech ( Shanghai ) Co., Ltd) with Shanghai Kunxin Medical Technology Co., Ltd. by cash injection, after the investment, shareholding ratio is 70%.
August, 2019	The Company participates in Topview Optronics Corporation's private placement of common shares with a shareholding ratio of the Company at approximately 20%.
August, 2019	The Company participates in SYSAGE THCHNOLOGY CO., LTD's private placement of common shares with a shareholding ratio of the Company at approximately 35%.
September, 2019	Qisda's Twin Stars Factory has continued to obtain the continuous accreditation to the Green Factory from Industrial Bureau of Taiwan's Ministry of Economic Affairs.
October, 2019	The Subsidiary "Qisda Vietnam Co., Ltd" established
November, 2019	Awarded prize for Platinum Award for Taiwan Corporate Sustainability Reports "(Electronic Information Manufacturing Industry)" of "2019 Taiwan Corporate Sustainability Awards (TCSA)" from Taiwan Institute for Sustainability Foundation (TAISE) and "Corporate

	Comprehensive Performance Award.
November, 2019	Qisda Chairman Peter Chen received an annual award for "EY Entrepreneur Of The Year 2019" and Excellent Business Model Entrepreneur Of The Year.
March, 2020	The Company participates in SIMULA TECHNOLOGY INC.'s private placement of common shares with a shareholding ratio of the Company at approximately 37.5%.
July, 2020	Completed the public tender offer of 19% of shares of Alpha Networks Inc..
September, 2020	Won "Best Companies to Work For in Asia" and "HR Asia Most Caring Companies Award".
November, 2020	Won "Top Ten Most Prestigious Sustainability Award", "Corporate Sustainability Report Award", "Growth through Innovation Award" and "Creativity in Communication Award of" Taiwan Corporate Sustainability Reports Platinum Award" running by Taiwan Institute for Sustainability Foundation (TAISE)
December, 2020	Qisda Chairman Peter Chen received M&A Outstanding Achievement Award and National Manager Excellence Award.
January, 2021	Completed the public tender offer of 16% of shares of SYSAGE TECHNOLOGY CO., LTD..
September, 2021	Won "Best Companies to Work For in Asia" and "HR Asia Most Caring Companies Award".
October, 2021	Won "2021 World's Best Employers" from Forbes.
November, 2021	Won "Corporate Sustainability Excellent Performance Award", Gold Award of "Corporate Sustainability Report Award" in the category of IT & IC manufacturing from Taiwan Institute for Sustainable Energy, "Social Inclusion Award", Silver Award of "Taiwan Sustainability Action Award - Employment and Economic Growth", and Bronze Award of "Taiwan Sustainability Action Award - Education Quality", and "Social Inclusion Award" running by Taiwan Institute for Sustainability Foundation (TAISE)
April, 2022	Qisda Chairman Peter Chen received ERSO Award.
July, 2022	Participated in the subscription of common stocks from private placement by TCI GENE INC. for capital increase by cash with a shareholding ratio of the Company at approximately 17.84%.
August, 2022	Won Gold Award of "Taiwan Sustainability Action Awards - "Environmental Sustainability", Gold Award of "Taiwan Sustainability Action Awards - "Social Inclusion", and Bronze Award of "Taiwan Sustainability Action Awards - "Economic Development".
August, 2022	Won "Best Companies to Work For in Asia".
November, 2022	Won "Top 100 Sustainability Model Award", "Corporate Sustainability Report Awards - Gold Award".
December, 2022	Qisda Chairman Peter Chen received Management Of Technology Award and Photonics Award.
December, 2022	Qisda joined RE100.
May, 2023	Completed the public tender offer of 14% of shares of NORBEL BABY CO.,LTD.
July, 2023	Won "Best Companies to Work For in Asia".
July, 2023	Won Gold Award of "Taiwan Sustainability Action Awards - "SDG17- Social Inclusion", Silver Award of "Taiwan Sustainability Action Awards - "SDG12- Environmental Sustainability", Bronze Award of "Taiwan Sustainability Action Awards - "SDG9-Economic Development", and Bronze Award of "Taiwan Sustainability Action Awards - "SDG7- Environmental Sustainability".
August, 2023	Won "Corporate Sustainability Reporting Category", "Green Leadership Category" at the Asia Responsible Enterprise Awards (AREA).
September, 2023	Won "Top 100 Excellence in Corporate Social Responsibility"
September, 2023	Won "Master Entrepreneur Award" at the Asia Pacific Enterprise Awards (APEA).
November, 2023	Won "Top 100 Sustainability Model Award", "Corporate Sustainability Report Awards - Platinum Award", "Global Corporate Sustainability Report Award - Bronze Award" running by Taiwan Institute for Sustainability Foundation (TAISE).
November, 2023	Qisda Smart Factory - Twin Star Building has been awarded the "Silver Level" Green Building Certification.
December, 2023	TOP 5% S&P Global Corporate Sustainability Assessment(CSA) Score.

Note: Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE CORPORATION, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its company history.

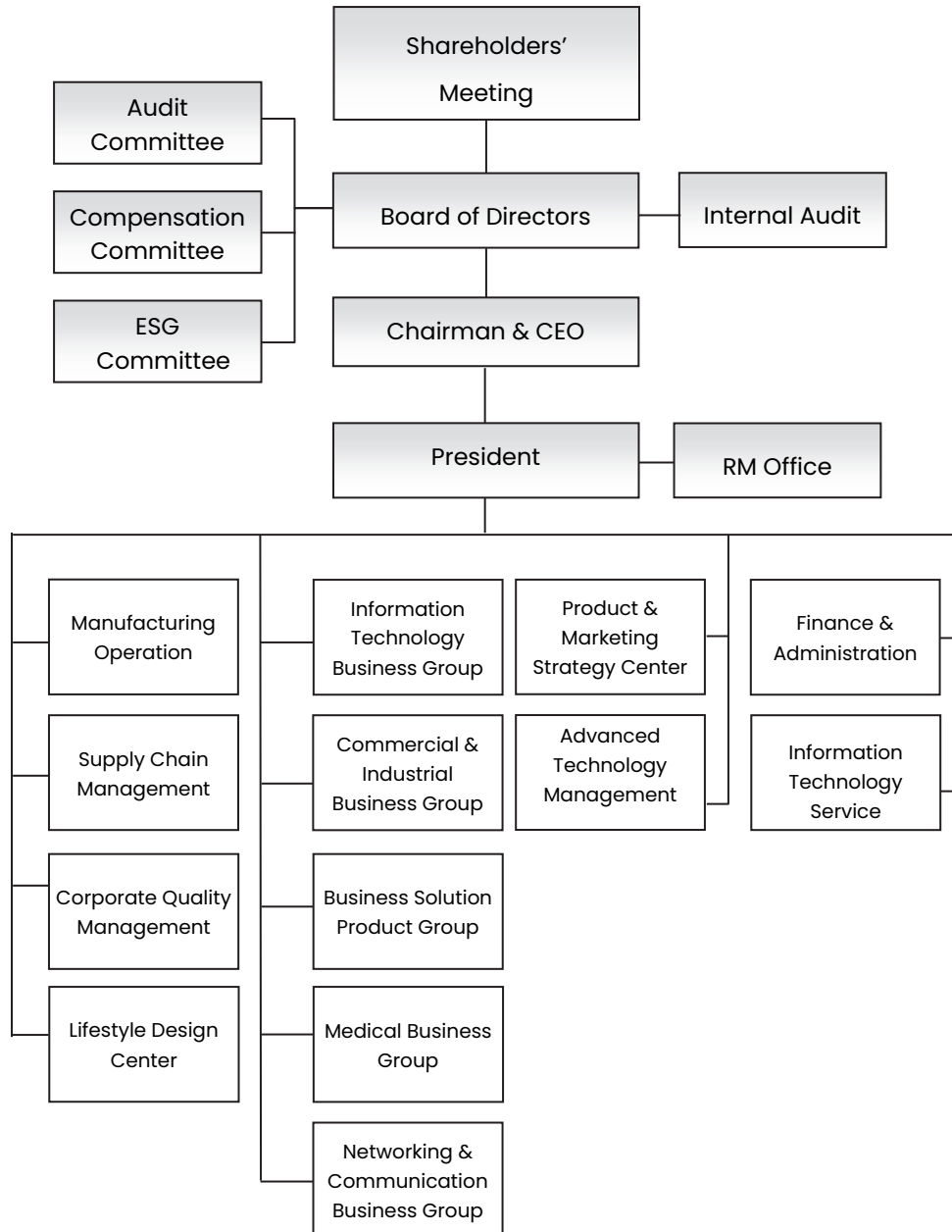


# Corporate Governance

## I. Organization

### (I) Organizational Structure

Date: March 31, 2024



(II) Business Scope for Main Department

Department	Majority Focus
Information Technology Business Group Commercial & Industrial Business Group Business Solutions Business Group Medical Business Group Networking & Communication Business Group	<ol style="list-style-type: none"> <li>1. Development and promotion of domestic and foreign market business</li> <li>2. Formulation of marketing plans</li> <li>3. ODM/EMS product development assessment</li> <li>4. Product development and introduction and improvement of new technologies</li> <li>5. Planning of product quality assurance system and preparation of quality management plans</li> </ol>
Manufacturing Operation	<ol style="list-style-type: none"> <li>1. Responsible for the manufacturing of various products</li> <li>2. Control and management of yields, capacity planning, and efficiency of production processes</li> <li>3. Coordination of manufacturing resources and completion of required volumes to be shipped</li> <li>4. Implement quality management system to ensure product quality and meet customer needs</li> </ol>
Supply Chain Management	<ol style="list-style-type: none"> <li>1. Global operations planning and management</li> <li>2. Strategic procurement planning and management</li> <li>3. Overall planning and execution of vertical integration of supply chains</li> </ol>
Corporate Quality Management	<ol style="list-style-type: none"> <li>1. Promote products quality management supervision and quality strategy planning and implementation</li> <li>2. Promote sustainable business, environmental-friendly and green energy, and continuous improvement activities</li> <li>3. Provide R&amp;D unit measurement with analysis and safety certification application</li> <li>4. Provide customers with after-sales service</li> </ol>
Lifestyle Design Center	<ol style="list-style-type: none"> <li>1. Product shapes and functions design</li> <li>2. HMI design</li> <li>3. Visual communication design</li> <li>4. Trend analysis of user research and design</li> </ol>
Products & Marketing Strategy Center	<ol style="list-style-type: none"> <li>1. Analysis and planning of syndicate strategy</li> <li>2. Assist each business group in formulating business competition strategies and commercial design</li> <li>3. Assist each business group in STP planning and product portfolio formulation</li> <li>4. Assisting each business group in introduction of design thinking</li> </ol>
Advanced Technology Management	<ol style="list-style-type: none"> <li>1. Collect the latest technical information regarding materials, technologies, and products for the Company's product development</li> <li>2. Integrate the Company's new technology and enhance the product development capability</li> <li>3. Seek internal and external resources to resolve major technical problems within the Company</li> </ol>
Finance and Administration Management (Finance/Human Resources/Legal/Patent Engineering/Investment)	<ol style="list-style-type: none"> <li>1. Accounting system, accounting taxation processing analysis and planning</li> <li>2. Matters related to the acquisition, operation and dispatching of financial funds</li> <li>3. Utilize various financial statement data to provide guidance for business operation directions</li> <li>4. Stock issuance, stock affairs, taxation and other related businesses</li> <li>5. Establishment and management of personnel systems such as manpower planning, staff recruitment, appointment, assessment, and promotion</li> </ol>

Department	Majority Focus
	<ol style="list-style-type: none"> <li>6. Planning, design and management of remuneration system, business travel and expatriate, insurance, and welfare</li> <li>7. Planning, establishment and implementation of system of education training and talent cultivation</li> <li>8. Planning and promotion of corporate culture and employee interactions</li> <li>9. Comprehensive development, review and provision of legal advisory services related to business affairs</li> <li>10. Intellectual property business such as patent copyright trademarks and technology licenses at domestic and abroad</li> <li>11. Comprehensive administration for legal affairs</li> <li>12. Assist each business group to draw up investment radar charts</li> <li>13. Find investment targets and strategies based on investment radar charts</li> <li>14. Assist each business group to formulate investment plans</li> <li>15. Plan the scope of due diligence and summarize the results</li> </ol>
Information Technology Service	<ol style="list-style-type: none"> <li>1. MIS system management</li> <li>2. Application and maintenance of OA equipment</li> <li>3. Establishment of automatic monitoring system</li> <li>4. Be in charge of the promotion of information security governance, establishment of consistent information security policy, formulation of management standard of information security, and integration and monitoring of implementation, operation, and coordination information security mechanisms.</li> </ol>
ESG & RM Office	<ol style="list-style-type: none"> <li>1. Corporate Sustainability Development Planning and Implementation</li> <li>2. Environment, Safety and Health Planning and Implementation</li> <li>3. Enterprise Risk Management Planning and Implementation</li> <li>4. Group Companies Insurance Planning and Implementation</li> </ol>
Audit	To assist inspecting and reviewing defects in the internal control systems as well as measuring operational effectiveness and efficiency.

II. Documents of directors, president, vice presidents, associate vice presidents, and managers of each departments and divisions

(I) Director Information

March 31, 2024; Unit of shares: unit

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding in the names of other persons		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at Qisda and Other Companies (Note1)
							Shares	%	Shares	%	Shares	%	Shares	%		
Chairman	Republic of China	Chi-Hong (Feter) Chen	Male 61-70	2023.05.29	3	2014.01.01	628,246	0.03%	1,034,455	0.05%	0	0.00%	0	0.00%	- Technology Management Program, National Chengchi University - EMBA, Thunderbird American Graduate School, U.S.A. - B.S., Electrical Engineering, National Cheng Kung University - President, Qisda Corp.	- Chief Executive Officer: Qisda Corp.  - Director: Darfon Electronics Corp. BenQ Foundation (Note2)
Director	Republic of China	AUO Corporation	-	2023.05.29	3	2005.05.18	335,230,510	17.04%	235,230,510	11.96%	0	0.00%	0	0.00%	- Chairman and Group Chief Strategy Officer (Group CSO): AUO Corporation  - Chairman: Ennosstar Inc. Ronly Venture Corp. AUO Foundation	
Director	Republic of China	Representative Shuang-Lang (Paul) Peng	Male 61-70	2023.05.29	3	2010.06.18	9,164	0.00%	9,164	0.00%	65,032	0.00%	0	0.00%	- Master in Control Engineering, National Chiao Tung University - Section Chief of Industrial Technology Research Institute - Senior Vice President of Display Strategy Business Group, AUO Corporation	- Senior Vice President: AUO Corporation
Director	Republic of China	BenQ Foundation	-	2023.05.29	3	2017.06.22	608,083	0.03%	608,083	0.03%	0	0.00%	0	0.00%	- EMBA, Tsing Hua University in Beijing - MBA, Greenwich University - Senior Vice President, Qisda	- President: Qisda Corp.  - Director: AUO Corporation BenQ Foundation (Note2)
Director	Republic of China	Representative Han-Chou (Joe) Huang	Male 61-70	2023.05.29	3	2017.06.22	321,747	0.02%	422,021	0.02%	686	0.00%	0	0.00%		

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding	Shareholding in the names of other persons		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at Qisda and Other Companies (Note)
							Shares	%	Shares	%		Shares	%		
Independent Director	Republic of China	Lo-Yu (Charles) Yen	Male 61-70	2023.05.29	3	2020.06.19	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>- Master in Accounting, National Cheng Chi University</li> <li>- Vice Chairman and GM, Vincera Capital</li> <li>- Chief Strategy Officer, Deloitte China</li> <li>- CPA, Deloitte Touche Tohmatsu Limited</li> <li>- President, Deloitte &amp; Touche Consulting Co., Ltd. in Taiwan</li> <li>- President, DELOITTE CONSULTING CO.</li> </ul>	<ul style="list-style-type: none"> <li>- Chairman: Taipei Co-Creation Foundation for Entrepreneurs</li> <li>- Director: Alibaba Entrepreneurs Fund Taiwan Regional Revitalization Foundation</li> <li>- Taiwan Scientist Co., Ltd.</li> <li>- Independent Director: Sinyi Realty Inc.</li> </ul>	
Independent Director	Republic of China	Jyuo-Min Shyu	Male 61-70	2023.05.29	3	2020.06.19	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>- Ph.D. in Electrical Engineering and Computer Science, University of California, Berkeley</li> <li>- Minister, Ministry of Science and Technology, R.O.C.</li> <li>- President, Industrial Technology Research Institute</li> <li>- Professor, Department of Computer Science, National Tsing Hua University</li> <li>- Professor Emeritus, National Tsing Hua University</li> </ul>	<ul style="list-style-type: none"> <li>- Director: Iridium Medical Technology Co., Ltd.</li> <li>- Geo Things Inc.</li> <li>- Alpha Ring Asia Inc.</li> <li>- Independent director: United Microelectronics Corp.</li> <li>- FAR EASTONE TELECOMMUNICATIONS CO., LTD.</li> </ul>	
Independent Director	Republic of China	Liang-Gee Chen	Male 61-70	2023.05.29	3	2023.05.29	0	0.00%	0	0.00%	0	0.00%	<ul style="list-style-type: none"> <li>- Phd in the Department of Electrical Engineering, National Cheng Kung University, Taiwan</li> <li>- Professor/Associate Professor of the Department of Electrical Engineering, National Taiwan University</li> <li>- Minister of Science and Technology, Republic of China</li> <li>- Vice Minister of Education, Republic of China</li> <li>- Director of the Electronic and Optoelectronic System Research Laboratories, Industrial Technology Research Institute</li> <li>- Director General of the National Applied Research Laboratories</li> </ul>	<ul style="list-style-type: none"> <li>- Independent director: Vanguard International Semiconductor Corp.</li> <li>- Everlight Electronics Co., Ltd.</li> <li>- Director: Nuvaton Technology Corp.</li> <li>- Himax Technologies, Inc.</li> <li>- Gansin Technology Corp.</li> </ul>	

Title	Nationality or Place of Registration	Name	Gender Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding	Shareholding in the names of other persons		Selected Education, Past Positions & Current Positions at Non-profit Organizations	Selected Current Positions at Qisda and Other Companies (Note1)	
							Shares	%	Shares	%		Shares	%			Shares
Independent Director	Republic of China	Chiu-Lien (Julie) Lin	Female 61-70	2023.05.29	3	2023.05.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	- Master's Degree from the Institute of Management Science, National Chiao Tung University - Investment Advisor at Sinotech Engineering Consultants, Inc. - Head of the Stock Division, Finance Department and Vice President of the Financial Trading Department at China Development Industrial Bank - Fund Manager and Research Department Manager at China Securities Investment Trust Corporation Ltd. - Master of Science in Technology Management, National Chiao Tung University - Chairman of the Semiconductor International Capacity Statistics, (SICAS) - Director of the National Taiwan University EMBA Alumni Foundation - External Advisory Committee Member of the Institute of Technology Management, National Chiao Tung University - Special Assistant to the General Manager / Consultant of ITE Tech. Inc. - Manager of the Strategic Marketing Department of Vanguard International Semiconductor Corp.	- Independent Director: Taiwan Printed Circuit Board Techvest Co., Ltd. - Supervisor: Yu Song Investment Co., Ltd.
Independent Director	Republic of China	Shu-Chun (Mandy) Huang	Female 51-60	2023.05.29	3	2023.05.29	0	0.00%	0	0.00%	0	0.00%	0	0.00%	- Independent Director: Sensortek Technology Corp. Zero One Technology Co., Ltd. - Director: LeRain Technology Co., Ltd. Auras Technology Co., Ltd. - Chairman: Choice Delights Incorporation	

Note 1: Please refer to the section "Directors, supervisors and presidents of affiliates" in annual report.

Note 2: Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto must be disclosed. The reason why the chairman also serves as the CEO is to represent the company externally and effectively coordinating the management team to effectively implement investment and acquisitions, lead the value transformation of Qisda, quickly strengthen the medical business, accelerate on solution development, expand 5G networks business, and play a comprehensive effect. At the same time, in order to strengthen the independence and supervision function of the board of directors, the board of directors of the company has three independent directors and more than half of the directors are not an employee or a manager of the Company, so as to improve the operation of the board of directors and comply with the principles of corporate governance.

Note 3: Any Executive, Director, or supervisor who is a spouse or relative within the second degree of kinship: None.

### Substantial shareholders of the corporate shareholder

Name of corporate shareholders (Note 1)	Substantial shareholders of the corporate shareholders	
	Name	Shareholding Percentage (%)
AUO Corporation (Note2)	Qisda Corporation	6.90%
	Trust Holding for Employees of AUO Corporation	5.18%
	Quanta Computer Inc.	4.61%
	Yuanta Taiwan Dividend Plus ETF	4.17%
	ADR of AUO Corporation	2.44%
	Nan Shan Life Insurance Co., Ltd.	1.62%
	New Labor Pension Fund	1.56%
	Vanguard Emerging Markets Stock Index Fund, a Series of Vanguard International Equity Index Funds	0.93%
	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	0.92%
	iShares Core MSCI Emerging Markets ETF	0.76%
BenQ Foundation (Note 3)	Qisda Corporation (Note 4)	100%

Note 1: For directors acting as the representatives of institutional shareholders

Note 2: Source of information for AUO is recorded as of the book closure date of AUO on March 28, 2023.

Note 3: Where the corporate shareholder is not a company, the aforementioned Name of corporate shareholders and Shareholding Percentage denote the names of investors or donors, and their investment or contribution ratios.

Note 4: Please refer to the list of major shareholders as stated in Chapter 4 Capital Overview of this Annual Report.

### Substantial shareholders of corporate shareholders who are the substantial shareholders of the Company's corporate shareholders.

Name of institutional shareholders	Substantial shareholders of the corporate shareholders	
	Name	Shareholding Percentage (%)
Quanta Computer Inc. (Note1)	Chien Yu Investment Ltd.	14.82%
	Barry Lam	10.76%
	Cathay MSCI Taiwan ESG Sustainability High Dividend Yield ETF (Custodian: TaiShin Bank)	2.38%
	C.C. Leung	2.14%
	He Sa Trust	2.07%
	New Labor Pension Fund	1.99%
	Yuanta Taiwan Dividend Plus ETF	1.81%
	Nan Shan Life Insurance Co., Ltd.	1.77%
	Yi Chia Xin Investment Company Ltd.	1.60%
	Cathay Life Insurance Co., Ltd.	1.56%
Nan Shan Life Insurance Co., Ltd. (Note2)	Ruen Chen Investment Holding Co., Ltd.	89.56%
	RUEN HUA DYEING & WEAVING Co., Ltd.	1.34%
	Y. T. Du	1.16%
	RUEN TAI SHING Co., Ltd.	0.97%
	RUENTEX DEVELOPMENT Co., Ltd.	0.23%
	RUENTEX INDUSTRIES Ltd.	0.21%
	Yen Sin Corporation	0.16%
	Ruentex Leasing Co., Ltd.	0.12%
	Chi-Pin Investment Company	0.11%
	Pan City Co., LTD	0.09%

Note 1: Source of information for Quanta Computer Inc. is recorded as of the book closure date of Quanta Computer Inc. on April 18, 2023.

Note 2: Source of information for Nan Shan Life Insurance Co., Ltd. is recorded as of the book closure date of Nan Shan Life Insurance Co., Ltd. on February 29, 2024.

Professional qualifications and independence analysis of directors

Condition Name	Key board qualifications, expertise and attributes	Meet conditions of independence ( Note 1 )	Number of other public companies where the Director concurrently serves as an Independent Director
Chairman Chi-Hong (Peter) Chen	<p>Peter Chen has been a director since 2014, and was elected as Chairman by the Board of Directors in 2017. Now, he acts as Chairman and CEO of the Company and a director of BenQ Foundation.</p> <p>Peter Chen holds a degree in Electrical Engineering from National Cheng Kung University, Taiwan in 1985, and a Master of Global Management degree from America's Thunderbird School of Global Management in 2001. Peter joined BenQ Corp. as a R&amp;D engineer in 1991. In 2007, with the division of the BenQ branded service and OEM manufacturing business, Peter was transferred to be the EVP of Technology Product Center. And then Peter was appointed to be the President of the Company in 2014.</p> <p>Peter Chen was often the pioneer and front-runner, taking the lead in developing new products and building new business. Recognized for his years of professional achievements in R&amp;D and business management field, Peter accumulated steadfast industrial experience and innovative leading mindset. Peter is Chief Helmsman of the Group's transformation and innovation. It shows the significant performance of value transformation.</p>	Not applicable.	0
Director AUO Corporation representative: Shuang-Lang (Paul) Peng	<p>Paul Peng has been director representative of AUO Corporation since 2010. Now, Paul acts as Chairman and GSO of AUO, Vice Chairman of Ennostar Inc. and Chairman of AUO Foundation.</p> <p>Paul Peng holds an MBA from Heriot-Watt University in the U.K.. Paul Peng joined BenQ Computer in 1990, was AUO's EVP in 2008, was AUO's President in 2012, and acted as Chairman and CEO of AUO in 2015.</p> <p>Paul Peng experienced materials, manufacturing, transferring to Malaysia and building AUO Suzhou factory. With over three decades of experience in the technology industry, Paul has extensive experience in display industry. His steadfast devotion to promoting cross-disciplinary integration and resource sharing across the industry chain. Paul is also responsible for promoting national digital technology applications and innovation development policies.</p>	Not applicable.	0
Director AUO Corporation representative: James CP Chen	<p>Since 2023, James CP Chen has served as the corporate representative director appointed by AUO Corporation to the company. He is currently the Senior Vice President of the Display Strategy Business Group at AUO Corporation James CP Chen holds a Master's degree in Electrical Control Engineering from National Chiao Tung University. He was previously a division head at the Electronics and Optoelectronics Research Laboratories of the Industrial Technology Research Institute. In 1999, he joined AUO Corporation, and in 2020, he was appointed as the Deputy General Manager of the Consumer Applications Strategy Business Headquarters.</p> <p>James CP Chen has extensive industry experience, managing product planning, marketing strategies, operations, and customer service for various display business units. He has also assisted in developing strategic global market layouts and expanding overseas business operations.</p>	Not applicable.	0
Director BenQ Foundation representative: Han-Chou (Joe) Huang	<p>Joe Huang has been director representative of BenQ Foundation since 2017. Now, he serves as the President of the Company and a director of BenQ Foundation.</p> <p>Joe Huang earned his MBA from Greenwich University and an EMBA degree from Tsinghua University in China. Joe joined Acer Peripherals (formerly BenQ Corporation) in 1985. In 2005, Joe served as the head of China Operations, responsible for managing the China operation. Joe was General Manager of</p>	Not applicable.	0



Condition Name	Key board qualifications, expertise and attributes	Meet conditions of independence ( Note 1 )	Number of other public companies where the Director concurrently serves as an Independent Director
	<p>Information Technology Products Group in 2011, and was doubling as General Manager of Commercial and Industrial Products Group in 2021.</p> <p>Joe Huang has more than 13 years of experience in supply chain management, 10 years in factory operation management, 5 years in brand operation, and even more than 10 years in business unit and product group management. In the past four years, he has implemented M&amp;A growth strategies and served as chairman of subsidiaries. In addition, he has been stationed overseas for more than 10 years. Joe has rich and diverse qualifications and business performance, and is familiar with industry-related contacts.</p>		
<p>Independent Director Lo-Yu (Charles) Yen</p>	<p>Charles Yen has been independent director since 2020. Now, he serves as the Chairman of Taipei Co-Creation Foundation for Entrepreneurs, director of Taiwan Regional Revitalization Foundation and independent director of Sinyi Realty Inc.</p> <p>Charles Yen holds a master of Accounting from National Cheng Chi University. Charles was a CPA of Deloitte in 1982. In 1994, Charles was promoted to be the President of DELOITTE CONSULTING CO. In 2004, Charles was transferred to be the Chief Strategy Officer, Deloitte China. Charles then joined Vincera Capital as a Vice Chairman and Executive Partner in 2011. In 2012, Charles created Asia America Multi-Technology Association (AAMA), and reorganized to be Taipei Co-Creation Foundation for Entrepreneurs in 2020.</p> <p>Charles Yen worked in Taiwan, America and China over 30 years, and has expertise in financial accounting, business model and strategy planning, merges and reorganization, Operational management improvement, venture capital and risk management. Charles has rich experience in assisting highly growing company in executing enterprise transformation.</p>	Compliant	1
<p>Independent Director Jyuo-Min Shyu</p>	<p>Jyuo-Min Shyu has been independent director since 2020. Now, he serves as the independent director, United Microelectronics Corp., Independent director, FAR EASTONE TELECOMMUNICATIONS CO., LTD., Director, Iridium Medical Technology Co., Ltd., Director, GeoThings, Inc., and director of Alpha Ring Asia Inc.</p> <p>Jyuo-Min Shyu holds a Ph.D., Electrical Engineering and Computer Science, University of California, Berkeley. He joined Industrial Technology Research Institute (ITRI) in 1998 and he has held various positions including Researcher, Manager, Deputy Team Leader, Team Leader, Deputy Department Head, Center Director, Department Head, and Deputy Dean. In 2007, Dr. Shyu began teaching at National Tsing Hua University. Then he became K. T. Li Chair Professor and Dean of the College of Electrical Engineering and Computer Science in National Tsing Hua University. In 2010, he became the President of ITRI. In 2015, Mr. Hsu became the Minister of Science and Technology of the Republic of China. Jyuo-Min Shyu has led the Industrial Technology Research Institute (ITRI) in promoting forward-looking technological research comprehensively. He has collaborated with the industry to establish new models for cooperative research and development. With a keen insight into future trends and the commercialization of technology, he is passionate about education and academic research, boasting extensive experience in both educational and academic.</p>	Compliant	2

Condition Name	Key board qualifications, expertise and attributes	Meet conditions of independence ( Note 1 )	Number of other public companies where the Director concurrently serves as an Independent Director
Liang-Gee Chen	<p>Since 2023, Liang-Gee Chen has served as an independent director of the Company. He is currently an Independent director at Vanguard International Semiconductor Corp., Independent director, Everlight Electronics Co., Ltd., Director, Nuvoton Technology Corp., Director, Himax Technologies, Inc. and director of Ganzin Technology, Inc.</p> <p>Liang-Gee Chen holds a Ph.D. in Electrical Engineering from National Cheng Kung University. He was the director of the Electronics and Optoelectronics Research Laboratories at the Industrial Technology Research Institute. Since 1988, he has been a professor in the Department of Electrical Engineering at National Taiwan University. In 2012, he became the president of the National Applied Research Laboratories. In 2016, he served as the Deputy Minister of Education, and in 2017, he was appointed as the Minister of Science and Technology of the Republic of China.</p> <p>His academic and professional experiences span research institutions, government agencies, and academia, and he excels in facilitating technology transfer and is well-versed in industrial dynamics. He has assisted numerous startups succeed in publicly listed company, making significant contributions to industry development and science and technology education in Taiwan. He possesses extensive expertise in leadership, decision-making, and academic research.</p>	Compliant	2
Chiu-Lien (Julie) Lin	<p>Since 2023, Julie Lin has served as an independent director of the Company. She is currently an independent director at Taiwan Printed Circuit Board Techvest Co., Ltd. and a supervisor at Yu Song Investment.</p> <p>Julie Lin holds a Master's degree from the Institute of Management Science at National Chiao Tung University. She started her career in 1991 as a fund manager and manager of the Research Department at China Securities Investment Trust Corporation Ltd. and in 1997, she served as the Vice President of the Financial Trading Department at China Development Industrial Bank, accumulating over five years of experience in finance and business.</p> <p>Julie Lin is well-versed in investment and financial affairs, with extensive experience in the banking and securities industries. She excels in assessing macroeconomic environments and integrating resources to mitigate risks. Her professional expertise spans financial management, asset management, and risk management.</p>	Compliant	1
Shu-Chun (Mandy) Huang	<p>Since 2023, Mandy Huang has served as an independent director of the Company. She is currently an independent director at Sensortek Technology Corp., Independent director, Zero One Technology Co., Ltd., a director at LeRain Technology Co., Ltd., director of Auras Technology. Co., Ltd and director of Choice Delights, Inc.</p> <p>Mandy Huang holds an EMBA from the College of Management at National Taiwan University and a Master's degree from the Institute of Technology Management at National Chiao Tung University. She has held positions as Special Assistant to the General Manager / Consultant of ITE Tech. Inc., Manager of the Strategic Marketing Department of Vanguard International Semiconductor Corp. and Chairman of the Semiconductor International Capacity Statistics (SICAS).</p> <p>Mandy Huang has a professional background in semiconductor marketing and operational management experience in the semiconductor industry (wafer foundry and IC design). She excels in corporate governance, strategic alliances, high-tech marketing, and brand planning. She possesses extensive professional qualifications and experience in decision-making, business management, commerce, and operations.</p>	Compliant	2

Note 1: Independence

- (1) All meet the provisions of Article 3(1) of "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".
- (2) There are no circumstances specified in the government agency, juristic person or authorized representative specified in Article 27 of the Company Act.
- (3) They don't provide any commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in recent 2 years.
- (4) There are no circumstances specified in the shares and shareholding ratio held by independent directors and their spouse or relative within the second degree of kinship (or in the name of others). please refer to II. Information about directors, presidents, vice presidents, associate vice presidents, heads of departments and branches (i) Information about directors.

Note 2: all the independent directors' professional qualifications and experience meet the provisions of Article 2(1) of "Regulations Governing Appointment of Independent Directors and Compliance.

Note 3: All the directors don't have any circumstances specified in Article 30 of the Company Act.

## The Board of Director Diversity and Independence.

### 1. The Board of Director Diversity:

On May 5, 2023, Qisda passed the revised "Corporate Governance Principles" of which the diversified approaches have been adopted in "Enhancing the Function of Board of Directors" of Chapter 3. The nomination and selection of Board Members comply with articles of incorporation that the Company adopts the candidate nomination system. Aside from evaluating each candidate's qualifications including education and experience, the Company also refers to stakeholders' opinions as well as comply with "Rules for Director and Supervisor Elections" and "Corporate Governance Principles" in order to ensure the diversity and independency of Board Members.

According to Article 20 of our company's 'Corporate Governance Principles', the composition of the board shall have the necessary knowledge, skill, and experience to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities:

- (1). Ability to make operational judgment.
- (2). Ability to perform accounting and financial analysis.
- (3). Ability to conduct management administration.
- (4). Ability to conduct crisis management.
- (5). Industrial knowledge.
- (6). International market perspective.
- (7). Ability to lead.
- (8). Ability to make decisions.
- (9) Risk management knowledge and ability.

The composition of Board Members shall be determined by taking diversity into consideration and formulating an appropriate approach on diversity based on the company's business operations, operating dynamics, and development needs. It is advisable that the policy include, without being limited to, the following two general standards:

- (1). Basic requirements and values: Age, gender, identity, race and more. The company pays attention to gender equality in the composition of board members, and aims to increase at least one female director in the future.
- (2). Professional knowledge and skills: Professional background, professional skills, industry experience, and more.

2. The status of implementing diversification of Qisda's Board Members in 2023 is as follows:

Title	Name	Gender	Diverse Industry and Professional Skills								Term of Office of Independent Directors
			Business Management	Technology Industry	Venture Capital Investment	Sustainable Development	Finance and Accounting	Risk Management	Information security	Academic Research	
Chairperson	Chi-Hong (Peter) Chen	Male	V	V	V	V			V		
Director	Shuang-Lang (Paul) Peng	Male	V	V	V	V			V		
Director	James CP Chen	Male	V	V							
Director	Han-Chou (Joe) Huang	Male	V	V		V					
Independent Director	Lo-Yu (Charles) Yen	Male	V		V			V	V		Three terms or less
Independent Director	Jyuo-Min Shyu	Male				V			V	V	Three terms or less
Independent Director	Liang-Gee Chen	Male				V			V	V	Three terms or less
Independent Director	Chiu-Lien (Julie) Lin	Female						V			Three terms or less
Independent Director	Shu-Chun (Mandy) Huang	Female	V	V	V	V			V		Three terms or less

The company currently has a total of 9 directors, two directors concurrently an employee of the Company accounts for 22.22% and five independent directors respectively for 55.55%. Two directors aged between 56-60 and seven directors between 61-70 years of age. Management goals has been achieved:

- (i) Number of Directors who concurrently serve as Company managers do not exceed one-third of all Directors.
- (ii) Number of independent directors exceed one-third of all Directors.
- (iii) The board seats include directors of two different genders.

According to the list of directors of the company, more than half of the directors have corporate management, multi-technology industry knowledge, with a commitment to sustainable development; Additionally, Directors Chi-Hong (Peter) Chen, Shuang-Lang (Paul) Peng, Independent Directors Lo-Yu (Charles) Yen and Shu-Chun (Mandy) Huang have extensive experience in entrepreneurial investment. Independent Directors Lo-Yu (Charles) Yen and Chiu-Lien (Julie) Lin possess expertise in financial accounting, having respectively served as the general manager of a management consulting firm and the vice president of a bank's financial trading department. Directors Chi-Hong (Peter) Chen, Shuang-Lang (Paul) Peng and Independent Director Lo-Yu (Charles) Yen is also familiar with risk management operations. Independent Director Jyuo-Min Shyu has a background in information technology and academia, with some knowledge of information security issues. Independent Directors Liang-Gee Chen and Shu-Chun (Mandy) Huang have backgrounds in the semiconductor industry and related academic fields, with experience relevant to sustainable development and information technology. The diverse experiences and capabilities of the board members significantly benefit the overall business operations of the company.

The Board of Director Independence:

The company currently has a total of 9 directors, including 5 independent directors (accounting for 55.55% of the directors respectively), and the number of independent directors exceeds one half.

By the end of 2023, all independent directors meet the regulations of the Securities and Futures Bureau of the Financial Supervisory Commission for independent directors, and there is no relationship between the directors of a spouse or within the second degree of kinship. Therefore, there is no requirement of Article 26-3 of the Securities and Exchange Act. and the matter of item 4. In conclusion, the Board of Directors of the Company is independent.

(ii) Documents of president, vice president, associate vice president and managers of each department and division

March 31, 2024

Title	Nationality or Place of Registration	Name	Gender	Date Appointed	Number of shares held		Shares held by spouse or underage children		Primary work or academic experiences	Position concurrently held in other companies (Note 2)
					Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)		
Chairman and CEO	Republic of China	Peter Chen	Male	2022.04.01	1,034,455	0.05%	0	0.00%	Technology Management Program, National Chengchi University EMBA, Thunderbird American Graduate School, U.S.A. B.S., Electrical Engineering, National Cheng Kung University	Director: Darfon Electronics Corp., BenQ Foundation (Note 2)
President	Republic of China	Joe Huang	Male	2022.04.01	422,021	0.02%	686	0.00%	EMBA, Tsing Hua University in Beijing MBA, Greenwich University (Note 2)	Director: AUO Corp., BenQ Foundation (Note 2)
Senior Vice President	Republic of China	Mark Hsiao	Male	2007.09.01	264,166	0.01%	0	0.00%	B.S., Chemical Engineering, Tamkang University (Note 2)	(Note 2)
Vice President	Republic of China	Daniel Hsueh	Male	2019.09.01	396,586	0.02%	0	0.00%	M.S., Business Management National Sun Yat-sen University (Note 2)	(Note 2)
Vice President	Republic of China	Michael CH Lee	Male	2019.11.08	329,420	0.02%	6,000	0.00%	Ph.D., Electrical Engineering National Taiwan University (Note 2)	(Note 2)
Vice President	Republic of China	Daven Wu	Male	2020.03.27	506,443	0.03%	0	0.00%	M.S., College of Management, Yuan Ze University (Note 2)	None
Vice President	Republic of China	Jasmin Hung	Female	2021.03.23	506,075	0.03%	0	0.00%	EMBA, National Taiwan University MBA, California State University, Fullerton (Note 2)	Director: Darfon Electronics Corp., (Note 2)
Vice President	Republic of China	T.S. Wu	Male	2021.08.11	121,634	0.01%	0	0.00%	M.S., Institute of Electrical and Control Engineering National Chiao Tung University (Note 2)	None
Vice President	Republic of China	Danny Lin	Male	2021.08.11	79,218	0.00%	10,000	0.00%	Ph.D., National Kaohsiung University of Science and Technology (Note 2)	(Note 2)
Vice President	Republic of China	Yuchin Lin	Male	2022.05.06	0	0.00%	0	0.00%	EMBA, National Tsing Hua University (Note 2)	(Note 2)
Vice President	Republic of China	Spark Huang	Male	2022.08.05	40,757	0.00%	0	0.00%	MBA, National Chengchi University (Note 2)	(Note 2)
Associate vice president	Republic of China	Eric Lee	Male	2009.04.01	274,311	0.01%	6,000	0.00%	MBA, Pacific Western University (Note 2)	(Note 2)
Associate vice president	Republic of China	Jack Wang	Male	2010.04.01	83,329	0.00%	0	0.00%	M.S., Business Administration National Central University (Note 2)	None
Associate vice president	Malaysia	Nick Niek	Male	2011.04.01	37,469	0.00%	27,772	0.00%	B.S., Electrical Fu Jen Catholic University (Note 2)	None

Title	Nationality or Place of Registration	Name	Gender	Date Appointed	Number of shares held		Shares held by spouse or underage children		Primary work or academic experiences	Position concurrently held in other companies (Note 2)
					Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)		
Associate vice president	Republic of China	Calvin Jeng	Male	2013.11.07	154,942	0.01%	0	0.00%	M.S., Shanghai Jiao Tong University	None
Associate vice president	Republic of China	Tony Lin	Male	2013.11.07	3,328	0.00%	0	0.00%	M.S., Mechanical Engineering at National Taiwan University	None
Associate vice president	Republic of China	Aaron Ho	Male	2014.04.01	59,308	0.00%	2,006	0.00%	M.S., College of Management, Yuan Ze University	None
Associate vice president	Republic of China	Alex Wu	Male	2014.10.01	228,156	0.01%	0	0.00%	National Taipei University of Technology	None

Remarks:

1. Source of information for Number of shares held is recorded as of the book closure date on March 31, 2024.
2. Please refer to the section "Directors, supervisors and presidents of affiliates" in annual report.
3. Where the Chairman of the Board of Directors and the President or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto must be disclosed. The reason why the chairman also serves as the CEO is to represent the company externally and effectively coordinating the management team to effectively implement investment and mergers and acquisitions, lead the value transformation of Qisda, quickly strengthen the medical business, accelerate on solution development, expand 5G networks business, and play a comprehensive effect. At the same time, in order to strengthen the independence and supervision function of the board of directors, the board of directors of the company has three independent directors and more than half of the directors are not an employee or a manager of the Company, so as to improve the operation of the board of directors and comply with the principles of corporate governance.

### (III) Compensation of Directors, Supervisors, President, and Vice President

#### 1. Compensation to Directors

Title	Name	Director's compensation				Remuneration received by directors who is an employee of the Company		Amount and ratio of Total Compensation (A+B+C+D) to Profit (Note 5)		Amount and ratio of Total Compensation (A+B+C+D+E+F+G) to Profit (%) (Note 5)		Compensation from investees other than Qisda Corp.'s subsidiaries or Parent Company (Note 8)
		Compensation (A) (Note 1)	Pension upon Retirement (B) (Note 2)	Director's Remuneration (C) (Note 3)	Business execution Expenses (D) (Note 4)	Salary, bonuses, and special expenses (E) (Note 6)		Employee's remuneration (G) (Note 7)		Qisda Corp. and its subsidiaries (Note 9)	Qisda Corp. and its subsidiaries (Note 9)	
						Qisda Corp. and its subsidiaries (Note 9)	Qisda Corp. and its subsidiaries (Note 9)	Cash	Stock			
Honorary Chairman	Kuen-Yao (K.Y.) Lee											
Chairman	Chi-Hong (Peter) Chen											
Director	AUO Corporation Representative											
Corporate Director	Shuang-Lang (Paul) Peng	12,245	0	2,977	280	72,505	108	27,870	0	115,885 (3.89%)	132,442 (4.45%)	156,107
Corporate Representative	James CP Chen											
Director	BenQ Foundation Representative											
Corporate Director	Han-Chou (Joe) Huang											
Representative	Cheng-Ju (Allen) Fan											
	Lo-Yu (Charles) Yen											
Independent Director	Jyuo-Min Shyu	11,961	0	3,923	270	0	0	0	0	16,154 (0.54%)	16,154 (0.54%)	0
	Liang-Gee Chen											
	Chiu-Lien (Julie) Lin											
	Shu-Chun (Mandy) Huang											

1. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration: Compensation for Company Directors have been authorized for distribution by the Board of Directors pursuant to the Company's Articles of Association, based on individual Director's level of participation and contributions to Company operations, and have been paid pursuant to the 'Compensation Policy to the Directors and Functional Committee Members' which is in reference to domestic and overseas industry standards. When earnings are present, the Board of Directors will resolve on the amount of Directors' remunerations based on the Company's Articles of Association. Independent directors are ex-officio members of the audit committee. In addition to the general remuneration paid to directors, the Company takes into account of each director's individual responsibilities, risks and investment time, and also determines different reasonable remunerations.

2. Except for the compensation listed in the above table, the compensation that directors received by offering services (such as serving as a consultant of parent company, all companies included in the financial statements and all invested companies instead of an employee) for companies in the financial statements is: None

Table of compensation ranges

Compensation range for each Director	Names of Director			
	Sum of the first 4 items (A+B+C+D) Qisda Corp. and its Subsidiaries (Note 9)	Sum of the first 7 items (A+B+C+D+E+F+G) Qisda Corp. and its Subsidiaries (Note 9)	Sum of the first 7 items (A+B+C+D+E+F+G) Qisda Corp. and its Subsidiaries (Note 9)	Sum of the first 7 items (A+B+C+D+E+F+G) Qisda Corp. and its Subsidiaries (Note 9)
Less than NT 1,000,000	Shuang-Lang (Paul) Peng James CP Chen Han-Chou (Joe) Huang Kuen-Yao (K.Y.) Lee Cheng-Ju (Allen) Fan	Shuang-Lang (Paul) Peng James CP Chen Cheng-Ju (Allen) Fan	Shuang-Lang (Paul) Peng James CP Chen	Shuang-Lang (Paul) Peng James CP Chen
NT\$1,000,000 (included)-2,000,000 (excluded)	BenQ Foundation Liang-Gee Chen Chiu-Lien (Julie) Lin Shu-Chun (Mandy) Huang	BenQ Foundation Kuen-Yao (K.Y.) Lee Liang-Gee Chen Chiu-Lien (Julie) Lin Shu-Chun (Mandy) Huang	BenQ Foundation Liang-Gee Chen Chiu-Lien (Julie) Lin Shu-Chun (Mandy) Huang	BenQ Foundation Kuen-Yao (K.Y.) Lee Liang-Gee Chen Chiu-Lien (Julie) Lin Shu-Chun (Mandy) Huang
NT\$2,000,000 (included)-3,500,000 (excluded)	AUO Corporation Lo-Yu (Charles) Yen Jyuo-Min Shyu	AUO Corporation Han-Chou (Joe) Huang Lo-Yu (Charles) Yen Jyuo-Min Shyu	AUO Corporation Lo-Yu (Charles) Yen Jyuo-Min Shyu	AUO Corporation Lo-Yu (Charles) Yen Jyuo-Min Shyu
NT\$3,500,000 (included)-5,000,000 (excluded)	Chi-Hong (Peter) Chen	Chi-Hong (Peter) Chen	Chi-Hong (Peter) Chen	Chi-Hong (Peter) Chen
NT\$5,000,000 (included)-10,000,000 (excluded)				
NT\$10,000,000 (included)-15,000,000 (excluded)				
NT\$15,000,000 (included)-30,000,000 (excluded)				
NT\$30,000,000 (included)-50,000,000 (excluded)				
NT\$50,000,000 (included)-100,000,000 (excluded)				
More than NT\$100,000,000				
Total	13 Persons (including 2 Corporate Directors and 2 former Directors)	13 Persons (including 2 Corporate Directors and 2 former Directors)	13 Persons (including 2 Corporate Directors and 2 former Directors)	13 Persons (including 2 Corporate Directors and 2 former Directors)

Note 1: On May 29, 2023, the shareholders' general committee was re-elected. James CP Chen was elected as Representative of AUO Corporation. Liang-Gee Chen, Chiu-Lien Lin and Shu-Chun Huang were elected as the independent Directors; Director Kuen-Yao (K.Y.) Lee and independent Director Cheng-Ju (Allen) Fan stepped down.

Note 2: Refers to compensation for Directors in 2023 (including salaries, job allowance, severance pay, bonuses, and performance fees).

Note 3: Refers to pension either allocated or paid out per legal requirements in 2023.

Note 4: Refers to Directors' remunerations in 2023.

Note 5: Refers to Directors' business execution expenses in 2023 (including the difference between the salaries paid by the sub-subsidiaries and subsidies for those serving as representatives of other physical items).

Note 6: Profit refers to the profit for the year in the 2023 parent company only financial statements of Qisda Corp.

Note 7: Refers to compensation for Directors who also served as President, Vice President, other managers or employees in 2023 including salaries, job remuneration, severance pay, bonuses, performance fees, transport fees, special expenses, various subsidies, accommodation, company vehicles, and other physical items, etc. Any salary expenses recognized under IFRS 2 Share-Based Payment, including employee stock option plan, employee restricted stock and cash capital increase by stock subscription shall also be included in compensation.

Note 8: Refers to employees' remuneration (including stock and cash) paid to Directors who also served as President, Vice President, other managers, or employees in 2023 according to the company's board of directors' meeting has approved the distributions of employees' compensation amount on March 5, 2024.

Note 9: Refers to compensation, remunerations (including remunerations for employees, Directors, and supervisors), business execution expenses, and other related payments received by Directors who served as Director, supervisor, or manager in investees other than Qisda Corp.'s subsidiaries in 2023.

Note 10: All consolidated entities in the consolidated financial statements (including the company)

2. Remuneration of Supervisors:

Since June 13, 2008, the Audit Committee has been responsible for the implementation of the Supervisors authority as required by the relevant laws and regulations.



### 3. Compensation for President and Vice Presidents

December 31, 2024 Unit: NT\$ thousands

Title	Name	Salary (A) (Note 2)		Pension upon retirement (B) (Note 3)		Bonuses and special expenses etc (C) (Note 4)		Employee's remuneration (D) (Note 5)			Amount and ratio of Total Compensation (A+B+C+D) to Profit (Note 6)		Compensation from investees other than Qisda Corp.'s subsidiaries or Parent Company (Note 7)
		Qisda Corp. and its subsidiaries (Note 8)	Qisda Corp. and its subsidiaries (Note 8)	Qisda Corp. and its subsidiaries (Note 8)	Qisda Corp. and its subsidiaries (Note 8)	Qisda Corp. and its subsidiaries (Note 8)	Cash	Stock	Qisda Corp. and its subsidiaries (Note 8)	Qisda Corp. and its subsidiaries (Note 8)			
Chief Executive Officer	Peter Chen												
President	Joe Huang												
Senior Vice President	Mark Hsiao												
Vice President	Daniel Hsueh												
Vice President	Michael CH Lee												
Vice President	Daven Wu	48,171	48,171	1,080	1,080	144,266	144,266	49,270	0	49,270	242,788 (8.16%)	242,788 (8.16%)	2,539
Vice President	Jasmin Hung												
Vice President	T.S. Wu												
Vice President	Danny Lin												
Vice President	Yuchin Lin												
Vice President	Spark Huang												

### Table of compensation ranges

Compensation range for each President and Vice President	Name of President and Vice President	
	The Company	Qisda Corp. and its Subsidiaries (Note 8)
Less than NT\$1,000,000		
NT\$1,000,000 (included)-2,000,000 (excluded)		
NT\$2,000,000 (included)-3,500,000 (excluded)		
NT\$3,500,000 (included)-5,000,000 (excluded)		
NT\$5,000,000 (included)-10,000,000 (excluded)		
NT\$10,000,000 (included)-15,000,000 (excluded)	Daven Wu, T.S. Wu, Danny Lin, Yuchin Lin, Spark Huang	Daven Wu, T.S. Wu, Danny Lin, Yuchin Lin, Spark Huang
NT\$15,000,000 (included)-30,000,000 (excluded)	Mark Hsiao, Michael CH Lee, Daniel Hsueh, Jasmin Hung,	Mark Hsiao, Michael CH Lee, Daniel Hsueh, Jasmin Hung,
NT\$30,000,000 (included)-50,000,000 (excluded)	Joe Huang	Joe Huang
NT\$50,000,000 (included)-100,000,000 (excluded)	Peter Chen	Peter Chen
More than NT\$100,000,000		
Total	11 Persons	11 Persons

Note 1: Refers to compensation for president and vice president in 2023, including salaries, job allowance and severance pay.

Note 2: Refers to pension either allocated or paid out per legal requirements in 2023.

Note 3: Refers to compensation for president and vice president in 2023, including the difference between the salaries paid by Qisda and subsidiaries for those serving as representatives of Corporate Directors designated by Qisda, bonuses, performance fees, transport fees, special expenses, various subsidies, accommodation, company vehicles, and other physical items etc. Any salary expenses recognized under IFRS 2 Share-Based Payment, including employee stock option plan, employee restricted stock and cash capital increase by stock subscription shall also be included in compensation.

Note 4: Refers to remunerations for employee in 2023, according to the company's board of directors' meeting has approved the distributions of employees' compensation amount on March 5, 2024.

Note 5: Profit refers to the profit for the year in the 2023 parent company only financial statements of Qisda Corp.

Note 6: Refers to compensation including compensation, remuneration (including remunerations for employees, Directors, and supervisors), business execution expenses, and other related payments received by president and vice president who served as Director, supervisor, or manager in investees other than Qisda Corp.'s subsidiaries in 2023.

Note 7: All consolidated entities in the consolidated financial statements (including the company)

4. Names of managers provided with employee's remunerations and state of payments

Unit: NT\$ 1,000

Title (Note1)	Name (Note1)	Stock (Note 2)	Cash (Note2)	Total	Ratio of total amount to the net income after taxes (%)(Note 3)
Chief Executive Officer	Peter Chen	0	55,090	55,090	1.85%
President	Joe Huang				
Senior Vice President	Mark Hsiao				
Vice President	Daniel Hsueh				
Vice President	Michael CH Lee				
Vice President	Yuchin Lin				
Vice President	Spark Huang				
Vice President	T.S. Wu				
Vice President	Jasmin Hung				
Vice President	Daven Wu				
Vice President	Danny Lin				
Associate Vice President	Eric Lee				
Associate Vice President	Jack Wang				
Associate Vice President	Nick Niek				
Associate Vice President	Calvin Jeng				
Associate Vice President	Tony Lin				
Associate Vice President	Aaron Ho				
Associate Vice President	Alex Wu				

Note 1: Current Company managers as of the end of 2023. Information on titles of managers is accurate as of the publication date of the Annual Report.

Note 2: Refers to remunerations for employees in 2023.

Note 3: Net income after taxes refers to the net income after taxes on the 2023 parent company only financial statements.

(IV) Compare and analyze the total compensation as a percentage of net income after taxes stated in the parent company only or individual financial statements, paid by the Company and by all companies listed in the consolidated financial statement in the most recent two years to the Company's Directors, supervisors, president and vice president. Describe the policies, standards, and packages for payment of compensation, the procedures for determining compensation, and its linkage to business performance and future risk exposure

1. The total compensation as a percentage of net income after taxes stated in the parent company only financial statement, paid by the Company and by all companies listed in the consolidated financial statement in the most recent two years to the Company's Directors, supervisors, President and Vice President are as the following:

Item	Year	
	2023	2022
Net income after taxes on the Company's Parent Company Only Financial Statements	2,975,733	8,251,930
Ratio of compensation for Directors paid by the Company	1.06%	0.48%
Ratio of compensation for Directors paid by all companies listed in the Consolidated Financial Statements	1.61%	0.69%
Ratio of compensation for Managers such as Vice President or above paid by the Company	8.16%	3.25%
Ratio of compensation for Managers such as Vice President or above paid by all companies listed in the Consolidated Financial Statements	8.16%	3.26%

NT\$ 1,000

2. Compensation policies, standards and combinations, procedures for determining compensation, and their relevance to business performance and future risks.

In order to regularly evaluate the remuneration of directors and managers, the evaluation results of the Company's "Measures for Performance Evaluation of the Board of Directors" and the "Measures for Performance Management" applicable to managers and employees are used as the basis respectively.

(1) The remuneration of the directors of the company is paid by the board of directors in accordance with the authorization of the company's articles of association, according to the director's participation in the company's operation and contribution value, and with reference to the "Remuneration Regulations for Directors and Functional Committee Members" stipulated by the domestic and foreign industry standards. If the company has a surplus, the board of directors may, in accordance with the provisions of Article 16 of the company's articles of association, decide on the remuneration of directors for the current year within 1% of the profit for the current year. The company regularly evaluates the remuneration of directors in accordance with the "Measures for the Performance Evaluation of the Board of Directors", and the relevant performance evaluation and the rationality of the remuneration have been reviewed and approved by the Remuneration Committee and the Board of Directors.

(2) The company's managers' remuneration, according to the relevant regulations on remuneration (salary) management, handles various work allowances and bonuses to show compassion and reward employees for their hard work at work. Relevant bonuses also depend on the company's annual operating performance, financial status, operation. In addition, if the company makes a profit in the current year, it will allocate more than 5~20% as employee compensation in accordance with the provisions of Article 16 of the company's articles of association. The performance evaluation results implemented by the company in accordance with the "Performance Management Regulations" are used as a reference for the issuance of managers' bonuses. The performance evaluation items for managers are divided into one. Financial indicators: 1. According to the company's management profit and loss report, each business group department has Distribution of profit contribution, and considering the achievement rate of managers' goals; 2. Non-financial indicators: the practice of the company's core values, operational management capabilities, and participation in sustainable operations. Review the remuneration system in a timely manner according to the actual operating conditions and relevant laws and regulations.

### III. Implementation of Corporate Governance

Being committed to creating profits for our Shareholders and contributing to the society has always been the basic belief of Qisda. The Company supports and promotes the transparency of operation and the fairness of information transmission, which would allow the Shareholders, customers and stakeholders of the Company may have a unified channel to immediately obtain the business and financial related information of the Company.

The Board of Directors of the Company takes the interests of the Company and its all Shareholders as the top priority when conducting business assessment and major resolutions. The CPAs and Independent Directors also act as roles of supervision and take a cautious attitude to examine the business implementation by the Company and the Board.

Based on relevant regulations, the Company has set up positions of Independent Directors, the Audit Committee and Remuneration Committee to maintain a more robust decision-making and execution organization to continuously improve the Company's operational efficiency and implement corporate governance with practical actions.

#### (I) Operations of the Board of Directors

The Company had convened 7 Board of Directors meetings in 2023 with the following attendance:

Title	Name	Number of actual attendance (B)	Number of proxies attendance	Actual attendance rate (%) (B/A)	Remark
Honorary Chairman	Kuen-Yao (K.Y.) Lee	4	0	100%	Term expired, should attend four times
Chairman	Chi-Hong (Peter) Chen	7	0	100%	Re-elected
Director	AUO Corporation Representative: Shuang-Lang (Paul) Peng	7	0	100%	Re-elected
Director	AUO Corporation Representative: James CP Chen	3	0	100%	Newly appointed, should attend three times
Director	BenQ Foundation Representative: Han-Chou (Joe) Huang	7	0	100%	Re-elected
Independent Director	Cheng-Ju (Allen) Fan	4	0	100%	Term expired, should attend four times
Independent Director	Lo-Yu (Charles) Yen	7	0	100%	Re-elected
Independent Director	Jyuo-Min Shyu	7	0	100%	Re-elected
Independent Director	Liang-Gee Chen	3	0	100%	Newly elected, should attend three times
Independent Director	Chiu-Lien (Julie) Lin	3	0	100%	Newly elected, should attend three times
Independent Director	Shu-Chun (Mandy) Huang	3	0	100%	Newly elected, should attend three times

Note: The board of directors of the company was completely re-elected at the shareholders' meeting on May 29, 2023. All directors attended the board meeting in person, with an average attendance rate of 100%, which is better than the company's internal self-assessment standard for board performance evaluation of 80%.

Other items that shall be recorded:

- I. When one of the following situations occurred to the operations of the Board, state the date and term of the Board meeting, content of proposals, opinions of all Independent Directors and the Company's actions in response to the opinions of the Independent Directors:

- (1) Matters included in Article 14-3 of the Securities and Exchange Act: regulations from Article 14-3 are not applicable since the Company has already established an Audit Committee. For explanations on matters stipulated in Article 14-5 of the Securities and Exchange Act, please see Operations of the Audit Committee (P.30).
- (2) In addition to the aforementioned matters, any other resolutions from the Board of Directors where an Independent Director expressed a dissenting or qualified opinion that has been recorded or stated in writing: None.

II. When Directors abstain themselves for being a stakeholder in certain proposals, the name of the Directors, the content of the proposal, reasons for abstentions and the participation in voting should be stated:

Date of Board Meeting	Name of Directors	Content of the Proposal	Reasons for Abstentions	Participation in Voting
Mar. 6, 2023	Honorary Chairman Kuen-Yao (K.Y.) Lee, Chairman Chi-Hong (Peter) Chen, Director Shuang-Lang (Paul) Peng, Representative of AUO Corporation, Director Han-Chou (Joe) Huang, Representative of BenQ Foundation, Independent Director Lo-Yu (Charles) Yen, Independent Director Jyuo-Min Shyu	Approval of the nomination of director and independent director candidates	To the nominated directors or the nominated legal representative of the director of the corporation, in accordance with Article 15 of the Company's Rules of Procedure for Board Meetings, to recuse oneself from matters involving their personal interests.	Did not participate in discussion or voting
	Honorary Chairman Kuen-Yao (K.Y.) Lee, Chairman Chi-Hong (Peter) Chen, Director Shuang-Lang (Paul) Peng, Representative of AUO Corporation, Director Han-Chou (Joe) Huang, Representative of BenQ Foundation, Independent Director Lo-Yu (Charles) Yen, Independent Director Jyuo-Min Shyu	Approved to lift non-competition restrictions on newly-elected directors and their representatives	For the director whose non-compete restriction is lifted or the legal representative of the director whose non-compete restriction is lifted.	Did not participate in discussion or voting
	Honorary Chairman Kuen-Yao (K.Y.) Lee, Chairman Chi-Hong (Peter) Chen, Director Han-Chou (Joe) Huang, Representative of BenQ Foundation	Approved Donation to BenQ Foundation	Concurrently serve as a director for BenQ Foundation	Did not participate in discussion or voting
	Chairman Chi-Hong (Peter) Chen, Director Han-Chou (Joe) Huang, Representative of BenQ Foundation	Approved the distribution of 2022 employees' remuneration to senior managers and audit manager	Concurrently serve as a manager of the Company	Did not participate in discussion or voting
	Chairman Chi-Hong (Peter) Chen, Director Han-Chou (Joe) Huang, Representative of BenQ Foundation	Approval of the salary compensation indicators for senior managers for the fiscal year 2023.	Concurrently serve as a manager of the Company	Did not participate in discussion or voting
	Chairman Chi-Hong (Peter) Chen, Director Han-Chou (Joe) Huang, Representative of BenQ Foundation	Approval of the bonus and salary adjustment policy for senior managers and audit supervisors for the fiscal year 2023	Concurrently serve as a manager of the Company	Did not participate in discussion or voting
	Honorary Chairman Kuen-Yao (K.Y.) Lee, Chairman Chi-Hong (Peter) Chen	Approval of the Increase in	Appointment as director and shareholder of BenQ BM Holding Cayman Corporation	Did not participate in discussion or voting
	Director Shuang-Lang (Paul) Peng, Representative of AUO Corporation, Director Han-Chou (Joe) Huang, Representative of BenQ Foundation	Investment in BenQ BM Holding Cayman Corporation	The legal representative of the director is a shareholder of BenQ BM Holding Cayman Corporation	Did not participate in discussion or voting

Date of Board Meeting	Name of Directors	Content of the Proposal	Reasons for Abstentions	Participation in Voting
Apr. 21, 2023	Chairman Chi-Hong (Peter) Chen	Approved the sale of ordinary shares of TOPVIEW OPTRONICS CORP. by the subsidiary.	Serving as the legal representative of the subsidiary as a corporate director.	Did not participate in discussion or voting
	Director Han-Chou (Joe) Huang, Representative of BenQ Foundation		Serving as the legal representative of TOPVIEW OPTRONICS CORP. as a corporate director.	Did not participate in discussion or voting
May. 05, 2023	Chairman Chi-Hong (Peter) Chen	Approved the proposal for making guarantee for Qisda Labuan.	Concurrently serve as a director for Qisda Labuan.	Did not participate in discussion or voting
May. 24, 2023	Chairman Chi-Hong (Peter) Chen	Approval for the subsidiary to sell ordinary shares of TOPVIEW OPTRONICS CORP. and resignation from the position of legal representative of TOPVIEW OPTRONICS CORP. as one of its three corporate directors.	Serving as the legal representative of the subsidiary as a corporate director.	Did not participate in discussion or voting
	Director Han-Chou (Joe) Huang, Representative of BenQ Foundation		Serving as the legal representative of TOPVIEW OPTRONICS CORP. as a corporate director.	Did not participate in discussion or voting
May. 29, 2023	Independent Director Lo-Yu (Charles) Yen, Independent Director Jyuo-Min Shyu Independent Director Liang-Gee Chen Independent Director Chiu-Lien (Julie) Lin Independent Director Shu-Chun Huang	Approval for the appointment of members to the Compensation Committee.	Directors as appointees are required to recuse themselves from discussions regarding matters in which they have personal interests, as per Article 206 of the Company Act and Article 15 of the Company's Rules of Procedure for Board Meetings.	Did not participate in discussion or voting
Aug. 04, 2023	Chairman Chi-Hong (Peter) Chen	Approved the sale of common shares held by the Company and its subsidiaries in K2 INTERNATIONAL MEDICAL INC.	Serving as the legal representative of the subsidiary as a corporate director.	Did not participate in discussion or voting
Nov. 09, 2023	Chairman Chi-Hong (Peter) Chen	Approved the proposal for making guarantee for Qisda Labuan.	Concurrently serve as a director for Qisda Labuan.	Did not participate in discussion or voting
	Director Shuang-Lang (Paul) Peng, Representative of AUO Corporation	Approved the acquisition of the right to use real estate for business purposes as an asset.	Appointed as a director and manager of AUO Corporation	Did not participate in discussion or voting
	Director James CP Chen, Representative of AUO Corporation		Appointed as a manager of AUO Corporation	Did not participate in discussion or voting
	Director Han-Chou (Joe) Huang, Representative of BenQ Foundation		Appointed as the legal representative director of AUO Corporation	Did not participate in discussion or voting

### III. Implementation Status of Board Evaluations

The Board of Directors approved the "The Rules for Performance Assessment of the Board of Directors" on November 7, 2018, and approved the amendment on November 11, 2020, which stipulated the requirements of commencing performance appraisal to the Board and the Board members at least once per annual period. That at least one board of directors' performance evaluation shall be conducted by an external professional independent institution or external expert and scholar team every three years.

- (1) The Company had completed the performance appraisal to the Board, the Board members and two Functional Committees by the end of 2023 and reported at the Board meeting in March of 2024, the grade is above 99, that is "excellent", which indicated the efficient and good operation by the Board.
- (2) The Company has entrusted an independent evaluation institution, Taiwan Corporate Governance Association in 2021, to evaluate the performance of the board of directors of the Company. The evaluation was conducted with respect to eight main aspects: the composition, guidance, authorization, supervision, communication, self-discipline, internal control, and risk management of the board of directors. The evaluation method includes online self-evaluation, written review of relevant documents, and a field survey that was conducted in September, 2021. The subjects of the evaluation included the chairperson, three independent directors, the corporate governance officer and the Internal auditing officer. And Board meeting to report the evaluation results in November, 2021.
- (3) Implementation status:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Annually	January 2023 to December 2023	Board and Board members	Internal Self-Evaluation made by the Board and Board members	<ol style="list-style-type: none"> <li>1. Alignment of the goals and missions of the company</li> <li>2. Participation in the operation of the company</li> <li>3. Management of internal relationship and communication</li> <li>4. Improvement of the quality of the board of directors' decision making</li> <li>5. Composition and structure of the board of directors</li> <li>6. Awareness of the duties of a director</li> <li>7. Election, professionalism and continuing education of the directors</li> <li>8. Internal control</li> </ol>
		Audit Committee	Internal Self-Evaluation made by Audit Committee	<ol style="list-style-type: none"> <li>1. Participation in the operation of the company</li> <li>2. Awareness of the duties of Audit Committee</li> <li>3. Improvement of quality of decisions made by Audit Committee</li> <li>4. Makeup of Audit Committee and election of its members</li> <li>5. Internal control</li> </ol>
		Remuneration Committee	Internal Self-Evaluation made by Remuneration Committee	<ol style="list-style-type: none"> <li>1. Participation in the operation of the company</li> <li>2. Awareness of the duties of Remuneration Committee</li> <li>3. Improvement of quality of decisions made by Remuneration Committee</li> <li>4. Makeup of Remuneration Committee and election of its members</li> </ol>
Every three years	July 2020 to June 2021	Effectiveness of the Board of Directors	The evaluation institution paper review and field survey	The eight main aspects: the composition, guidance, authorization, supervision, communication, self-discipline, internal control, and risk management of the board of directors.

(IV) Targets for strengthening the functions of the Board of Directors in the current and the most recent year (e.g., setting up an Audit Committee and enhancing information transparency) and evaluation of target implementation:

1. The Company had established positions of Independent Directors and the Audit Committees in 2008 to exercise the functions required by the Securities and Exchange Act, the Company Act and other legal regulations. In 2011, the Remuneration Committee was established to enhance corporate governance and improve the remuneration and compensation system for Directors and Managers of the company.
2. Based on Paragraph 8 of Article 26-3 of the Securities and Exchange Act, Qisda has promulgated the "Rules Governing the Procedures of Meetings of the Board of Directors" which stipulated requirements to contents of meetings of the Board, the operating procedures, the matters to be recorded in the proceedings, the announcements and any other matters. Meetings of Qisda Board shall be convened at least once per quarter. All members of the Board shall exercise the due care of a good administrator and bear fiduciary duty to manage exercise their powers with a high degree of self-discipline and prudence under the guidance of optimization of Shareholders' interest.

## (II) Operations of the Audit Committee

The Company had convened 6 (A) Audit Committee meetings in 2023 with the following attendance:

Title	Name	Attendance in Person(B)	Number of times attended by proxy	Attendance rate (B/A)	Remark
Independent Director (convenor)	Lo-Yu (Charles) Yen	6	0	100%	Re-elected and newly appointed as convenor on May 29, 2023.
Independent Director	Jyuo-Min Shyu	6	0	100%	Re-elected
Independent Director	Liang-Gee Chen	2	0	100%	Newly elected, should attend twice
Independent Director	Chiu-Lien (Julie) Lin	2	0	100%	Newly elected, should attend twice
Independent Director	Shu-Chun (Mandy) Huang	2	0	100%	Newly elected, should attend twice
Independent Director	Cheng-Ju (Allen) Fan	4	0	100%	Term expired, should attend four times

Note: Full re-election the board of directors on May 29, 2023.

Other items that shall be recorded:

- (I) If any of the following matters occurs during the operation of the Audit Committee, the dates, terms, contents of the proposal of the Board meetings, the opinions of all Independent Directors and the responses by the Company shall be clearly described:
  1. Matters included in Article 14-5 of the Securities and Exchange Act: (Please see III. Corporate Governance Report – Material Resolutions from the Shareholders' Meeting and the Board of Directors on Page 70 to 72 of the Annual Report):  
All resolutions have been approved with the consent of one-half or more of all Audit Committee members before a resolution has been reached at the Board meeting. There were no resolutions which had not been approved with the concurrence of one-half or more of all Audit Committee members but were undertaken upon the consent of two-thirds or more of all directors.
  2. Except the items in the preceding issues, other resolutions which had not been approved with the concurrence of one-half or more of all Audit Committee members but were undertaken upon the consent of two-thirds or more of all directors: None.
- (II) For the implementation of Directors' avoidance due to conflicts of interest of Directors, please clearly specify the names of Directors, the content of the proposals, the reasons of avoidance due to conflicts of interest and the participation in the voting and resolution: None.



- (III) Communication between Independent Directors, the Internal Audit Director and CPAs (the major issues, methods and results of the Company's financial and business conditions shall be described in details):

The independent directors of the Company convene at least one meeting per quarter and also invite the CPAs, internal audit, legal, financial and accounting departments, etc. to provide reports to the independent directors or to discuss the latest financial statement audit findings, internal audit results, major litigation case reports, financial and business status information, etc. All independent directors and the internal audit officer maintain excellent communication result with the CPAs

#### 1. Communication with Internal Audit Officer

- (1) All internal audit reports are periodically submitted to the independent directors, and at least one periodic meeting and audit committee member seminar have been held each quarter since the establishment of the audit committee. The meeting minutes are recorded in the reports for the board of directors
- (2) Communication also regularly takes place directly via e-mail and telephone depending upon the need
- (3) Current audit reports are submitted periodically
- (4) Post-session follow-up reports are provided periodically
- (5) Updates of important audit regulations and other issues

#### Summary of Communication of Independent Directors and the Internal Audit Officer

Date	Attendee	Communication Focus	Recommendations and Corrections
Mar. 06, 2023	Cheng-Ju (Allen) Fan, Independent Director Jyuo-Min Shyu, Independent Director Lo-Yu Yen, Independent Director Ming-Chih Chang, Audit Officer	<ul style="list-style-type: none"> <li>● 2022 internal control system declaration and self-evaluation execution result report.</li> <li>● October-December 2022 audit operation focus report and post-session follow-up audit explanation.</li> </ul>	None
May. 05, 2023	Cheng-Ju (Allen) Fan, Independent Director Jyuo-Min Shyu, Independent Director Lo-Yu Yen, Independent Director Ming-Chih Chang, Audit Officer	<ul style="list-style-type: none"> <li>● January-March 2023 audit operation focus report and post-session follow-up audit explanation.</li> </ul>	None
Aug. 04, 2023	Jyuo-Min Shyu, Independent Director Lo-Yu Yen, Independent Director Liang-Gee Chen, Independent Director Chiu-Lien (Julie) Lin, Independent Director Shu-Chun Huang, Independent Director Ming-Chih Chang, Audit Officer	<ul style="list-style-type: none"> <li>● April-June 2023 audit operation focus report and post-session follow-up audit explanation.</li> </ul>	None
Nov. 09, 2023	Jyuo-Min Shyu, Independent Director Lo-Yu Yen, Independent Director Liang-Gee Chen, Independent Director Chiu-Lien (Julie) Lin, Independent Director Shu-Chun Huang, Independent Director Ming-Chih Chang, Audit Officer	<ul style="list-style-type: none"> <li>● 2024 internal audit plan proposal.</li> <li>● July-September 2023 audit operation focus report and post-session follow-up audit explanation.</li> </ul>	None

#### 2. Communication with CPAs

After the second quarter and end of the fiscal year, the CPAs conduct reporting and exchange of opinions on the following issues with the independent directors.

- (1) Responsibility and independence of the chief auditor
- (2) Scope and method of the audit or review
- (3) Quarterly financial report review or annual audit results
- (4) Important financial ratio analysis
- (5) Important accounting handling, important regulation updates and other issues

Summary of Communication Status of Independent Directors with CPAs

Date	Attendee	Communication Focus	Recommendations and Corrections
Mar. 06, 2023	Cheng-Ju (Allen) Fan, Independent Director Jyuo-Min Shyu, Independent Director Lo-Yu Yen, Independent Director Hui-Chen Chang CPA	<ul style="list-style-type: none"> <li>● 2022 annual financial report audit result report</li> <li>● Important regulation updates</li> </ul>	None
Aug. 04, 2023	Jyuo-Min Shyu, Independent Director Lo-Yu Yen, Independent Director Liang-Gee Chen, Independent Director Chiu-Lien (Julie) Lin, Independent Director Shu-Chun Huang, Independent Director Hui-Chen Chang CPA	<ul style="list-style-type: none"> <li>● 2023 second quarter financial report audit result report</li> <li>● Important regulation updates</li> </ul>	None
Nov. 09, 2023	Jyuo-Min Shyu, Independent Director Lo-Yu Yen, Independent Director Liang-Gee Chen, Independent Director Chiu-Lien (Julie) Lin, Independent Director Shu-Chun Huang, Independent Director Ming-Chih Chang, Audit Officer	<ul style="list-style-type: none"> <li>● 2022 Audit Quality Indicators (AQIs)</li> </ul>	None

(IV) Annual key functions and operations:

1. Annual key functions

- (1) Periodically communicating the audit report results with the internal audit officer according to the annual audit plan.
- (2) Periodically exchanging opinions on the financial statements or audit results with the CPAs of the Company.
- (3) Reviewing financial reports.
- (4) Evaluating the effectiveness of the internal control system.
- (5) Reviewing the appointment, discharge, remuneration and services of the CPAs.
- (6) Annually assess the independence of the certified public accountant and their declaration of independence, and report the evaluation results to the board of directors.
- (7) Reviewing the regulations of assets, derivatives, funds, loans, and endorsements and guarantees, and the transactions of major assets, fund loans and endorsements and guarantees.
- (8) Legal compliance.
- (9) Control of existing or potential risks in the company. (In accordance with the company's Risk Management Policies and procedures)

2. 2023 operations: Proposals of the Audit Committee meetings have all been reviewed or approved by members of the Audit Committee with no dissent from any of the Independent Directors.

## (III) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
A. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		With having the prior approval of the board of directors on May 5, 2015, relevant matters were revealed in Qisda's website. Please refer to the Company's official website or the Market Observation Post System (MOPS) for the Corporate Governance Principles stipulated by the Company.	No differences.
B. Corporate Ownership Structure and shareholders' equity establish a. Does the Company establish the internal operating procedures to handle the shareholders' proposals, inquiries, disputes and litigations issues as well as carry out through following procedures? b. Does the Company retain at all times a register of major shareholders who have controlling power, and of the persons with ultimate control over those major shareholders? c. Does the Company establish and implement the risk management and firewall mechanism between affiliated enterprises? d. Does the Company establish the internal guidelines prohibiting company insiders from trading securities using information not disclosed to the market?	V V V V		a. Qisda has established the channels including exclusive personnel, investor relations, corporate investor relations websites dedicated to handling the shareholders' proposals or disputes issues. b. Qisda will report the changes in the shareholding according to directors, managerial personnel and major shareholders' shareholdings more than ten percent (10%) of the shares of the Company, as well as regularly announce and file on the Market Observation Post System (MOPS) on a monthly base. c. Qisda's affiliated enterprises have established the specialized Finance and Sales Departments, as well as the detached factories with data-independent preservation, off-site backup and clear management responsibility. The Company will further, together with its affiliated enterprises, properly conduct an overall risk assessment of major banks they deal with, customers and suppliers, as well as implement the integrated risk assessment to reduce credit risk. d. Qisda has established the "Operating Procedures for Handling Material Information and Preventing Insider Trading", which covers the relevant regulations on prevention of insider trading. Please refer to the Company's official website.	No differences.
C. Organization and Responsibilities of the Board of Directors a. Does the Board of Directors formulate the diversified approaches and implement aimed at Board Member organization? b. Aside from establishing the Remuneration Committee and Audit Committee, does the Company also voluntarily establish other types of functional committees?	V V		a. For the formulation and implementation of the Company's policy on diversity of board members, please refer to the chapter on diversity and independence of the board of directors (P.17-P.18). b. On August 4, 2023, the company has established the Corporate Sustainability Committee and formulated the "Organization Regulations of the Corporate Sustainability Committee". The committee consists of 7 members, 5 of whom are independent directors. The chairman, Chi-Hong (Peter) Chen, was elected as the convener of the committee. The Corporate Sustainability Committee is the decision-making and supervisory unit for the company's sustainability-related efforts, covering three major aspects: Environmental (E), Social (S), and Corporate	No differences.

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons										
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c. Does the Company establish the rules for the board performance evaluation and its assessment methods for annual performance evaluation on an annual basis, as well as report its result to the Board of Directors by applying that as a reference to remuneration of individual director and to nomination and continuous employment?	V		<p>Governance (G). This enables the board of directors to fulfill its responsibilities in protecting the rights and interests of the company, employees, shareholders, and all stakeholders. The first meeting of the Corporate Sustainability Committee was convened on March 5, 2024, where the "2023 Sustainability Implementation Status" was reported to the members. please refer to the operations of the Corporate Sustainable Development Committee. (P.44)</p> <p>c. On November 7, 2018, the Board of Directors of the Company has passed the "Rules for Board Performance Evaluation". Please see the chapter of Implementation of Corporate Governance. (P.29) According to the provisions in Article 16 specified in the Articles of Incorporation, the Company's director compensation shall not exceed the 1% of annual profit. The directors' compensation is prescribed based on the Company's operating results and the "Remuneration Guidelines for Directors and Committee Members of Functional Committee" with reference to evaluation results of Board performance by the Remuneration Committee and Board of Directors. According to the results of performance evaluation, the remuneration of directors is determined and the nomination for renewal is considered.</p>											
d. Does the Company regularly evaluate and the independency of an attesting CPA?	V		<p>d. Qisda may, by a resolution adopted by the Audit Committee and Board of Directors, regularly hire the attesting CPA (including independence assessment) on an annual basis. The Company shall require the CPA to provide the independence statement and his / her brief biography document before meeting, ensure that the accounting firm (attesting CPAs and members of audit team) follows the request for independence.</p> <p>Independence assessment indicators of CPA :</p> <table border="1"> <thead> <tr> <th>Evaluation Items</th> <th>Independency</th> </tr> </thead> <tbody> <tr> <td>1. No direct or indirect substantial financial interest between the CPA and the Company.</td> <td>YES</td> </tr> <tr> <td>2. No borrowing/lending of fund between the CPA and the Company.</td> <td>YES</td> </tr> <tr> <td>3. No potential employment relationship exists when the CPA audits the Company's report.</td> <td>YES</td> </tr> <tr> <td>4. The CPA, his/her spouse or family dependent(s) and audit team members have never held the position as director /supervisor, managerial officer, or any position materially critical to the audited case in the most recent 2 years, and will never hold said positions in the future audit period.</td> <td>YES</td> </tr> </tbody> </table>	Evaluation Items	Independency	1. No direct or indirect substantial financial interest between the CPA and the Company.	YES	2. No borrowing/lending of fund between the CPA and the Company.	YES	3. No potential employment relationship exists when the CPA audits the Company's report.	YES	4. The CPA, his/her spouse or family dependent(s) and audit team members have never held the position as director /supervisor, managerial officer, or any position materially critical to the audited case in the most recent 2 years, and will never hold said positions in the future audit period.	YES	
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			<table border="1"> <tr> <td>5. Non-audit services provided by CPA to the Corporation have no direct impact on the major items of audit services provided.</td> <td>YES</td> </tr> <tr> <td>6. The CPA does not promote or sell shares or other securities issued by the Corporation.</td> <td>YES</td> </tr> <tr> <td>7. The CPA is not representing the Corporation in litigation of a third party or other disputes.</td> <td>YES</td> </tr> <tr> <td>8. The CPA and members of the audit team have no familial relationships with directors, managers, or people in positions that have major impact on Corporation audits at the Corporation.</td> <td>YES</td> </tr> </table> <p>Upon verification, it has been confirmed that apart from the fees for financial reporting and tax cases, there are no other financial interests or business relationships between the accountant and our company. The accounting firm (including the certifying accountant and the audit team members) also does not violate the requirements for independence. Referencing AQI indicator information, it is confirmed that the auditor and the firm have auditing experience comparable to peers, with training hours exceeding the industry average. Additionally, innovative audit tools are utilized, and processes are digitized to enhance audit quality. In accordance with Article 29 of the Corporate Governance Practice Guidelines, our company regularly (at least once a year) assesses the independence and suitability of the certifying accountant using Audit Quality Indicators (AQIs). The results of the most recent annual assessment were discussed and approved by the Audit Committee on November 9, 2023, and subsequently reported and passed by the board of directors on the same day.</p>	5. Non-audit services provided by CPA to the Corporation have no direct impact on the major items of audit services provided.	YES	6. The CPA does not promote or sell shares or other securities issued by the Corporation.	YES	7. The CPA is not representing the Corporation in litigation of a third party or other disputes.	YES	8. The CPA and members of the audit team have no familial relationships with directors, managers, or people in positions that have major impact on Corporation audits at the Corporation.	YES	
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D. Does the TWSE/TPEX Listed Companies allocate the adaptation and appropriate number of corporate governance personnel as well as assign the corporate governance supervisors to be responsible for matters related to corporate governance (including but not limited to required information provided to directors and supervisors performing their duties, assistance provided to directors, legal compliance of supervisors, handling matters related to Board of Directors' and shareholders' meeting in accordance with the laws, preparation of the minutes of Board of Directors' and	V		Qisda may, after having a resolution adopted by the Board of Directors in 2019, hire Jasmin Hung to take part as a role of corporate governance personnel responsible for supervision and planning of corporate governance. Hung's qualifications for the position meet the provisions regarding Corporate Governance Supervisors set out in Paragraph One of Article 3-1 of Corporate Governance Best-Practice Principles for TWSE/TPEX-Listed Companies. The official powers performed by the corporate governance supervisors include: Providing the information required by the directors and Audit Committee and the latest regulations regarding corporate operation, providing assistance in legal Compliance of the directors and Audit Committee, regularly reporting the operations of corporate governance to Corporate Governance Committee and Board of Directors, handling matters related to Board of Directors' and shareholders' meeting in	No differences.								

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
shareholders' meeting, and more.)?			<p>accordance with the laws, preparation of the minutes of Board of Directors' and shareholders' meeting, providing assistance in assuming office to directors and Audit Committee members and continuing education.</p> <p>The operation in 2023 is updated as follows:</p> <ol style="list-style-type: none"> <li>1. Assisted independent directors and general directors to perform job duties, provided necessary documents and arranged continuing education for the directors.</li> <li>2. Provided periodic notices to members of the board of directors about the amendments and developments of the latest laws and regulations related to the field of corporate operations and corporate governance.</li> <li>3. Examined the confidentiality level of relevant information and provided company information necessary for directors, maintained the smoothness of communication and exchange among directors and all business supervisors.</li> <li>4. After board of directors' meeting, responsible for verifying the announcements of significant information about important board resolutions in order to ensure the legality and accuracy of the significant information content and to ensure the propriety of the investor transaction information etc.</li> <li>5. Every year, help all board members to complete at least 6 credits of continuing education courses.</li> <li>6. Qisda has helped the directors and important employees apply for liability insurance and has reported to the Board of Directors after renewal of insurance, and Board meeting to report the situation in August, 2023.</li> <li>7. The Company has convened seven board of directors' meetings and six audit committee meetings in 2023.</li> <li>8. One shareholders' meeting have been held in 2023.</li> <li>9. The internal performance evaluation of the board of directors and functional committees in 2023 has been carried out, and the evaluation results are excellent, and the report has been reported to the board of directors in March 2024.</li> <li>10. The board of directors' performance evaluation has been conducted, and the evaluation result was ranked as excellent. Regarding the 9th term of Corporate Governance Evaluation of the Company, the result was 6-20%, and since 2019, the Company has been included in the Taiwan Corporate Governance 100 Index.</li> <li>11. Corporate governance training undertaken by corporate governance personnel in 2023, with a total of 33 hours:</li> </ol>	

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E. Does the Company build the channels of communication with stakeholders (including but not limited to shareholders, employees, customers, suppliers and so on.) as well as designate a stakeholder area on its website in response to important issues on corporate social responsibility concerned by stakeholders in a proper manner and in good faith?	V		Qisda has built the stakeholder mailbox on its website that is used as the channels of communication in response to important issues on corporate social responsibility concerned by stakeholders in a proper manner and in good faith. We also regularly disclose the financial and business information of financial conditions and operations on the Market Observation Post System (MOPS) and on the website established by the Company. Moreover, we will timely release announcement of material news dedicated to events that result in significant impact on stakeholders.		No differences.																																								
F. Does the Company engage a professional shareholder services agent to handle shareholders meeting matters?	V		Qisda has appointed Taishin Securities Stock Affairs Department that plays a role of its shareholder services agent to handle shareholders meeting matters.		No differences.																																								
G. Information Disclosure a. Does the Company set up a website containing the information regarding financial or business operations as well as corporate governance?	V		a. Financial information disclosure: The Company's Chinese and English websites have investor zones, which regularly update financial information and investor conference call materials for investors' reference. Disclosure of business information: Product Introduction and Technical R&D sections have been set up on the Company's website, providing product and business information on a		No differences.																																								

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
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<p>b. Does the Company adopt other methods of information disclosure (such as set up the English website, appoint personnel responsible for gathering and disclosing the information, establish a spokesperson system, display the Company's website during the investor conference briefing, and more.)?</p> <p>c. Does the Company publicly announce the annual financial reports within two months after the close of each fiscal year, as well as the financial reports in Q1, Q2 and Q3, plus the addition of monthly operating status prior to the designated deadlines in advance?</p>	V		<p>timely basis.</p> <p>Disclosure of corporate governance information: The Company has a Corporate Governance section, which includes: information about the Board of Directors and functional committees, corporate governance related information, and the Company's policies, regulations, and important documents.</p> <p>b. Appointed designated personnel to collect and disclose Company information: Information collection and disclosure from the Company is done by specific personnel, and the Company also announces the latest and accurate Company information to the public through press release or material information disclosure.</p> <p>Implementation of the spokesperson system: The Company has appointed CFO Jasmin Hung to serve as Spokesperson, and Director of Investment, Michael Wang, to serve as Deputy Spokesperson. Proceedings from the Investors' Conference call is uploaded to the Company website: The company regularly (at least once a quarter) or irregularly holds legal person briefings, and puts presentation materials and audio-visual files of the process on the investor relations section of the company's website to facilitate inquiries from all walks of life, and uploads public information observation stations in accordance with regulations.</p> <p>c. On March 5, 2024, Qisda has publicly announced the consolidated and Standalone financial reports in 2023; the financial reports in 2023 Q1, Q2 and Q3, in addition to the monthly operating status will be publicly announced on the Market Observation Post System (MOPS) prior to the designated deadlines and then upload them to the Company's website.</p>	
<p>H. Does the Company have other important information helping understand the operations of corporate governance as follows?</p> <p>a. Employee rights and caring for the employees</p> <p>b. Investor relations</p>	V	V	<p>a. Promoting the ideal of building a happy and healthy workplace, Qisda plans the diverse employee benefits allowing all colleagues to experience the ideal workplace environment and wellbeing corporate culture. The Company creates various benefit plans, and the Welfare Committee consists of the Company's colleagues. For more details on employee rights, please see Labor-Management Relations (P.92-P.95) of Business Overview in Chapter 5.</p> <p>b. Qisda's specified personnel shall publicly announce with timely information on company financial conditions, businesses and event of changes regarding insider shareholdings on the Market Observation Post System (MOPS) in accordance with the provisions to achieve the information disclosure and transparency.</p>	No differences.



Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
c. Supplier relationship	V		Moreover, the information regarding investor contact person on the Company's official website.	
d. Stakeholder rights	V		c. Qisda has established the survey procedure for suppliers based on the future products in demand and purchase strategies, The purpose is to investigate the manufacturing and engineering abilities, quality management ability, HSF management ability, supplier's operation and competitiveness and ESG ability from potential suppliers of Qisda.	
e. Progress of training of directors	V		d. The Corporate Sustainability Website provides different ways to negotiate with various stakeholders, and the results of the negotiations are disclosed in the annual ESG Report. In order to continue to improve sustainable governance and allow the Board of Directors to fully understand the voices of stakeholders, we should report to the Board of Directors at the beginning of each year on the status of communication with stakeholders on major issues, at least once a year or more, and the results of the negotiation on the 9 major issues in fiscal year 2023 were reported to the Board of Directors on March 5, 2024	
f. Risk management policy and execution of risk measurement standards	V		e. The Company has undertaken the following training in 2023 pursuant to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies" from TWSE. Please see the for corporate governance training undertaken by senior executives. (P.67-P.68). Qisda have arranged the directors to participate in courses held by Taiwan Investor Relations Institute dated June 2023 and Independent Director Association Taiwan dated December 2023 aimed at "Establishment and Key Points of Intellectual Property Management System for Enterprises" and "Tax governance in the new global tax environment"	
g. Execution of customer policy	V		f. Qisda has established the Risk Management Committee to formulate the risk management policies and regularly evaluate the Company's risk for risk mitigation. For more details on relevant information, please see Book Chapter Risk Management. (P.108).	
h. Liability insurance purchased by the Company for directors and supervisors.	V		g. Qisda will get primary consideration for enhancing customer and business partner satisfaction that fulfills the promises of satisfaction on order fulfillment, cost, technology, quality, customer service, relevant regulations, overall evaluation to continuously ensure satisfying customers' needs. In order to timely respond and satisfy customers' various needs, the Company has established the Customer Service Division (CSD) to fully understand and listen to the Voice of Customer as well as help customers resolve problems.	
			h. Qisda and its subsidiaries have purchased the liability insurance for directors and supervisors so that it can carefully execute the business	

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
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I. Succession Plan and Operations of Members of the Board of Directors and Key Managerial Officers	V		<p>operations as starting point for investor rights without worries, and Board meeting to report the situation in August 2023.</p> <p>1. In addition to having a professional background and professional skills, the directors of the company should also consider the company's future development, long-term strategic planning, and group transformation and layout, and should also have the diversified professional knowledge required by the company. At the same time, in order to enable members of the board of directors to improve their professionalism and continuously improve, consider the scope beyond the professional ability of each director, and formulate a training plan for at least six hours a year for each director; Regularly review the changes in laws and regulations, the distribution of directors and their compliance with conditions, and plan the succession plan and candidates for directors.</p> <p>2. To continuously promote talent demand for sustainable growth and strategic development, Qisda has developed a training and development system for managers at all levels based on core competency. This system aims to cultivate the leadership and management abilities required by different levels of managers and implement progressive hierarchical management training courses and job rotations systematically. The company systematically learns the leadership and management abilities benchmark leaders should possess to prepare for future organizational growth challenges.</p> <p>Execution status:</p> <p>(1) The company offers leadership training courses annually. In 2023, a total of 25 sessions of leadership courses were offered, with 481 managers from the group participating.</p> <p>(2) The company encourages the enhancement of leadership and problem-solving abilities through job rotations, aiming to foster a more comprehensive perspective. As of the end of the fiscal year 2023, the job rotation rate for managerial staff reached 162%.</p> <p>(3) The company holds an annual consensus camp for senior executives - Campo Vivo, to build consensus on the strategic direction among senior executives of the group. Additionally, the company invites industry experts annually to discuss strategic trends with senior executives. In 2023, the event titled "Application-Driven and Regional Division of Labor: Business Transformation and Challenges in Taiwan's Technology Industry" was held, allowing senior executives to gain insights into future industry trends and</p>	

Evaluation Item	Implementation status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			undertake strategic planning in advance to cope with future trends.	
<p>J. Please describe the improvement status according to the evaluation results of Corporate Governance Evaluation publicly announced by Governance Center of Taiwan Stock Exchange Corporate (TWSE) in recent years. In addition, the Company shall propose the matters and measures given priority to strengthen.</p> <p>a. Corporate Governance: The company's corporate governance evaluation indicators have been 6~20% for 5 consecutive years, and it has been selected as the Best Employer in Asia Award and the "Taiwan Top 100 Sustainable Enterprises Award" of the Sustainable Energy Research Foundation Model Enterprise Award, "Corporate Sustainability Report: Electronic Information Manufacturing - Platinum Award".</p> <p>b. Green products: Obtain energy star products in 2023, accounting for 58.07% of the company's annual revenue.</p> <p>c. Green operation: with quantitative assessment, management, and carbon reduction as the driving blueprint, from the inventory of organizational greenhouse gas emissions (ISO14064-1), and the establishment of an energy management system (ISO50001) and corporate sustainable development (ESG) KPI management system tracking Target achievement and reduction performance of various energy-saving and carbon-reduction measures.</p> <p>d. Energy management: The energy-saving projects implemented in Taoyuan plant, such as replacing old ice machines and introducing waste heat recovery, shows benefits as estimated to save 1.34 million kWh and reduced about 663 tons of CO<sub>2</sub>e; Suzhou plant started to optimize air conditioning, air pressure control (replacement of frequency conversion equipment) and other energy-saving projects, which is estimated to save 2.23 million kWh and reduced 1,270 tons of CO<sub>2</sub>e.</p> <p>e. Invest in green energy: In 2021, the first-phase solar power generation systems of Taoyuan Twin-Star Factory and Suzhou Factory were completed successively. In 2023, the solar power generates about 5.2 million kWh/year, and reduced 2,923 tons of CO<sub>2</sub>e annually. In 2023, we have purchased 22,700 green electricity certificates in China, reducing carbon emissions by 12,939 tons of CO<sub>2</sub>e per year; purchased 2,000 green electricity certifications in Vietnam, reducing carbon emissions by 1,444 tons of CO<sub>2</sub>e per year. Also, started the second phase of solar power generation project of Suzhou factory, which 4,607 tons of CO<sub>2</sub>e is estimated to be reduced when the project is done.</p> <p>f. Environmental management: Since 1997, the company has successively introduced ISO 14001 environmental management system certification into each factory and passed the verification of a third-party impartial unit. Establish a good operation control mechanism to meet the requirements of local government environmental laws and regulations, and continuously track and control various environmental performances, hoping to effectively reduce the impact of business activities on the environment, ensure environmental sustainability and meet the needs of stakeholders. There will be no violation of environmental regulations in 2023.</p> <p>g. The utilization of funds is linked to the performance of sustainable indicators to demonstrate sustainable value: The company actively participates in the sustainable financial plan, and the sustainable linked loan is based on the interest rate benchmark of the company's sustainable performance published in the company's corporate sustainability report certified by a third party. From 2021, Qisda has signed a NT\$12 billion sustainability linked syndicated Loans project co-arranged by Taiwan Bank and First Bank, and in 2023 has signed a second NT\$12 billion sustainability linked syndicated Loans co-arranged by Taiwan Bank and First Bank.</p>				

Note: Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE CORPORATION, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its corporate governance.

(IV) Composition, duties, and operations of the Company's Remuneration Committee:

1. Information on the members of the Remuneration Committee

Position	Criteria Name	Key board qualifications, expertise and attributes	Meet conditions of independence ( Note 1 )	Number of other public companies at which the person concurrently serves as remuneration committee member
Independent Director (Convener)	Jyuo-Min Shyu	Please refer to Professional qualifications and independence analysis of directors. (P.14-P17; P.18)	Compliant	1
Independent Director	Lo-Yu (Charles) Yen		Compliant	1
Independent Director	Liang-Gee Chen		Compliant	2
Independent Director	Chiu-Lien (Julie) Lin		Compliant	1
Independent Director	Shu-Chun (Mandy) Huang		Compliant	2

Note 1: Independence; including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

Note 2: Full re-election the board of directors on May 29, 2023.

2. Responsibilities of the Remuneration Committee:

Establish a performance-based compensation system for the Company through an independent standpoint, fulfill functional authority given by the Board of Directors, and regularly submit proposals or recommendations on the compensation system to be discussed at Board meetings.

3. Operation of Remuneration Committee:

(1) The Company has a Remuneration Committee composed of five members.

(2) Term of the current Committee: From May 29, 2023 to May 28, 2026.

The Company had convened four (A) Remuneration Committee meetings in 2023 and up to the publication date of this annual report. with the following attendance:

Position	Name	Attendance in Person (B)	Attended by Proxy	Attendance Rate (%) (B/A)	Remark ( Note 1 )
Convener	Jyuo-Min Shyu	4	0	100%	Re-elected and newly appointed as convener
Committee Member	Lo-Yu (Charles) Yen	4	0	100%	Re-elected
Committee Member	Liang-Gee Chen	3	0	100%	New appointment, should attend three times
Committee Member	Chiu-Lien (Julie) Lin	3	0	100%	New appointment, should attend three times
Committee Member	Shu-Chun (Mandy) Huang	3	0	100%	New appointment, should attend three times
Convener	Cheng-Ju (Allen) Fan	1	0	100%	Term expired, should attend one time

Note 1: Full re-election the board of directors on May 29, 2023.

On May 29, 2023, the Board of Directors of the Company appointed Jyuo-Min Shyu, Lo-Yu (Charles) Yen, Liang-Gee Chen, Chiu-Lien (Julie) Lin and Shu-Chun (Mandy) Huang as members of the Remuneration Committee, and the convener was Jyuo-Min Shyu.

(3) Discussion from the Remuneration Committee in 2023 and up to the publication date of this annual report, resolutions, and ways the Company handled opinions from committee members:

Meeting date	Period	Item	Resolutions	The Company handled opinions from committee members
March 6	First 2023	<ol style="list-style-type: none"> <li>1. Proposal to adjust the "employee and director's remuneration ratio" proposal.</li> <li>2. Proposal to Amend the "Remuneration Measures for Directors and Functional Committee Members".</li> <li>3. Approved the 2022 distribution of employees and directors' remuneration.</li> <li>4. Approved the 2022 Employee compensation discussion case for senior managers and internal audit supervisors.</li> <li>5. Proposed the 2023 salary compensation indicators for senior managers.</li> <li>6. Proposed the 2023 Bonus and Salary Adjustment Policy Discussion for Senior Managers and Audit Supervisors.</li> </ol>	Convener of the Remuneration Committee consulted the opinion of all attending remuneration committee members.	The proposal was approved without dissent and submitted for resolution at the Board meeting.
August 4	Second 2023	Proposal to Amend the "Remuneration Measures for Directors and Functional Committee Members"	Convener of the Remuneration Committee consulted the opinion of all attending remuneration committee members.	The proposal was approved without dissent and submitted for resolution at the Board meeting.
November 9	Third 2023	<ol style="list-style-type: none"> <li>1. Report on changes of senior managerial officers</li> <li>2. Report of 2023 compensation adjustment and bonus to senior managerial officers, and 2022 distribution of employees' remuneration execution status.</li> </ol>	No Discussion required.	No.
March 5	First 2024	<ol style="list-style-type: none"> <li>1. Approved the 2023 distribution of employees and directors' remuneration.</li> <li>2. Approved the 2023 Employee compensation discussion case for senior managers and internal audit supervisors.</li> <li>3. Proposed the 2024 salary compensation indicators for senior managers.</li> <li>4. Proposed the 2024 Bonus and Salary Adjustment Policy Discussion for Senior Managers and Audit Supervisors.</li> </ol>	Convener of the Remuneration Committee consulted the opinion of all attending remuneration committee members.	The proposal was approved without dissent and submitted for resolution at the Board meeting.

Other items that shall be recorded:

1. If the Board of Directors chooses not to adopt or revise recommendations proposed by the Remuneration Committee, the date of the Directors' Meeting, session, contents of proposals, results of meeting resolutions, and the Company's disposition of opinions provided by the Remuneration Committee shall be described in detail (also, where the salary and compensation approved by the Directors' Meeting is better than that recommended by the Remuneration Committee, the differences and the reason for the approval shall be described in detail): None.
2. For the decisions made by the Remuneration Committee, if there are members who hold objection or reservation to a resolution and such objection or reservation is on record or raised through a written statement, the date, session, contents of proposals, all members' opinions, and ways in handling these opinions should be elaborated: None

(v) Composition, duties, and operations of the Corporate Sustainable Development Committee

Qisda established the Corporate Sustainability Development Committee on August 4, 2023, and held meetings in the first quarter of each year; at the same time, the organizational rules of the company's Sustainability Development Committee was established for compliance.

1. Information on the members of the Corporate Sustainability Development Committee

Position	Criteria Name	Key board qualifications, expertise and attributes	Meet conditions of independence	Number of other public companies at which the person concurrently serves as Corporate Sustainability Development Committee member
Chairman (Convener)	Chi-Hong (Peter) Chen	Please refer to Professional qualifications and independence analysis of directors. (P.14-P17; P.18)	Compliant	0
Director	Han-Chou (Joe) Huang			0
Independent Director	Jyuo-Min Shyu		Please refer to independence analysis of directors (Page 18)	0
Independent Director	Lo-Yu (Charles) Yen			1
Independent Director	Liang-Gee Chen			0
Independent Director	Chiu-Lien (Julie) Lin			0
Independent Director	Shu-Chun (Mandy) Huang			1

2. Responsibilities of the Corporate Sustainability Development Committee:

This committee is the decision-making and supervision unit of the company's sustainable development-related work, covering the three major areas of environment (E), society (S) and corporate governance (G), so that the board of directors can fulfill its duties and responsibilities to protect the company, employees, shareholders and all parties.

3. Operation of Remuneration Committee:

- (1) The committee consists of seven members (including five independent directors).
- (2) Term of office of current members: From August 4, 2023, to May 28, 2026
- (3) The professional qualifications of each member of the Corporate Sustainability Development Committee, please refer to pages 14 to 17. The Independent Director Jyuo-Min Shyu has long been committed to sustainable development management, which aligns with the expertise required by the committee.
- (4) The first meeting of the Corporate Sustainability Committee was convened on March 5, 2024, where the "2023 Sustainability Implementation Status" was reported to the members.

(VI)Promotion of Sustainable Development-Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Item	Implementation status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons						
	Yes	No								
A. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?	V		<p>Since 2010, Qisda has formally established the “Corporate Sustainable Development Commission” that is in charge of presentation and implementation on corporate social responsibility policies, systems or relevant management approaches as well as concrete promotion programs. The Chairman and CEO (Peter) is selected to serves as the Chairperson of the committee, and senior executives of each department are selected to serves as the members of each aspect. The chief executive is responsible for coordinating and promoting the cross-department matters relating to corporate sustainable development, as well as integrating the related departments to draft and promote the goals and KPI aimed at five major aspects are as follows: eco-friendly products, green building operations, green supply chain, corporate social responsibility and financial performance. There will be quarterly presentation reports and examination of implementation performance regarding each aspect by turns. The information will be integrated to control the KPI progress through management platform that shall be regularly reported to the Board of Directors on an annual basis.</p> <p>On August 4, 2023, the "Corporate Sustainable Development Committee" was upgraded to a functional committee of the board of directors, consisting of five independent directors and two directors. It is responsible for reviewing issues related to corporate sustainable development, including the implementation and effectiveness tracking of annual sustainable development goals, and reporting to the board of directors. The 2023 implementation situation has been reported in March 2024.</p> <p>On November 1, 2023, A new "ESG Committee" has been established, with the Chairman of the Board serving as the chairperson and all first-level executives serving as members. It is responsible for promoting various sustainable business initiatives. Each quarter, committee members report to the chairperson to supervise the team in implementing sustainable development aspects according to the plan, as well as identifying relevant risks and opportunities, and continuously promoting sustainable transformation and development.</p>	No differences.						
B. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		<p>This disclosure includes the performance of sustainable development at main operational sites between January to December of 2023 The boundary of risk assessments includes the headquarters of Qisda—Taiwan, and the main manufacturing sites—Suzhou (China) and Vietnam. In compliance with the materiality identification method of GRI Standards, Qisda distributes questionnaires to analyze the 3 dimensions (economy/governance, environment and society) concerning the stakeholders on an annual basis. Every year Qisda reviews the meaning and the scope of impact for the topics above, sets annual risk-management goals to monitor, and discloses the result.</p> <p>Based on the risk assessment, the risk management strategy is as follow:</p> <table border="1" data-bbox="513 1870 1190 2040"> <thead> <tr> <th>Material Topics</th> <th>Risk assessment</th> <th>Risk management Strategy</th> </tr> </thead> <tbody> <tr> <td>Economy/ Governance</td> <td>R&amp;D, innovation on green product</td> <td>1. Review the carbon emissions of the products and the opportunity of reduction from the viewpoint of life cycle. 2.Implementing ISO 14006 and IEC 62430 management system.</td> </tr> </tbody> </table>	Material Topics	Risk assessment	Risk management Strategy	Economy/ Governance	R&D, innovation on green product	1. Review the carbon emissions of the products and the opportunity of reduction from the viewpoint of life cycle. 2.Implementing ISO 14006 and IEC 62430 management system.	No differences
Material Topics	Risk assessment	Risk management Strategy								
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Item	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
			<p>Customer Relationship Management</p> <p>3.Applying 100 patents and more annually.</p> <p>1. 100% fulfilling customers' requirement and provide well service quality. 2. Making improvements on products and services quality through customer satisfaction survey. 3. Scored more than 93 points on customer satisfaction, expecting to score 93 points on 2025.</p>	
			<p>Sustainable Supply Chain Management</p> <p>1. Requiring suppliers to follow local regulations, social standards and environmental protection plans. In the meantime, Qisda launches regular audit and investigation. Supplier and we commit to environment, society, to add more value to the product. 2. Regularly reviews the achievement and performance of environmental responsibilities by written inspection and on-site audit completion. 3. The completion rate of the supplier sustainability risk questionnaire (written audit) is 100% and the recovery rate is 97%.</p>	
		Society	<p>Hiring Talents</p> <p>1. Building well working environment and diverse career development to keep the talents. Providing well trained educating system in accordance with company strategy and business goal. 2. Providing well working environment and salary package. 3. Implying employee engagement survey (participation 86%, average engagement 4.62)</p>	
			<p>Occupational Safety, Health and Management</p> <p>1.Establish a good company operation/working environment to ensure that talents are protected physically and mentally, so that all colleagues can experience a high-quality working environment and a healthy and happy corporate culture. 2. The health examination participation rate in previous years has been about 95%, and is high as 97% in 2023. The first level of public health management-health screening has been truly implemented. 3. Cultivate employees' safety and health concepts and strengthen their awareness of occupational hazards. The average frequency of disability injuries (FR) in 2023 is 0.110; the severity rate of disability injuries (SR) is approximately 5.258; there are no occupational accident deaths and occupational diseases in the workplace. A case occurs. In factories in Taiwan, a total of 30.58 million non-occupational-accidents hours have been accumulated since 2011, and the number of non-occupational-accidents hours in 2023 will be about 2.71 million hours. No occupational accidents or fatalities occurred during the contractor's on-site work.</p>	
			<p>Employee education and training</p> <p>1. Building well education and training system, to provide diverse learning and developing environment to keep talents. 2. Building blue prints of four dimensions colleges, holding vocational learning courses and training according to the training demand each year. 3. Average employee training hours for IDL (36hr/year.) 4. 100% Completion rate of policy required courses.</p>	



Item	Implementation status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																					
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			<table border="1"> <tr> <td rowspan="3">Environment</td> <td>Waste management</td> <td> <ol style="list-style-type: none"> <li>Increase the portion of 3R in products and packaging through design, which further decrease the waste and increase the amount of cyclin.</li> <li>Importing teaching courses of green products, turning waste into resources, and transferred the wasted plastics into biofuel.</li> <li>Proportion of recyclable waste reaching 92%.</li> </ol> </td> </tr> <tr> <td>Energy Management</td> <td> <ol style="list-style-type: none"> <li>Improve energy efficiency and the usage of renewable energy.</li> <li>Improve energy efficiency and performance by using high-efficient facilities.</li> <li>Pouring ideas and methods of carbon reduction to employees and suppliers.</li> <li>Continue on installing renewable power system, and purchasing renewable energy to achieve 100% of using renewable energy.</li> <li>Joining the project of carbon offset and internal carbon pricing.</li> <li>Using 30% of green energy by 2025.</li> <li>Reduce 1% of electricity use every year.</li> </ol> </td> </tr> <tr> <td>Climate change mitigation and adaptation</td> <td> <ol style="list-style-type: none"> <li>Using SBTi science-based reduction methods and submits SBTi goals.</li> <li>Continue on importing TCFD to deepen the climate-related risk management.</li> <li>Absolute reduction of greenhouse gases on scope 1+2 (reduce 42% compares with 2021 before 2030.)</li> </ol> </td> </tr> </table>	Environment	Waste management	<ol style="list-style-type: none"> <li>Increase the portion of 3R in products and packaging through design, which further decrease the waste and increase the amount of cyclin.</li> <li>Importing teaching courses of green products, turning waste into resources, and transferred the wasted plastics into biofuel.</li> <li>Proportion of recyclable waste reaching 92%.</li> </ol>	Energy Management	<ol style="list-style-type: none"> <li>Improve energy efficiency and the usage of renewable energy.</li> <li>Improve energy efficiency and performance by using high-efficient facilities.</li> <li>Pouring ideas and methods of carbon reduction to employees and suppliers.</li> <li>Continue on installing renewable power system, and purchasing renewable energy to achieve 100% of using renewable energy.</li> <li>Joining the project of carbon offset and internal carbon pricing.</li> <li>Using 30% of green energy by 2025.</li> <li>Reduce 1% of electricity use every year.</li> </ol>	Climate change mitigation and adaptation	<ol style="list-style-type: none"> <li>Using SBTi science-based reduction methods and submits SBTi goals.</li> <li>Continue on importing TCFD to deepen the climate-related risk management.</li> <li>Absolute reduction of greenhouse gases on scope 1+2 (reduce 42% compares with 2021 before 2030.)</li> </ol>															
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<p>C. Environmental Issues</p> <p>a. Has the Company set an environmental management system designed to industry characteristics?</p>	V		<p>a. Since 1997, Qisda has obtained ISO 14001 environmental management system certification. Each manufacturing area in the world carries out internal audit and external audit regularly every year to ensure the operation of various environmental management standards. In addition, since 2012, Qisda has obtained ISO 50001 energy management system certification, and continues to pass the certification in 2023. We conduct annual greenhouse gas inventory in accordance with ISO 14064-1 specification to improve energy performance and further reduce greenhouse gas emissions, tracking emission reduction results, and publicly disclosed in the sustainability report on the company's website. The boundary of environmental management system includes the headquarters of Qisda—Taiwan, and the main manufacturing sites—Suzhou (China) and Vietnam.</p> <p>Expiration date of the certificates:</p> <table border="1"> <thead> <tr> <th></th> <th>Twin-Star Factory, Taoyuan</th> <th>Photoelectric power plant, Suzhou, China</th> <th>Precision Factory, Suzhou, China</th> <th>Electric flux Factory, Suzhou, China</th> <th>Electronics Factory, Suzhou, China</th> <th>Vietnam's Factory</th> </tr> </thead> <tbody> <tr> <td>ISO 14001</td> <td>~2025 12.26</td> <td>~2025. 12.26</td> <td>~2025. 12.24</td> <td>~2026. 01.06</td> <td>~2025. 12.25</td> <td>~2024. 05.19</td> </tr> <tr> <td>ISO 50001</td> <td>~2024. 05.28</td> <td>-</td> <td>-</td> <td>~2025. 10.09</td> <td>-</td> <td>~2024. 12.27</td> </tr> </tbody> </table>		Twin-Star Factory, Taoyuan	Photoelectric power plant, Suzhou, China	Precision Factory, Suzhou, China	Electric flux Factory, Suzhou, China	Electronics Factory, Suzhou, China	Vietnam's Factory	ISO 14001	~2025 12.26	~2025. 12.26	~2025. 12.24	~2026. 01.06	~2025. 12.25	~2024. 05.19	ISO 50001	~2024. 05.28	-	-	~2025. 10.09	-	~2024. 12.27	No differences.
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<p>b. Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?</p>	V		<p>b. In order to reduce the impact of energy use on global warming, Qisda draws up a greenhouse gas emission reduction program. In the greenhouse gas emission reduction program, we use engineering improvement and administrative improvement to save energy, so as to achieve the goal of reducing greenhouse gas emissions.</p>	No differences.																					



Item	Implementation status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons																								
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c. Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		<p>The raw material Qisda use met the RoHS Directive. Also, the Type III Environmental Declaration under EuP was launched in 2008. Qisda educated and assisted suppliers in the self-disclosure of direct materials, indirect materials, energy/resource use inventories, waste emissions, and energy consumption for transportation, and help the suppliers understand the calculation during the life cycle of the products and the potential impact on the ecosystem.</p> <p>c. Under the supervision of the board, Risk Management Commission of our company follows the frame of TCFD. By using the four TCFD core elements: Governance/ Strategy/ Risk Management/ Metrics and Targets to assess the climate-related risks and opportunities. By importing the climate-related scenarios RCP 2.6, RCP 4.5, RCP 8.5 of IPCC, we can evaluate the transformation risks, immediate and long-term practical risks. Also, by assessing the Short-, medium- and long-term climate-related risks and opportunities of operation, we can comply with plans immediately based on risk scenarios analysis.</p> <p>The company has disclosed the climate-related financial disclosure in detail. Please refer to the "Climate Strategy and Carbon Management" chapter of the ESG report on the official website.</p>	No differences.																								
d. Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		<p>d. All the manufacturing sites of the company have passed the inventory and third-party verification of ISO 14064-1 scope 1,2 and 3 in Greenhouse gas emission inventory in 2023. The company's annual greenhouse gas emissions, water consumption and total waste weight data are as follows:</p> <p>1. The last two years of greenhouse gas emissions: (scope 1, 2 to cover all the factory information, three contains only staff travel)</p> <table border="1"> <thead> <tr> <th>Years</th> <th>scope 1</th> <th>scope 2</th> <th>scope 3</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>2,289</td> <td>104,383</td> <td>76</td> </tr> <tr> <td>2022</td> <td>4,805</td> <td>70,758</td> <td>1,802</td> </tr> <tr> <td>2023</td> <td>3,501</td> <td>48,405</td> <td>1,756</td> </tr> </tbody> </table> <p>In 2023, Scope 1 and Scope 2 greenhouse gas emissions totaled 51,906 tons, mainly from Scope 2 electricity emissions, accounting for 93.1% of the previous opening; followed by Scope 1, accounting for 6.9%.</p> <p>By building solar power system can increase the proportion of renewable energy usage. Moreover, Qisda replaces the power consuming facilities with new inverter, and using waste heat recovery to reduce the electricity on heating installation. Also, supplemented by administration management on power saving to achieve the goal on reducing greenhouse gases emission.</p> <p>2. Water consumption</p> <p>Qisda focuses on energy conservation and environmental protection of water resources issues for years. In terms of water saving plan, we start from the full implementation of daily life to save water.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>The total water consumption (Million Liters)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>517</td> </tr> <tr> <td>2022</td> <td>441</td> </tr> <tr> <td>2023</td> <td>417</td> </tr> </tbody> </table> <p>The water pollution control equipment in the Taiwan Plant is operated and maintained by the professional personnel. We use biofilms to handle domestic sewage, whereas the produced sewage is discharged into the sewerage system built by the government. The sewage discharged by the Suzhou Plant is directly emitted into the municipal sewer system, and the sewage released by the Vietnam Plant is</p>	Years	scope 1	scope 2	scope 3	2021	2,289	104,383	76	2022	4,805	70,758	1,802	2023	3,501	48,405	1,756	Year	The total water consumption (Million Liters)	2021	517	2022	441	2023	417	No differences.
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			<p>processed by the internal sewage treatment plant, and then released into the sewage treatment plant of the industrial park. Therefore, the generated sewage has not caused any direct impact on water bodies or the land. As for the inspection of sewage quality, the Taiwan Plant surpassed the standard established by the Gueishan Industrial Park. The Suzhou Plant meets the sewage discharge standard by the government, and the Vietnam Plant meets the discharge standard of the industrial park. The water discharged by all factories is regularly monitored and has not been reused by other organizations.</p> <p>3. The total weight of waste: 2023 is 26,700 tons; In 2022 to 35,700 tons.</p> <table border="1"> <thead> <tr> <th>Years</th> <th>Hazardous waste (tons)</th> <th>Non-hazardous waste (tons)</th> <th>Total waste recycled/reused (tons)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>627</td> <td>3,003</td> <td>38,079</td> </tr> <tr> <td>2022</td> <td>877</td> <td>2,649</td> <td>32,174</td> </tr> <tr> <td>2023</td> <td>721</td> <td>1,760</td> <td>24,219</td> </tr> </tbody> </table> <p>The company follows the regulation by setting person in charge of the waste on output, cleaning, and handling. With constant energy saving, waste reduction activities, and source management strategy, we manage waste at every phase of R&amp;D design, manufacture and distribution. Also, during the process of operation and production, Qisda does not generate any hazardous waste in accordance with the Basel Convention's definition. On processing the waste, we entrust qualified clearance company to incineration or reuse. Also, we uphold the value of responsible producer and deal with audit periodically to ensure the waste will be process properly. In order to increase the proportion of recyclable waste, Qisda has set up waste management procedures and recycling goals. We review our goals periodically so as to monitor the issue in long term.</p>	Years	Hazardous waste (tons)	Non-hazardous waste (tons)	Total waste recycled/reused (tons)	2021	627	3,003	38,079	2022	877	2,649	32,174	2023	721	1,760	24,219	
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<p>D. Social Issues</p> <p>a. Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p>	V		<p>a. Qisda respects and supports internationally recognized human rights norms and principles, including SA 8000 in 2006, UN Universal Declaration of Human Rights, UN Global Compact, International Labor Organization Conventions, California Transparency Act, UK Modern Slavery Act. Qisda has established our own "Child and Young Labor Management Regulations". Qisda declares the protection of the employees' rights and the availability of multiple communication channels. We have established the "Communication Management Procedure" for the internal complaints of the employees. For any sexual harassment or improper treatment, the employees' concern may report it to the HR unit directly in accordance with the "Whistleblowing and Complaint Handling Regulations." The Company will keep the identity of the whistleblower confidential. The external stakeholder who has any doubt about this issue may file the complaint through the CSR mailbox on the official website of the Company.</p> <p>Our management policy and the concrete scheme of human rights, this paper are as follows:</p> <table border="1"> <thead> <tr> <th>Object</th> <th>Management target</th> <th>Specific solution</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Internal employees</td> <td rowspan="2">Planning of employee benefits, let all colleagues experience</td> <td>Employee Salary and Pension</td> <td>In 2023, we remain the same standard entry-level wage for new entry-level personnel regardless of gender.</td> </tr> <tr> <td>Employee Welfare</td> <td>The temporary workers</td> </tr> </tbody> </table>	Object	Management target	Specific solution	Results	Internal employees	Planning of employee benefits, let all colleagues experience	Employee Salary and Pension	In 2023, we remain the same standard entry-level wage for new entry-level personnel regardless of gender.	Employee Welfare	The temporary workers	No differences.						
Object	Management target	Specific solution	Results																	
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			<p>excellent enterprise culture environment, health and happiness in the workplace.</p> <p>enjoy the same welfare as the full-time employees except for the performance bonus, which is only provided to the latter. Only a few temporary workers are not included in the scope of the welfare due to their short period of work time (less than six months). Qisda follows the regulations and systems of social insurance all over the world to protect the basic rights of the employees. Group insurance for the family members is available for the employees to add to their own insurance. The Company also arranges the personnel of the insurance company to provide consultation services and assist with the application for claims</p> <p>Build a Smooth and Fair Labor/Management Communication Channel and Relationship</p> <p>Employee health management</p>	
			<p>Qisda selected 16 (0.27% of staff at its Suzhou manufacturing site) and 11 (0.7% of staff at its Taoyuan headquarter) and 9(0.9% of staff at its Vietnam manufacturing site) from the Suzhou (China) manufacturing site and Taiwan headquarter and Vietnam manufacturing site , respectively, according to the labor regulations and SA8000 regulation to 100% represent the employees in all business units, regularly convening Welfare Committee meetings and labor/management meetings to communicate with corporate management representatives for related matters regulated by SA8000 quarterly.</p> <p>Six Aspects of Health Management Model: 1. Wellfess Outpatient (Workplace Health Care) (1) On-site health service: Occupational safety survey, prevention and control of occupational accidents, and reduce the incidence of occupational accident. (2) Special health management: The employees engage in the tasks with special</p>	

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				<p>health hazards, including those involve ionizing radiation, organic solvent and noise are subject to special tracking and management. The Company takes the measures better than what the special labor inspection regulations of the government requirement by providing the personnel engaging in highlight tests with regular precise eye examination and special protection measures (goggles). So far, Qisda has not had any cases of occupational diseases caused by work-related reasons.</p> <p>2. Workplace Breastfeeding Promotion Starting from 2007, Qisda promoted workplace breastfeeding for career moms to pump milk at ease when working. Maternal health protection was implemented in 2017. For female workers who are pregnant, within one year after giving birth or breastfeeding, necessary maternal health protection and care management was adopted. In 2023, a total of 17 protected cases in focus on the relationship between the protected cases' health conditions and their work. Compassionate for the hard work of newborn families and to ease the burden of childcare, the company promotes childcare allowances for 0-6 years old in 2023, so that employees can work with peace of mind and establish a family-friendly workplace environment.</p> <p>3. Disease Prevention and Care A global outbreak reporting system has been set up to understand the inventory of the resources and the health status of the employees in each subsidiary instantly.</p>

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					<p>We also provide irregular e-letters about epidemic prevention and health to remind employees of the importance of health and epidemic prevention.</p> <p>4. Emergency Wounded Patient Treatment An AED was set up in the public area on the 1F at Qisda's headquarter in 2013, and a second one in the public area on 1F Twin-Star Plant's 1F in 2016. Seed trainers have been trained for the AED equipment. This training program has started since 2016. Four sessions of retraining were held for the first aid personnel and 69 participants finished the retraining successfully in 2023. In 2024, we expect to hold a seed trainers' operation of 100 people.</p> <p>5. Health Management Tracking Using electronic health management system for employees' health check data and adopt National Cholesterol Educational Program (NCEP) for assessment of the opportunity and risk of ischemic heart disease happening in ten years to screen out those with high risks while finishing health education and tracking 70% of the subhealth group when ensuring their privacy is protected.</p> <p>6. LOHAS Activities Qisda holds health promotion lectures and activities, such as cancer-prevention health screening and special health vaccination to better control the disease and treat the illness as early as possible.</p>
			External supplier	<p>Improve Supplier Corporate Social Responsibility</p> <p>Banned forced labor. Supplier contracts are under terms of the human rights, and to carry out the on-site audit.</p>	<p>1. In 2006, Qisda started gradually expanding its request for suppliers to sign social responsibility and business ethics agreements, asking them to abide by the RBA Code of Conduct and social responsibility standard (SA8000).</p> <p>2. By the end of 2023, the key first-tier supplier paper investigations and on-site audit</p>

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b. Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or results appropriately reflected in employee salary/compensation?	V		<p>investigation completion rate was 95%. All suppliers participating in the paper investigations and on-site audit did not use child labor or had forced labor. Other results met our requirements.</p>	No differences
			<p>Qisda launches SA8000 educational trainings each year, with the rate of employee receiving trainings reached nearly 90% in 2023.</p> <p>b. Qisda consistently applies its management philosophy based on respect for human dignity and care of employees. In order to fully support the mental and physical health of employees and their families and build life guarantees, we specifically provide the bonuses for Taiwan's three main annual festivals, performance bonuses, operation bonus, paid vacation, group insurance, health inspections, dormitories and employees' continuing education programs. Moreover, relevant regulations on remuneration, attendance requirements and wide-ranging benefits have been established in the work rules so that our employees can concentrate their attention to put considerable effort into work.</p> <p>1. Employee Salary and Pension To provide employees with a compensation policy that is competitive in the market, we adjust salary according to personal academic/career experiences, professional skills and employee performances to ensure their salary meets the market status and is fair. Each year, Qisda mainly refers to the salary survey reports from third-party independent compensation consulting company and corporate operational status while inspecting whether our goals are reached at year-end. For salary of high-level executives, we inspect whether related annual performance goals are reach at the Compensation Committee while regulating their annual compensation.</p> <p>2. Employee Welfare The company has established an employee welfare committee to allocate welfare funds every year. In 2023, the number of participants in the event reach 10,000, and the average employee satisfaction with the activity throughout the year reach 4.7 points (out of 5). In addition, various high-quality benefits for colleagues are provided every year: Employee relative group insurance at one's own expense, free health check, corporate product employee sales, Quarterly employee activity expense subsidies, Subsidies of wedding, funeral, injury and disease and other benefits. In terms of the vacation system, on the basis of a fixed two-day weekly vacation, employees who have been working for one year are given 7 days of special vacation per year (those who have not completed one year are given a proportional vacation). For colleagues who need a longer period of furlough due to recovery, major injuries, major accidents, etc., they can also apply for staying without pay, take into consideration their families' needs.</p> <p>3. The diversity and equality of opportunity All male and female employees have equal pay for work and equal opportunities for promotion. In 2023, we maintain more than 24.2% of female executive positions in Taiwan, promoting sustainable and common prosperity economic growth.</p>	



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c. Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		<p>Senior management by region is as below:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Region</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Proportion of Senior Management</td> <td>Taiwan</td> <td>3.4%</td> <td>3.4%</td> <td>3.5%</td> <td>3.6%</td> </tr> <tr> <td>Suzhou, China</td> <td>0.1%</td> <td>0.2%</td> <td>0.3%</td> <td>0.3%</td> </tr> <tr> <td>Vietnam</td> <td>NA</td> <td>0.8%</td> <td>0.4%</td> <td>0.2%</td> </tr> <tr> <td rowspan="3">Proportion of localization of senior management</td> <td>Taiwan</td> <td>94.9%</td> <td>96.6%</td> <td>96.5%</td> <td>100%</td> </tr> <tr> <td>Suzhou, China</td> <td>16.7%</td> <td>23.1%</td> <td>23.1%</td> <td>24.1%</td> </tr> <tr> <td>Vietnam</td> <td>-</td> <td>0.0%</td> <td>0.0%</td> <td>0.0%</td> </tr> </tbody> </table> <p>Note 1 : Definition of Senior Management : Those who hold the position of supervisor and are above the director level.</p> <p>Note 2 : Calculation of Proportion of Senior Management : Total number of LOCAL management / Total number of LOCAL headcounts (LOCAL: Taiwan, China, and Vietnam.)</p> <p>Note 3 : Calculation of Proportion of localization of senior management : Total number of LOCAL senior management / Total number of senior management (LOCAL: Taiwan, China, and Vietnam.)</p> <p>Base Salary Ratio and Compensation Ratio of Women to Men please refer to the 2023 ESG Report.</p> <p>To realize the equal wage for equal work to all gender and fair promotion opportunity, Qisda conducts performance and career development reviews semiannually. The sex ratio of indirect employees who completed performance audits of 2023 can be seen on our ESG Report 2023.</p> <p>4. Business performance is reflected in employee compensation The committee convenes at least twice a year and will have temporary meetings according to needs. Related information of compensation of our high-level management team such as the board of directors meeting and managers are also appropriately disclosed in the annual report for all interest parties to fully understand the connection between the compensation of high-level executives and corporate operational performances.</p>	Category	Region	2020	2021	2022	2023	Proportion of Senior Management	Taiwan	3.4%	3.4%	3.5%	3.6%	Suzhou, China	0.1%	0.2%	0.3%	0.3%	Vietnam	NA	0.8%	0.4%	0.2%	Proportion of localization of senior management	Taiwan	94.9%	96.6%	96.5%	100%	Suzhou, China	16.7%	23.1%	23.1%	24.1%	Vietnam	-	0.0%	0.0%	0.0%	No differences
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c.	<p>Since 2007, the RBA (Responsible Business Alliance Code of Conduct) has been introduced into the company's management system. This management system covers labor, environmental protection, safety and health, and ethics, and safety and health. It also continues to obtain ISO 45001 certification every year. Make management more perfect. In addition, the company has set up sports venues and equipment in the factory area for employees to exercise, and arranges doctors to visit. For more information, please refer to the website of Safety and Health Management. (<a href="https://csr.qisda.com/ch/cpd.asp?ca=10&amp;ia=32&amp;pi=6">https://csr.qisda.com/ch/cpd.asp?ca=10&amp;ia=32&amp;pi=6</a>)</p> <p>Follow the project and frequency stipulated by national laws and regulations of each manufacturing points. (1) Occupational safety and health education training; (2) Independent inspection of production equipment and operation (3) Monitoring of workplace environment; (4) Employee physical examination; (5) Fire system inspection, (6) Emergency response drill, through the annual ISO 45001 external verification check, occupational safety and health units will regularly or irregularly check spot, and to confirm</p>																																									

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d. Has the Company established effective career development training programs for employees?	V		<p>the implementation of each authority and responsibility units. In terms of construction safety management, contractors have set standard operating procedures and inspection record forms from entry application, hazard notification, construction application, hazardous operation application, and inspection before, during and after operation to reduce the risk of construction hazards in the factory. In terms of chemical management, the use of chemicals in the production process has always been the focus of occupational safety and health management, and it is necessary to effectively manage, if the leakage of chemical solvents, may cause a negative impact on the safety and health of employees and the environment of the factory. In 2023, three incidents of severe injuries lasting over one day were included in the calculation of the occupational injury rate and lost workdays. These incidents involved a total of three employees, accounting for a ratio of 0.05% of the total workforce. All injuries were related to physical hazards, with no reported incidents involving chemical, biological, or ergonomic hazards, and fortunately, there were no fatalities.</p> <table border="1"> <thead> <tr> <th>Hazard Category</th> <th>Cause of Occurrence</th> <th>Percentage</th> <th>Improvement Measures</th> </tr> </thead> <tbody> <tr> <td>Physical Injury</td> <td>Slipping</td> <td>100%</td> <td>1. Install anti-slip mats in the pantry and restrooms. 2. Place warning signs on stairs. 3. Install voice reminder devices on stairs.</td> </tr> </tbody> </table> <p>Additionally, in 2023, there were no incidents of chemical spills, oil leaks, fuel leaks, or fires at any of Qisda's global manufacturing sites.</p> <p>Note: ISO 45001 certificate validity period: 1. Taoyuan Twin-Star Factory: ~2025.11.30 2. Suzhou, China: Photoelectric power plant: ~2025.12.25 Precision Factory: ~2026.01.06 Electric flux Factory: ~2026.01.06 Electronics Factory: ~2025.12.25 Vietnam's Factory: ~2024.5.13</p>	Hazard Category	Cause of Occurrence	Percentage	Improvement Measures	Physical Injury	Slipping	100%	1. Install anti-slip mats in the pantry and restrooms. 2. Place warning signs on stairs. 3. Install voice reminder devices on stairs.	No differences
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<p>d. Since 2018, in order to continue to promote the sustainable growth of the company and the needs of business talents under the development of the company's strategy, the company has started to build a potential elite talent development project, select potential talents through evaluation tools, confirm the development needs of each talent and provide a corresponding personal development plan.</p> <p>1. Employee learning We take Qisda Academy as the basis of the training. It is comprised of four colleges, namely the college of Professional Competence, Learning and Growth, Innovation and Continuous Improvement, and Leadership and Management. Providing complete training plan for different learning needs. In the hope to provide more complete and in-time training resources and assistance in exerting employees' capabilities for their jobs. Meanwhile, Qisda provides physical programs and an internal e-learning platform for the employees to participate in related online courses. We have promoted mobile learning since 2019. By developing the training APP, we provide our employees to learn new knowledge at spare time using mobile phones. The overall online</p>												

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e. Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		<p>courses for the company have reached 77% by the end of 2023.</p> <p>2. Diversified career development of employees: Job rotation across units and enhance multi-faceted practical experience learning.</p> <p>The four schools cover different training programs. For example, The "School of Professional Competence" design training blueprints by different specialties to improve relevant professional capabilities of employees. The "School of Learning and Growth" covers a complete set of training programs for new employees and internal instructors. It also provides the "inUniversity Program" in line with the industry-university collaboration projects of the government to offer the employees with more choices in the self-development, credit program, certificate program and professional program. "School of Innovation and Continuous Improvement" provides innovation and development energy, introduces business model creation, design thinking...etc. Which allow colleagues to empower their creativity and shape organizational innovation culture.</p> <p>3. Development of potential elite talents</p> <p>(1) In response to future challenges, construct a blueprint for employee learning courses and develop employees' professional capabilities.</p> <p>(2) Supervisor leadership development plan.</p> <p>(3) Comprehensive Career Development Plan.</p> <p>(4) Key Talent Development Program for Business Units.</p> <p>e. The health and safety for products, service marketing and content designators of Qisda can be divided into hazardous substances and product waste. The description is as follows:</p> <p>1. Hazardous substance management: The "Hazardous Chemical Substance Control List" is established according to international regulations and customers' requirements. The purpose is to ensure that the products can comply with the international regulations and meet the customers' requirements through strict control toward an effective recognition of the components and final inspection. Since 2008, Qisda has passed IECQ QC 080000 Hazardous Substance Process Management System Certification.</p> <p>2. Product waste and recycling: The RD engineers are required to consider the product recycling rate and degree of difficulty for breakdown. The internal platform of breakdown and evaluation study for WEEE is used to calculate the product recycling rate in Mid-term design so as to ensure that the standards of recycling rate have fulfilled the WEEE requirements. Moreover, the major consideration before entering in the next design stage is the need of WEEE recycling logo and marking location or not.</p> <p>In the aspect of customer privacy, when Qisda's employees download the confidential document, the document background will show "Confidential" and the employee's name via watermark to remind the sensitivity and confidentiality of document, provide customer privacy and corporate assets various layers of protection against information disclosure; based on the fundamental principles and common legal requirements of General Data Protection Regulation (GDPR), the Company has established the personal information protection and code of conduct regarding management, which will be used as</p>	No differences

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f. Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		<p>the behavior framework complied by the corporate and all employees. Such engagement in corporate operations and business practices will not violate the code of conduct. In the aspect of customer rights and complaints, Qisda regularly conducts the customer satisfaction surveys to ensure the understanding and satisfaction for the individual's needs. And, customers' complaints and reports requiring the Company to improve or help can be handled through the questionnaire. Qisda also conducts a comprehensive customer service satisfaction survey in January and July of each year. The Customer Service Department will send out the notification letters to customers' corresponding contact window and ask the customers to perform the scoring in Qisda Questionnaires Evaluation System.</p> <p>f. Qisda provides layers of inspection to evaluate the suppliers through hiring procedure for suppliers. The aspects of inspection include corporate basic information, product information, major customers and financial status, contracts related to purchasing liabilities and obligations with the Corporate as well as hazardous and harmless Substance control document. Moreover, we abide the "Qisda Supplier Social Responsibility and Procedures for Environmental Safety and Health Audit Management". The purpose is to cover the topics (including environmental protection, occupational health and safety or labor and human rights) in an annual survey of key suppliers, as well as confirm the matching degree of topics and having obtained relevant certifications or not.</p> <table border="1"> <tr> <td>Supplier Election Procedure</td> <td>When we evaluate a new supplier, we form a team of evaluation consisting of purchase, quality assurance, R&amp;D, and component approval units to offer a questionnaire form for various abilities of the supplier, whereas the team will verify the final review results. Only those passing the procedure can become a qualified Qisda suppliers and start verification for its new product. Also, in 2015, Qisda revised its online system to meet the "Supplier Election Review Regulation Operational Procedure, adding indicators of environment, human right ethics, and labor rights to new supplier review items. Therefore, our new suppliers in 2023 were all selected with environmental and social items.</td> </tr> <tr> <td>Supplier audit</td> <td>After supplies become qualified Qisda suppliers, they still receive regular evaluations. The QISDC evaluation is divided into five aspects: Quality, Innovation/Technology, Speed/Response, Delivery and Cost Leadership. After each evaluation of supplier performance, the result will become an important reference of purchasing strategies; this means purchasing strategies will discuss with related departments, establishing a key component strategic supplier list and renewing that half a year.</td> </tr> </table>	Supplier Election Procedure	When we evaluate a new supplier, we form a team of evaluation consisting of purchase, quality assurance, R&D, and component approval units to offer a questionnaire form for various abilities of the supplier, whereas the team will verify the final review results. Only those passing the procedure can become a qualified Qisda suppliers and start verification for its new product. Also, in 2015, Qisda revised its online system to meet the "Supplier Election Review Regulation Operational Procedure, adding indicators of environment, human right ethics, and labor rights to new supplier review items. Therefore, our new suppliers in 2023 were all selected with environmental and social items.	Supplier audit	After supplies become qualified Qisda suppliers, they still receive regular evaluations. The QISDC evaluation is divided into five aspects: Quality, Innovation/Technology, Speed/Response, Delivery and Cost Leadership. After each evaluation of supplier performance, the result will become an important reference of purchasing strategies; this means purchasing strategies will discuss with related departments, establishing a key component strategic supplier list and renewing that half a year.	No differences
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E. Does the company refer to international reporting standards or guidelines when preparing its	V		Since 2009, in order to ensure the quality of "Qisda Corporate Social Responsibility Report", create the GRI standard ((G3, G3.1, G4, Standards) and matching degree of AA1000AS (Accountability 1000 Assurance Standard), the Company commissions an independent third-party assurance to verify the Report. Our reports starting from 2009 have based the verification of GRI G3 &G3.1 A+ &G4 Core & G4 &Standards	No differences.				

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sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?			Comprehensive as well as AA 1000AS Standard. The Reports starting from 2009 were conducted by Bureau Veritas Certification (Taiwan) Co., Ltd. (BVC). (The 2022 Sustainability Report has been issued in June 2023. And, the 2023 Report is expected to be published in August, 2024.)	
F. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies, please describe any deviation from the principles in the Company's operations: Qisda has formally established the "Corporate Sustainable Development Commission" since 2010 that is responsible for promoting activities related to corporate sustainable development and social responsibility. Since 2007, Qisda has published the "Corporate Social Responsibility Report". For more details on operations, please refer to pages 44 to 60. The company formulated the "Corporate Sustainability Development Best Practice Principles" in 2021, and overall operations are not significantly different from the "Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies."				No differences.
G. Other important information to facilitate better understanding of the company's promotion of sustainable development: 1. Using 24" LCD Monitor (EW2430) to obtain the China's CarbonLabel by complying with customer's needs in 2011; the projectors (MP772ST) has obtained the dual certification of EPD and CarbonLabel from Taiwan Environmental Protection Agency. In 2013, Qisda obtained the certifications of integrated design ISO 14006 (Incorporating Ecodesign) and eco design IEC 62430 (Environmentally Conscious Design for electrical and electronic products and systems) regarding the products such as displays, projectors, smart phones, scanners, multimedia players and lights. And the lighting products (Be-Light) also won the 3rd Green Classics Product Award. In 2015, the Company further received the first prize in Environmentally Friendly Group in the Corporate Sustainability Award from Global Views Monthly. 2. In addition to factory greening planting and greenery, plus the addition of having received the first prize in the National "2011 Plant Greening Contest" from Industrial Development Bureau, Ministry of Economic Affairs (MOEA), Qisda puts effort into green factory and clean production. In 2012, Qisda passed the clean production certification, obtained the first green factory certification in 2017, and then the continuing certification of green factory in 2019. 3. In 2011, Qisda received the Gold Prize in Corporate Branding for Ranking of Well-Being Marriage and Fertility Index Around Taiwan held by Ministry of the Interior, Executive Yuan. The Company outshone the other corporates participating in evaluation, earning the highest honors. This shows that Qisda's performance on being continuously promoted to build a friendly and healthy workplace has earned recognition from national awards. The Company further has been included in the 2012 Best Companies to Work For Award from Taipei City Government, received the "Relaxed Work Award" from Department of Labor and Employment in 2016, and won the "Best Companies to Work for in Asia 2019 Awards" in 2019. 4. In 2011, Qisda obtained the "Bronze Medal Award in Manufacturing Industry for 2012 Taiwan Corporate Sustainability Report Awards" by using CSR Reports, and then "Top 50 Excellent Enterprise Awards in Manufacturing Industry for "2013 Taiwan CSR (Corporate Sustainability Reports) Awards". The Company were also simultaneously given the "The Model of The Best Climate Leadership Awards" with excellent weather change strategies and carbon management. 5. In 2012 and 2013, Qisda has been included in the excellent entrepreneur for "Excellent Cases of CSR Reports" from Industrial Development Bureau, Ministry of Economic Affairs (MOEA). The invited content of reports will be presented in the excellent case introduction on the topic of "Implementation of Low Carbon and Effort of Green Growth" from Industrial Development Bureau. 6. In 2014, Qisda obtained the "Silver Award in Corporate Sustainability Reporting of Computer-Related Manufacturing for Large-Scale Enterprises" for "2014 Taiwan CSR (Corporate Sustainability Reports) Awards" by using the 2013 CSR Reports. In 2016, the Company also obtained the Gold Award in "Electronic and Information Manufacturing" of Top 50 Taiwan Corporate Sustainability Report for "2016 Taiwan Corporate Sustainability Awards (TCSA)" as well as "Climate Leadership Awards". In 2017, Qisda has obtained the "Gold Award in Taiwan CSR (Corporate Sustainability Reports) Awards" and "Corporate Comprehensive Performance Awards - Taiwan Top 50" of "2017 Taiwan Corporate Sustainability Awards (TCSA)". In 2018, Qisda obtained the "Gold Award in Taiwan CSR (Corporate Sustainability Reports) Awards" and "Corporate Comprehensive Performance Awards". In 2019, Qisda further received the Platinum Award in "Electronic and				

Item	Implementation status		Summary Description	Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No		
			<p>Information Manufacturing” of Corporate Sustainability Report Category for “2019 Taiwan Corporate Sustainability Awards (TCSA)” and “Corporate Comprehensive Performance Awards” with the most excellent grades in recent years. Both the quality of reports and transparency have earned further recognition.</p> <p>7. Qisda’s performance on corporate social responsibility ranked twelfth in the 2015 Asia Sustainable Development Index, and then ranked fifth in 2016. In 2016, the Company was also simultaneously given the “The Model of Electronic Technology Group for Corporate Social Responsibility Awards” from Global Views Monthly.</p> <p>8. Qisda was selected as a member of the Hong Kong and South East Asia Climate Disclosure Leadership Index, HK-SE CDLI for 2015 Carbon Disclosure Project (CDP). Similarly, Qisda has received an “A-” rating at leadership level for a second straight year since 2016.</p> <p>9. In 2017, Qisda obtained the “Annual Best Business Continuity Management (BCM) Awards” from StrategicRISK. In 2018, the Company was named as a member of the Top 100 Global Technology Leaders by Thomson Reuters.</p> <p>10. In 2018, Qisda was named a member of Taiwan 30 Benchmarking Enterprises for “CSRone Sustainability Reporting Platform”. At the same time, the Company was named as a constituent of the “Taiwan Sustainability Index (TWSI)”.</p> <p>11. In 2018, Qisda was significantly introduced by the “Sustainable Industrial Development Quarterly” from Industrial Development Bureau, Ministry of Economic Affairs (MOEA) by using its “Integrated Design Management System”, in which the invited content will be presented in the category of “Sustainable Innovation” for “Corporate Sustainable Development Story Collection”.</p> <p>12. In 2019, Qisda passed the first safety certification of Human-Robot Collaboration (HRC) around Taiwan.</p> <p>13. Qisda Chairman Peter Chen has received an annual award for “EY Entrepreneur Of The Year 2019” and Excellent Business Model Entrepreneur Of The Year.</p> <p>14.2020 awards and recognition: Consecutive Green Factory Certification; Best Companies to Work for in Asia; Comprehensive Performance Award Top 10 Sustainability Model; Corporate Sustainability Outstanding Performance Innovative Growth Award; Corporate Sustainability Outstanding Performance Communication Award; Corporate Sustainability Report Platinum Award</p> <p>15.2021 awards and recognition: Corporate Sustainability Report-Golden Award; Taiwan Sustainable Enterprise Certificate of Merit; Social Inclusion Leadership Award; Taiwan Sustainable Action Award-Silver Award; Best Companies to Work for in Asia; Global Best Employer</p> <p>16. In 2022, we received the Corporate Sustainability Report Golden Award, TCSA’s Taiwan Top-100 Best Sustainability Enterprise Award, “Taiwan Sustainability Action Awards: Sustainable environment – Golden Award,”“ Social Inclusion Leaders’ Awards – Golden Award,” “ Employment and Economic Growth – Bronze Award.” Also, receiving “Best Companies to Work for in Asia” and “World’s Best Employers”.</p> <p>17. In 2022, Qisda BenQ Group joined RE 100. In 2023, Qisda BenQ Group joined RE 100. The target was audited and approved by SBTi. Qisda Smart Factory—Dual Star Building was awarded the “Silver” Green Building Label.</p> <p>18. In 2023, The S&amp;P Global Sustainability Yearbook and rated as a top 5% company.</p> <p>19. In 2023, Won “Best Companies to Work For in Asia”. Won “Master Entrepreneur Award “at the Asia Pacific Enterprise Awards (APEA). Won “Top 100 Sustainability Model Award,” Corporate Sustainability Report Awards –Platinum Award” ,“ Global Corporate Sustainability Report Award – Bronze Award” running by Taiwan Institute for Sustainability Foundation (TAISE). Won Gold Award of “Taiwan Sustainability Action Awards – “SDG17- Social Inclusion”, Silver Award of “Taiwan Sustainability Action Awards – “SDG12- Environmental Sustainability”, Bronze Award of “Taiwan Sustainability Action Awards – “SDG9-Economic Development”, and Bronze Award of “Taiwan Sustainability Action Awards – “SDG7- Environmental Sustainability”. Won “ Top 100 Excellence in Corporate Social Responsibility”</p> <p>Please visit <a href="http://Qisda.com">Qisda.com</a> for detailed information on our corporate sustainability initiatives and annual sustainability reports.</p>	

Note: Please refer to the 2023 Annual Reports of the Company’s Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE CORPORATION, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its Implementation status of the promotion of sustainable development.

(VI-1) Climate-Related Information of TWSE/TPEX Listed Company

Implementation of Climate-Related Information

Item	Implementation status
<p>A. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.</p>	<p>In order to implement corporate sustainability and climate change governance, Qisda has established a Corporate Sustainability Committee under the Board of Directors to formulate the vision, strategies and goals of corporate sustainable development. This functional committee consists of 2 directors and 5 independent directors and holds regular meetings every year. In addition, in conjunction with the establishment of the Corporate Sustainability Committee, the scope of the established ESG committee has been expanded simultaneously. The senior managers of relevant departments are members of the ESG committee, and sustainability goals for short term and medium term are set by the chairman and president.</p>
<p>B. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term)</p>	<p>Qisda has identified climate-related transformation risks, physical risks and opportunities. Through the creation of a climate risk matrix, we have completed the management of climate risks and the establishment of countermeasures.</p> <p>The main items affect our business are domestic and foreign regulations and laws (medium- and long-term) and changes in customer behavior (medium-term) in terms of transformation risks, and opportunities in energy-saving products (medium- and long-term)</p> <p>With respect to risk, in view of new carbon reduction policies or regulations and customers' carbon reduction goals, the inventories and third-party verifications of the entire plant's carbon emissions have been conducted, and a Carbon Management Platform has been adopted for product carbon footprints.</p> <p>In addition, the benefits of launching green product research and development under the transformation plan will also be considered, which will have a positive and long-term financial influence.</p>
<p>C. Describe the financial impact of extreme weather events and transformative actions.</p>	<p>For extreme climate events, Qisda has conducted comprehensive analysis of professional climate disasters.</p> <p>In response to floods, disaster precautions and the business continuity plan (BCP) have been established. Furthermore, the risks have been transferred with insurance to avoid the financial impact of heavy rains on the company. The costs related to the investment in transformation actions are the replacement of high energy-consumption equipment, the cost of research and development of energy-saving products, the purchase of green power and the installation of solar energy, etc. Although the costs and expenses are increased, it also produces positive benefits of transformation.</p>
<p>D. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system</p>	<p>Qisda has introduced the corporate risk management structure since 2005. We have also established the Risk Management Committee and conducted annual risk identification and assessment every year. In addition, preventive and mitigation measures against high-risk items are also taken to follow up on them on a quarterly basis. From 2016, the climate change related risks have been listed on the annual risk radar chart. In 2023, we also implemented assessments according to the severity and possibility of the risk, and followed up on two major risks: production interruption in factories and adjustment to updates on energy consumption regulations, making these the basis for establishing responsive strategies, such as the business continuity plan (BCP).</p>
<p>E. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.</p>	<p>Qisda's 2° C scenario is a simulation of the RCP 2.6, 4.5 and 8.5 climate scenarios of the UN Intergovernmental Panel on Climate Change (IPCC). Further, we not only conduct assessments on transformation risks along with immediate and long-term physical risks, but also implement the NDCs' simulation scenarios with respect to transformation risks.</p>
<p>F. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p>	<p>Qisda has set up short, medium and long-term goals and carbon reduction strategies for reducing greenhouse gas emissions and climate risks. By implementing energy-saving solutions, renewable energy plan, High-efficiency green buildings and product carbon footprint management platforms, etc., it is expected that the renewable energy ratio will be 60% in 2030, the renewable energy ratio will meet the RE100 requirements in 2040 and the net zero goal will be achieved in 2050.</p>
<p>G. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p>	<p>The company has not yet established.</p>

Item	Implementation status																		
H. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	<p>Qisda has already joined the RE100 initiative and aims to achieve 100% renewable energy usage by 2040, with a further target of achieving net zero emissions by 2050. For detailed information, please refer to the sustainability report.</p> <table border="1"> <thead> <tr> <th>Climate-related Targets</th> <th>2023</th> <th>2024</th> <th>2025</th> <th>2030</th> <th>2023 Progress Achieved</th> </tr> </thead> <tbody> <tr> <td>Target1 : Based on Qisda's individual GHG in 2021, Scope1 + Scope2 : 106,672 tons CO2e</td> <td>GHG emissions reduced 10%</td> <td>GHG emissions reduced 20%</td> <td>GHG emissions reduced 30%</td> <td>GHG emissions reduced 60%</td> <td>GHG emissions reduced 51.3% · Contains 24,700 RECs.</td> </tr> <tr> <td>Target2 Based on Qisda's individual boundaries, the proportion of renewable energy used</td> <td>20%</td> <td>30%</td> <td>40%</td> <td>60%</td> <td>Renewable energy (self-generated solar energy + green electricity certificates) accounts for 26% Contains 24,700 RECs.</td> </tr> </tbody> </table>	Climate-related Targets	2023	2024	2025	2030	2023 Progress Achieved	Target1 : Based on Qisda's individual GHG in 2021, Scope1 + Scope2 : 106,672 tons CO2e	GHG emissions reduced 10%	GHG emissions reduced 20%	GHG emissions reduced 30%	GHG emissions reduced 60%	GHG emissions reduced 51.3% · Contains 24,700 RECs.	Target2 Based on Qisda's individual boundaries, the proportion of renewable energy used	20%	30%	40%	60%	Renewable energy (self-generated solar energy + green electricity certificates) accounts for 26% Contains 24,700 RECs.
Climate-related Targets	2023	2024	2025	2030	2023 Progress Achieved														
Target1 : Based on Qisda's individual GHG in 2021, Scope1 + Scope2 : 106,672 tons CO2e	GHG emissions reduced 10%	GHG emissions reduced 20%	GHG emissions reduced 30%	GHG emissions reduced 60%	GHG emissions reduced 51.3% · Contains 24,700 RECs.														
Target2 Based on Qisda's individual boundaries, the proportion of renewable energy used	20%	30%	40%	60%	Renewable energy (self-generated solar energy + green electricity certificates) accounts for 26% Contains 24,700 RECs.														

I. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan

a. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1. Greenhouse Gas Inventory Information				
Describe the emission volume (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage of greenhouse gases in the most recent 2 fiscal years				
For the year 2022, Qisda Scope 1 + 2 GHG (market-based) were 75,563(tons of CO2e), with an intensity of 0.569 (tons of CO2e per million NTD). For the year 2023, Qisda Scope 1 + 2 GHG (market-based) were 51,906(tons of CO2e), with an intensity of 0.571 (tons of CO2e per million NTD). Intensity: based on turnover.				
2. Greenhouse Gas Assurance Information				
Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion.				
Year	Scope	Assurance Institutions	Assurance standards	Assurance comment
2022	Qisda	Bureau Veritas Certification (Taiwan)	ISO 14064-1:2018 ISO 14064-3:2019	Reasonable assurance level in compliance verification protocol
2023	Qisda	Bureau Veritas Certification (Taiwan)	ISO 14064-1:2018 ISO 14064-3:2019	Reasonable assurance level in compliance verification protocol

b. Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets.

Greenhouse gas reduction benchmark year(individual): 2021, emissions: 106,672 (tons).

Reduction target: long-term goal of net zero emissions by 2050, 10% reduction target for 2023 (10,667 tons), achieved an actual reduction of 51.3% (54,766 tons).

Strategy and specific action plan: Short-term: Prioritize the introduction of power-saving solutions, build solar power generation and storage systems, guide and promote supply chain carbon reduction solutions; Medium- and long-term: achieve RE100 by 2040, assess the adoption of mature available negative carbon technologies.

Note1: For details on the implementation of items A to I, please refer to our company's 2023 Sustainability Report, which is expected to be disclosed on our official website in August 2024.

Note2: Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE CORPORATION, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its Implementation of Climate-Related Information.



(VII) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
<p>A. Establish ethical management policies and plans</p> <p>a. Does the Company establish the ethical management policies passed by the Board of Directors and then publicly specify the policies and methodology of ethical management in regulations and document as well as the commitment in terms of management policies actively fulfilled by the Board of Directors and senior management?</p> <p>b. Does the Company establish the evaluation mechanism on higher risk of unethical behavior, regularly analyze and evaluate the business activities with higher risk of unethical behavior, as well as adopt the preventative measures at least covering the Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEX-Listed Companies?</p> <p>c. Are the operational procedures, guidelines, disciplinary and appeal system of impairment included in the Company's prevention programs of unethical behavior through implementation? And any regular review of the foregoing programs for better implementation?</p>	V	V	<p>a. "Treat customers, suppliers, creditors, shareholders, employees and public with integrity" serves as Qisda's corporate mission and all employees' responsibility. Qisda prohibits any behavior such as corruption, bribery and extortion. We ask our employees to aggressively clarify and actively improve our daily practices so as to increase our ethical integrity. Qisda has created the "Integrity Handbook" and "Ethical Corporate Management Best Practice Principles for Qisda Corporation" passed by the Board of Directors that shows the concrete norms of behavior aimed at policies or methodology of ethical management.</p> <p>b. Integrity Handbook serves as the highest code of conduct for all Qisda employees in proceeding with business activities. New employees are reminded to abide the relevant rules through education training while joining in the Company. We will strengthen the promotional efforts on code of conduct such as "Do not receive external gifts" at major holidays such as dragon-boat and mid-autumn festivals and Chinese New Year, as well as our employees' awareness of integrity. Qisda employees must absolutely abide the related regulations in Integrity Handbook. Any employee, in case of an event in the form of corruptions and fraud occurring, may be most severely punished by the expulsion according to the Company's "Management Guidelines for Punishment". The serious inappropriate manners, such as practices graft and fraud, embezzlement, any person who accepts of a bribe and commission; where the conflicts occurred between the Company's interest and business is materially affected due to external engagement in operating other enterprises; imitating the immediate supervisor's signature or misappropriation of seals, shall be regarded as violation cases where expulsion shall be made. The Risk Management Department regularly evaluates the risk of unethical behavior on an annual basis so as to adopt the preventative measures.</p> <p>c. The code of conduct regarding "Conflicts of Interest", "Legal Compliance" as well as "Trade Secret and Corporate Asset" are specified in Qisda's Integrity Handbook. Once we discover violation of integrity philosophy by someone or related to some matter, or regulations of integrity principles are violated, it will be delivered for the Material Disciplinary Committee consisting of cross department senior managers to review. Should the material matter related to violation of integrity principles occurred, it will be reported to the Audit Committee or the Board of Directors in accordance with the relevant laws and operating</p>	No differences.

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			procedures. The Risk Management Auditing Office will conduct a random assessment aimed at relevant processes and operation description to avoid the possible unethical behavior occurring. In November 2015, Qisda established the "Prevention and Management Guidelines for Serious Misconduct" to enhance the corporate governance, in which the Company strengthen the management system covering from three major aspects of prevention, detection and response dedicated to serious misconduct, such as conflicts of interest, inappropriate acceptance of a bribe, and more. The Human Resources Department will deliver the reminder of ethical conduct such as "Principles for External Gifts" as e-newsletters to the email account of each employee at major holidays.	
B. Implementation on ethical management				No differences.
a. Does the Company consider the ethical practices of the transaction partner as well as the clauses regarding ethical conduct contained in the agreement with the other party?	V		a. Qisda clearly stipulates the cooperative principle of honesty and integrity in the purchase contract. Should the matter related to violation of integrity principles occurred, it allows the Company to terminate the contract or permanently stop the cooperation with the suppliers if the other party is involved in unethical conduct.	
b. Does the Company establish the designated unit set up under the Board of Directors responsible for promoting the corporate ethical management and regularly (at least once a year) reporting its ethical management policies, prevention programs of unethical behavior and implementation to the Board of Directors?	V		b. The Ethical Management Task Force Team is contained in Qisda's organization. The group's members are professional personnel drawn mainly from human resources, risk management, and audit. The group is responsible for formulating rules, organizing educational training sessions, appeal channels and reviews on ethical risk as well as reporting their findings to the Board of Directors; and board meeting to report the 2023 implementation in March, 2024.	
c. Does the Company establish the policies for preventing conflicts of interest, provide the appropriate presentation channel and implement?	V		c. Regarding conflicts of interest, Qisda has created the "Integrity Handbook", "Code of Ethical Conduct of the Board Directors and Executives", "Ethical Corporate Management Best Practice Principles", "Management Guidelines for Whistleblowing and Appeal Procedures", "Prevention and Management Guidelines for Serious Misconduct" and "Investigation and Management Guidelines for Serious Misconduct". The Company conducts the implementation status on norms of behavior, misconduct prevention, informing as well as investigation on each aspect.	
d. Has the Company established the effective accounting system and internal control system for implementing the ethical management, where the relevant audit plans are devised based on evaluation results of the risk of unethical behavior by internal audit unit, or by commissioning the	V		d. Qisda complies with legal requirements, continuously revises the internal control system as well as review and evaluate the effectiveness of internal control system implementation. The Auditing Office devises the relevant audit plans according to evaluation results of the risk of unethical behavior as well as regularly reviews the related information. The legal requirements of Auditing Office are covered in annual review items, and the relevant results and improvement status are quarterly reported to the Audit Committee and	

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary Description	
<p>accountant to review the information related to prevention programs of unethical behavior?</p> <p>e. Does the Company regularly organize the internal and external training sessions on ethical management?</p>	V		<p>the Board of Directors. All the corporate accounting system will follow the legal requirements to establish the regulations. The attesting CPA also quarterly reviews or evaluates the Company's financial statements, issues the reports and regularly reports on evaluation results to the Audit Committee members in Audit Committee.</p> <p>e. Qisda annually provides an online training session regarding overview of Integrity Handbook to all employees.</p>	
<p>C. The operations of corporate whistleblowing system</p> <p>a. Does the Company establish the concrete whistleblowing and rewards systems, set up the convenient reporting channel as well as assign the appropriate special personnel to process complaints dedicated to the person being accused?</p> <p>b. Does the Company establish the standard operating procedures for the investigation, as well as the follow-up measures and relevant confidentiality mechanisms that shall be adopted after investigation?</p> <p>c. Does the Company adopt the measures for protecting whistle-blowers from inappropriate disciplinary actions due to their whistleblowing?</p>	V	V	V	No differences.
<p>D. Strengthening the information disclosure</p> <p>Does the Company disclose their ethical corporate management best practice principles and the effectiveness of the promotion on the websites or on the Market Observation Post System (MOPS)?</p>	V		<p>The "Corporate Social Responsibility" section set up in Qisda's official website: In this section, relevant information of the corporate governance and ethical management is honestly, clearly and publicly disclosed. We have established the principles for integrity in the front page of our internal employee website in Chinese and English. The purpose is to actively remind that our employees should clarify and aggressively improve our daily practices so as to increase our ethical integrity, as well as provide the anti-corruption channels for suppliers. Moreover, the "Investor Relations" section also provides the information related to corporate governance, important resolutions reached by the Board of Directors and operational description presentation. We can know that Qisda discloses its ethical corporate management best practice principles and the effectiveness of the promotion on the Market Observation Post System (MOPS).</p>	No differences.
<p>E. For the companies establishing their own ethical corporate management principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies", please describe the operations and comparisons. In May 2015, Qisda established the "Qisda Ethical Corporate Management</p>				

Evaluation Item	Implementation status			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary Description	
			Principles” and revised it in November 2020, and there is no material difference between the overall operations and “Ethical Corporate Management Best Practice Principles for TWSE/TPEX –Listed Companies”.	
			F. Other important information that helps to understand the operations of corporate social responsibility: (For example, the Corporate reviews the presented results to facilitate the timely amendment of the ethical corporate management principles, and more.) 1. Qisda has set up the anti-corruption channels for suppliers. In case of any violation of “ethical” moral principles and integrity, the suppliers can react through integrity mailbox: Integrity@Qisda.com. The Company will handle the case in a timely manner. In addition, Qisda will strictly keep investigation content and results confidential for whistleblowers, as well as ensure that the rights of relevant personnel will not be damaged. 2. The Human Resources Department (HR) annually carries out the company-wide online training sessions regarding “Integrity and Against Corruption” on an annual basis. The content includes introduction to Integrity Handbook, summarization and practical example description. We also provide the tests after session to evaluate employees’ learning results. Beyond the original Integrity Handbook in Traditional Chinese and English versions, Qisda also completed the Simplified Chinese version in 2010 and Vietnamese version in 2019, which both dedicated to overseas branch. The purpose is to propagate the Integrity Handbook as well as provide education related training sessions. 3. For various operating procedures of daily operation activities, Qisda has designed the appropriate internal control mechanism to decrease the possible corruption occurring as well as take measures to prevent its occurrence. The Company’s Audit Unit regularly evaluates the management effect of internal control mechanism, collect the suggestions on various potential risks (including fraud and corruption) from each department head, set the appropriate audit plans for the basis of relevant check, as well as regularly report the findings to Audit Committee and the Board of Directors that allows the top management to understand the status of corporate governance in pursuit of the management goals. 4. For more details on Qisda’s ethical management, please refer to the Company’s corporate sustainable development reports in recent years, or go to the Corporate Social Responsibility Section of our official website Qisda.com.	

Note: Please refer to the 2023 Annual Reports of the Company’s Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE CORPORATION, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its implementation of ethical management and implemented measures.

(VIII) Please disclose the access to Company’s “Corporate Governance Best Practice” and relevant regulations

The Company has revised the Corporate Governance Best Practice Principles on May 5, 2023, and approved to amend the principles on May 5, 2023. For the Company’s corporate governance operations, please refer to the chapter of Implementation of Corporate Governance (P.26-P.44) of this Annual Report and corporate governance report. Regulations such as Regulations for Procedures of Shareholders’ Meetings, Organizational Rules for Audit Committees, Organizational Procedures for Remuneration Committee, Corporate Governance Best Practice, Sustainable Development Best Practice Principles, Ethical Corporate Management Best Practice, Directors and Managers Ethical Practice, Regulations for the Election of Directors, Regulations Governing Loaning of Funds, Regulations Governing Making of Endorsements/Guarantees, Regulations Governing the Acquisition and Disposal of Assets, Procedures for Financial Derivatives Transactions, Regulations for Disclosure of Financial Business Information, Guidelines for Management of Subsidiaries and Process of Internal Major Information and Insider Trading Prevention Management, etc., have been issued by the Company, please visit contact Qisda.com for details of these regulations.

## (IX) Other important information for enhancing understanding of the implementation of corporate governance:

1. On August 27, 2009, the Company reached the resolutions of the Audit Committee and the Board of Directors for approving "Guidelines for Process of Internal Major Information and Insider Trading Prevention Management". On November 4, 2022, the Company approved to amend the Guidelines, and then announce the revised version in the regulation area of the Company's internal public folder so that managers and employee can be generally known.
2. On November 7, 2018, the Board of Directors made the resolution of appointing corporate governance personnel to protect shareholders' rights and enhance the functions of the Board of Directors.
- 3 The newly-elected Directors of the Company will be given the brochure of published by the Company, which has the content including various laws and regulations (including the major information processing and insider trading prevention procedures specified in the preceding Paragraph) and precautions to facilitate legal compliance.

## (X) The Company regularly arranges for Director and Accounting Manager to attend corporate governance courses. Please see the following table:

Title	Name	Date of continuing From	Organizer	Course Name	Training Hours
Chairman and CEO	Chi-Hong (Peter) Chen	2023/06/01	Taiwan Investor Relations Institute	Establishment and Key Points of Intellectual Property Management System for Enterprises	3
		2023/12/01	Independent Director Association Taiwan	Tax governance in the new global tax environment	3
Director	Shuang-Lang (Paul) Peng	2023/09/01	Taiwan Corporate Governance Association	The potential impacts of climate change risks on corporate financial disclosure	3
		2023/09/01	Taiwan Corporate Governance Association	Corporate Reputation and Risk Management	3
Director	James CP Chen	2023/06/01	Taiwan Investor Relations Institute	Establishment and Key Points of Intellectual Property Management System for Enterprises	3
		2023/10/20	Securities and Futures Institute	2023 Annual Prevention of Insider Trading Disseminate Conference	3
		2023/12/08	Securities and Futures Institute	The 2023 forum of laws and regulations on insider trading	3
		2023/12/13	The Greater Chinese Financial Development Association & Taiwan Listed Companies Association	Circular Economy and Sustainable Development for Enterprises	3
Director and President	Han-Chou (Joe) Huang	2023/06/01	Taiwan Investor Relations Institute	Establishment and Key Points of Intellectual Property Management System for Enterprises	3
		2023/07/06	Corporate Operating and Sustainable Development Association	Corporate Governance and Securities Regulations- Executives of the listed companies with the understanding of supervision from governmental authority	3
Independent Director	Lo-Yu (Charles) Yen	2023/09/21	Taiwan Corporate Governance Association	AI transformation: welcome to the real "computer" era	3
		2023/11/14	Taiwan Institute for Sustainable Energy	6th Global Corporate Sustainability Forum 1-1	3
		2024/03/13	The Greater Chinese Financial Development Association	The New Equation for Digital Transformation	3
Independent Director	Jyuo-Min Shyu	2023/04/11	Taiwan Securities & Futures Institute	Global economy and industrial technology development trends	3
		2023/04/26	Taiwan Accounting Research and Development Foundation	The latest developments and law revision trends of international taxes and domestic tax	3
		2023/07/24	Taipei Foundation of Finance	Artificial Intelligence Booming: The Technology Development and Application Opportunities of the ChatGPT	3
Independent Director	Liang-Gee Chen	2023/06/02	Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Summit Go Towards Green Energy	3
		2023/10/26	Taiwan Corporate Governance Association	Intellectual Property Management and Trade Secret	3

Title	Name	Date of continuing From	Organizer	Course Name	Training Hours
Independent Director	Chiu-Lien (Julie) Lin	2023/04/14	Taiwan Corporate Governance Association	Legal Risks and Responses to Enterprise Investment and Financing - From the Viewpoint of Corporate Directors' Responsibilities	3
		2023/06/01	Taiwan Investor Relations Institute	Establishment and Key Points of Intellectual Property Management System for Enterprises	3
		2023/12/01	Independent Director Association Taiwan	Tax governance in the new global tax environment	3
		2024/02/21	The Greater Chinese Financial	Building a resilient supply chain for enterprises	3
Independent Director	Shu-Chun (Mandy) Huang	2023/04/27	Taipei Exchange	Corporate Governance Lecture Publicity meeting for sustainable development action plans of listed counter companies	3
		2023/06/01	Taiwan Investor Relations Institute	Establishment and Key Points of Intellectual Property Management System for Enterprises	3
		2023/07/04	Taiwan Stock Exchange Corporation	2023 Cathay sustainable finance and climate change summit	3
		2023/07/12	Greater China Financial and Economic Development Association	AI Thinking and Digital Transformation	3
		2023/08/01	Taiwan Investor Relations Institute	Business cycle and industry trends	3
		2023/08/03	Taiwan Investor Relations Institute	Taiwan corporate mergers and acquisitions practice	3
		2023/08/09	Greater China Financial and Economic Development Association	The impact of carbon pricing on business operations	3
		2023/08/28	Taiwan Securities & Futures Institute	Measuring and managing the impact of sustainable development goals	3
		2023/09/13	Greater China Financial and Economic Development Association	Domestic and foreign economic and industrial trends and corporate response strategies	3
Accounting Manager	Jasmin Hung	2023/06/02	Accounting Research and Development Foundation	Legal Responsibilities and Case Analysis of "Tax Crime"	3
		2023/06/28		Analysis of common deficiencies in "financial report review" and important internal control laws and regulations	6
		2023/07/19		Controlled Foreign Corporation (CFC) Tax Regulations and Practices	3
		2023/08/17		How to analyze key corporate financial information and strengthen crisis warning capabilities	6

Note: Full re-election the board of directors on May 29, 2023.

All of the Directors Training compliance with requirements.

(XI) Status of Implementation of Internal Control System

1. Statement of internal control system

Qisda Corporation  
Statement of Internal Control System

Date: March 5, 2024

Based on the findings of a self-assessment, Qisda Corporation (Qisda) states the following with regard to its internal control system during the year 2023:

1. Qisda’s board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system. Our internal control is a process designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets), reliability, timeliness, transparency and regulatory compliance of our reporting, and compliance with applicable rulings, laws and regulations.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its stated objectives. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and Qisda takes immediate remedial actions in response to any identified deficiencies.
3. Qisda evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communications, and (5) monitoring activities.
4. Qisda has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.
5. Base on the findings of such evaluation, Qisda believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency and regulatory compliance of reporting, and compliance with applicable rulings, laws and regulations.
6. This Statement is an integral part of Qisda’s annual report for the year 2023 and prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This statement was passed by the board of directors in their meeting held on March 5, 2024, with nine attending directors all affirming the content of this Statement.

Qisda Corporation



Chairman: Peter Chen



President: Joe Huang



2. Companies which CPAs to professionally review the internal control system shall disclose the review report provided by the accountants: Not applicable.

(XII) The Company and its personnel have been punished by law, the Company has undertaken disincentive measures for its personnel for breaching the internal control system, and any material deficiencies and revisions in the most recent year up to the publication date of the Annual Report: None.

(XIII) Material Resolutions Approved by Board Meetings

Date	Meeting	Resolutions
Mar. 6 2023	1 <sup>st</sup> Board Meeting	<ol style="list-style-type: none"> <li>1. Approved the Statement on Internal Control System and Self-Assessment Implementation Results Report for the 2022. (Note)</li> <li>2. Proposal to Amend the "Remuneration Measures for Directors and Members of Functional Committees".</li> <li>3. Proposed Amendments to the "Remuneration Measures for Directors and Functional Committee Members".</li> <li>4. Approved the 2022 distribution of employees and directors' remuneration</li> <li>5. Approved the proposal of 2022 annual business report, and financial statements. (Note)</li> <li>6. Approved the proposal for the distribution of 2022 earnings. (Note)</li> <li>7. Approved the cash dividend distribution of 2022 earnings.</li> <li>8. To elect nine directors (including five independent directors)</li> <li>9. Proposed nomination of directors and candidates for independent directors.</li> <li>10. To lift non-competition restrictions on newly-elected directors and their representatives.</li> <li>11. Approved not to continue to handle the case of private placement of securities passed by the 2022 Annual General Meeting of Shareholders. (Note)</li> <li>12. Approved issuance of new common shares for cash to sponsor issuance of the overseas depository shares and/or issuance of new common shares for cash in public offering and/or issuance of new preferred shares for cash in public offering and/or issuance of new common shares for cash in private placement and/or issuance of overseas or domestic convertible bonds in private placement. (Note)</li> <li>13. Approved the amendment to Articles of Incorporation.</li> <li>14. Approved the amendment to Rules and Procedures for Shareholders' Meeting.</li> <li>15. Approved the proposal of the convene date of 2023 Shareholders' Meeting and meeting agenda.</li> <li>16. Approved the Bank line increase and contract renewal case.</li> <li>17. Approved the proposal of donation to BenQ Foundation.</li> <li>18. Approved the public fee case for accountant services in 2023. (Note)</li> <li>19. Approved the policy for pre-approval of non-assurance services. (Note)</li> <li>20. Approval of the distribution of employee compensation for senior managers and audit supervisors for the fiscal year 2022.</li> <li>21. Approved the salary compensation indicators for senior managers for the fiscal year 2023.</li> <li>22. Proposed the 2023 Senior Managers and Audit Supervisors Bonus and Salary Adjustment Policy Case.</li> <li>23. Approved the amendment to Code of Practice on Risk Management.</li> <li>24. Approved the amendment to Audit Committee Charter.</li> <li>25. Proposal to increase equity in investment subsidiary BenQ BM Holding Cayman Corporation. (Note)</li> <li>26. Approved the proposal of 2023 annual business plan.</li> </ol>
Apr. 21, 2023	2 <sup>nd</sup> Board Meeting	<ol style="list-style-type: none"> <li>1. Approval of the public acquisition of common shares of NORBEL BABY CO., LTD. (Note)</li> <li>2. Approval of the investment in privately placed common shares of NORBEL BABY CO., LTD. (Note)</li> <li>3. Approval for a subsidiary to sell common shares of TOPVIEW OPTRONICS CORP. (Note)</li> </ol>
May. 5, 2023	3 <sup>rd</sup> Board Meeting	<ol style="list-style-type: none"> <li>1. Approved the proposal of financial statement of Q1, 2023. (Note)</li> <li>2. Approved the Bank line contract renewal case.</li> <li>3. Approved the proposal for making guarantee for Qisda Labuan. (Note)</li> <li>4. Approved the amendments to Qisda "Corporate Governance Best Practice Principles"</li> <li>5. Approved the amendments to Qisda "Sustainable Development Best Practice Principles"</li> <li>6. Approved the company's accounting officer change (Note)</li> </ol>



Date	Meeting	Resolutions
May. 24, 2023	4 <sup>th</sup> Board Meeting	Approval of the subsidiary to sell common shares of TOPVIEW OPTRONICS CORP. and to resign the three corporate representative directors from TOPVIEW OPTRONICS CORP. (Note)
May. 29, 2023	Shareholders' Meeting	<ol style="list-style-type: none"> <li>To elect nine directors (including five independent directors) Status: The elected list is Chi-Hong (Peter) Chen, Representative of AUO Corporation Shuang-Lang (Paul) Peng, Representative of AUO Corporation James CP Chen, Representative of BenQ Foundation Han-Chou (Joe) Huang, Lo-Yu (Charles) Yen (independent director), Jyuo-Min Shyu (independent director), Liang-Gee Chen (independent director), Chiu-Lien Lin (independent director) and Shu-Chun Huang (independent director). Term from May 29, 2023 to May 28, 2026</li> <li>Recognized the proposal of 2022 financial statements and business report Status: Proposal was recognized.</li> <li>Recognized the proposal of 2022 distribution of surplus Status: Proposal was recognized.</li> <li>Approved the proposal of issuance of new common shares for cash to sponsor issuance of the overseas depository shares and/or issuance of new common shares for cash in public offering and/or issuance of new preferred shares for cash in public offering and/or issuance of new common shares for cash in private placement and/or issuance of overseas or domestic convertible bonds in private placement Status: Resolution was passed which authorized the Board to deal with the fundraising. The Company didn't issue any fundraising until the printed date.</li> <li>Approved the amendment to Articles of Incorporation. Status: Resolution was passed, and the amended Articles of Incorporation became effective on May. 29, 2023.</li> <li>Approved the amendment to Rules and Procedures for Shareholders' Meeting. Status: Resolution was passed, and the amended "Rules and Procedures for Shareholders' Meeting" became effective on May. 29, 2023.</li> <li>Approved to lift non-competition restrictions on newly-elected directors and their representatives Status: Proposal was recognized.</li> </ol>
May. 29, 2023	5 <sup>th</sup> Board Meeting	<ol style="list-style-type: none"> <li>Elected of the Chairman</li> <li>Appointed the members of the Company's Remuneration Committee</li> </ol>
Aug. 4, 2023	6 <sup>th</sup> Board Meeting	<ol style="list-style-type: none"> <li>Approved the proposal of financial statement of Q2, 2023. (Note)</li> <li>Approval for arranging a syndicated bank loan of NT\$10 billion.</li> <li>Approved the Bank line contract renewal case.</li> <li>Approval of the establishment of the "Regulations for Governing Financial and Business Matters Between this Corporation and its Related Parties"</li> <li>Approval to upgrade the "Corporate Sustainability Committee" and establish the "Organizational Regulations of the Corporate Sustainability Committee."</li> <li>Appointed the members of Sustainable Development Committee</li> <li>Approved the amendments to "Remuneration Measures for Directors and Functional Committee Members"</li> <li>Approved to sell the ordinary shares of K2 INTERNATIONAL MEDICAL INC. held by the company and its subsidiaries. (Note)</li> </ol>
Nov. 9 2023	7 <sup>th</sup> Board Meeting	<ol style="list-style-type: none"> <li>Established the internal audit plan of 2024. (Note)</li> <li>Approved the proposal of financial statement of Q3, 2023. (Note)</li> <li>Approved the Bank line increase and contract renewal case.</li> <li>Approved the proposal for making guarantee for Qisda Labuan. (Note)</li> <li>Approved to appoint the auditor for the Company's financial statements of the fiscal year 2024. (Note)</li> <li>Approve the addition to the pre-approved list of non-assurance services of the company. (Note)</li> <li>Approved KPMG Deal Advisory (China) Limited to perform non-assurance services related to the internal control review and due diligence consultation for the initial public offering application of BenQ BM Holding Cayman Corporation. (Note)</li> <li>Approved the proposal of acquisition of the right-of-use asset for business use from a related party. (Note)</li> </ol>
Jan. 18 2024	1 <sup>st</sup> Board Meeting	<ol style="list-style-type: none"> <li>Approved the company's subsidiary BenQ BM Holding Cayman Corp. applies for listing on the Main Board of the Stock Exchange of Hong Kong Limited. (Note)</li> <li>Approved the company to issue the letters of undertakings for the subsidiary, BenQ BM Holding Cayman Corp. listing on the Main Board of the Stock Exchange of Hong Kong Limited. (Note)</li> </ol>

Date	Meeting	Resolutions
		3. Approved the proposal of the convene date of 2024 Extraordinary Shareholders' Meeting and meeting agenda.
Mar. 5 2024	2 <sup>nd</sup> Board Meeting	<ol style="list-style-type: none"> <li>1. Approved the Statement on Internal Control System and Self-Assessment Implementation Results Report for the 2023. (Note)</li> <li>2. Approved the 2023 distribution of employees and directors' remuneration</li> <li>3. Approved the proposal of 2023 annual business report, and financial statements. (Note)</li> <li>4. Approved the proposal of 2024 annual business plan.</li> <li>5. Approved the proposal for the distribution of 2023 earnings. (Note)</li> <li>6. Approved the cash dividend distribution of 2023 earnings.</li> <li>7. Approved not to continue to handle the case of private placement of securities passed by the 2023 Annual General Meeting of Shareholders. (Note)</li> <li>8. Approved issuance of new common shares for cash to sponsor issuance of the overseas depositary shares and/or issuance of new common shares for cash in public offering and/or issuance of new preferred shares for cash in public offering and/or issuance of new common shares for cash in private placement and/or issuance of overseas or domestic convertible bonds in private placement. (Note)</li> <li>9. Lifted non-competition restrictions on current directors and their representatives.</li> <li>10. Approved the proposal of the convene date of 2024 Shareholders' Meeting and meeting agenda.</li> <li>11. Approved the Bank line increase and contract renewal case.</li> <li>12. Approved the public fee case for accountant services in 2024. (Note)</li> <li>13. Approved the 2023 Employee compensation discussion case for senior managers and internal audit supervisors.</li> <li>14. Approved the salary compensation indicators for senior managers for the fiscal year 2024.</li> <li>15. Proposed the 2024 Senior Managers and Audit Supervisors Bonus and Salary Adjustment Policy Case.</li> </ol>
Mar. 14 2024	Extraordinary Shareholders' Meeting	1. Accepted the Company's subsidiary BenQ BM Holding Cayman Corp. applies for listing on the Main Board of the Stock Exchange of Hong Kong Limited. Status: Proposal was recognized.

Note: Matters included in Article 14-5 of the Securities and Exchange Act.

(XIV) Major contents of any dissenting opinions on record or stated in a written statement made by Directors or supervisors regarding material resolutions passed by the Board of Directors' Meeting in the most recent year up to the publication date of this report: None.

(XV) In the most recent year up to the publication date of the Annual Report, a summary of the resignation and dismissal of the Company personnel such as Chairman, President, accounting manager, financial manager, internal audit manager and R&D manager:

Title	Name	Date of Appointment	Date of Termination	Reasons for Resignation or Dismissal
Accounting manager	Billy Liu	September 1, 2019	May 5, 2023	position adjustment

#### IV. Information on CPA fees

Unit: NT\$1,000

Accounting Firm	Name of CPA	CPAs Audit Period	Audit Fee	Non-audit Fee	Total	Remark
KPMG	Chang, Huei-Chen Shi, Wei-Ming	2023.1.1-2023.12.31	9,200	1,150	10,350	

Note: Non-audit Fees mainly related to tax services.

Note 1. Non-audit fees paid to the CPA, accounting firm of CPA and its affiliates were more than 25% of the audit fees: None

Note 2. Replacement of accounting firm and the audit fees in the replacing year is less than that in the previous year: Not applicable.

Note 3. Audit fees were reduced by over 10% compared with the previous year: None

## V. Information on replacement of CPAs

### (I) Regarding former CPA

Replacement date	January 01, 2024		
Reason and explanation for replacement	The CPAs are changed from Chang, Huei-Chen and Shih, Wei-Ming to Yin, Yuan-Sheng and Chang, Huei-Chen because of the internal adjustment from the accounting firm.		
Explain why the appointor or CPA terminated or refused to accept the appointment	Parties	CPA	Appointor
	Status	Not applicable	
	Appointment terminated		
Refused to accept (continue) appointment			
Audit report opinions other than unqualified opinion over the last two years and reason	None		
Did issuer have a different opinion	None		
Other items requiring disclosure (disclosures for Clause 6.1.4-7, Article 10 of these guidelines)	None		

### (II) Regarding the Succeeding CPA

Name of CPA firm	KPMG
Name of CPAs	Yin, Yuan-Sheng and Chang, Huei-Chen
Date of Appointment	January 01, 2024
Inquiries regarding the accounting treatment methods of specific transactions, accounting principles or opinions provided on financial report prior to the appointment and results	None
Written opinion of successor CPA regarding discrepancies in opinion with the prior CPA	None

(III) Former CPA Letters Regarding Clause 6.1 and 6.2.3, Article 10 of these Guidelines: Not applicable

VI. Has any of the Company's Chairman, President, or managers responsible for finance or accounting duties served in the Company's CPA firm or its affiliated Company within the most recent year: None.

VII. The Situation of equity transfer or changes to equity pledge of Directors, managers or shareholders holding more than 10% of Company shares in the most recent year (or initial date of a manager's term of service) up to the publication date of this report:

(I) Changes in shares held by Directors, managers, and shareholders holding 10% or more of shares:

Title	Name	As of March 31, 2024		2023	
		Increase (decrease) of shares held	Increase (decrease) of shares pledged	Increase (decrease) of shares held	Increase (decrease) of shares pledged
Chairman	Chi-Hong (Peter) Chen	0	0	406,209	0
Director	AUO Corporation	(100,000,000)	0	0	0
Representative of Corporate Director	Shuang-Lang (Paul) Peng	0	0	0	0
Representative of Corporate Director	JIAN-BIN (James) Chen	0	0	0	0
Director	BenQ Foundation	0	0	0	0
Representative of Corporate Director	Han-Chou (Joe) Huang	0	0	100,274	0
Chief Executive Officer	Peter Chen	0	0	406,209	0
President	Joe Huang	0	0	100,274	0
Senior Vice President	Mark Hsiao	0	0	81,095	0
Vice President	Daniel Hsueh	0	0	53,677	0
Vice President	Michael CH Lee	0	0	96,140	0
Vice President	Daven Wu	0	0	53,972	0
Vice President	Jasmin Hung	0	0	53,215	0
Vice President	T.S. Wu	(144,000)	0	40,893	0
Vice President	Danny Lin	0	0	46,627	0
Vice President	Yuchin Lin	0	0	0	0
Vice President	Spark Huang	0	0	40,264	0
Associate Vice President	Eric Lee	0	0	29,739	0
Associate Vice President	Jack Wang	0	0	23,357	0
Associate Vice President	Nick Niek	0	0	18,896	0
Associate Vice President	Calvin Jeng	0	0	18,324	0
Associate Vice President	Tony Lin	(29,000)	0	12,668	0
Associate Vice President	Aaron Ho	0	0	14,460	0
Associate Vice President	Alex Wu	0	0	31,245	0
Major shareholder	AUO Corporation	(100,000,000)	0	0	0
Independent director	Lo-Yu (Charles) Yen	0	0	0	0
Independent director	Jyuo-Min Shyu	0	0	0	0
Independent director	Liang-Gee Chen	0	0	0	0
Independent director	Chiu-Lien Lin	0	0	0	0
Independent director	Shu-Chun Huang	0	0	0	0
Finance Supervisor	Jasmin Hung	0	0	53,215	0

Note: Those who still serve in their respective positions when the Annual Report is published.

(II) Counterparty of equity pledge is a related party: None

(III) Counterparty of equity pledge is a related party: None

## VIII. Information of relationships between Top 10 shareholders are related parties, spouses or relatives within the second degree of kinship Relationship

Information of relationships between Top 10 shareholders are related parties

March 31, 2024

Name (Note1)	Shares held		Shares held by spouse or underage children		Total shares held in the name of other persons		Familial relationships between top 10 shareholders who are either related parties, spouses, or relatives within the second degree of kinship, his/her/its title (or name) and relationships (Note2)	
	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Title (or Name)	Relationships
AUO Corporation	235,230,510	11.96%	0	0.00%	0	0.00%	Konly Venture Corp.	Subsidiary
AUO Corporation Representative : Shuang-Lang (Paul) Peng	9,164	0.00%	65,032	0.00%	0	0.00%	Note 3	
ACER INCORPORATED	89,115,690	4.53%	0	0.00%	0	0.00%	None	None
ACER INCORPORATED Representative : Jason Chen	0	0.00%	0	0.00%	0	0.00%	None	None
Taishin International Bank entrusted with the Qisda Corporation Employee Stock Ownership Trust Account	78,119,464	3.97%	0	0.00%	0	0.00%	None	None
Taipei Fubon Bank entrusted with Fuh Hwa Taiwan Technology Dividend Highlight ETF	73,415,000	3.73%	0	0.00%	0	0.00%	None	None
Konly Venture Corp.	50,145,113	2.55%	0	0.00%	0	0.00%	AUO Corporation	Parent Company
Konly Venture Corp. Representative : Shuang-Lang (Paul) Peng	9,164	0.00%	65,032	0.00%	0	0.00%	Note 3	
Darfon Electronics Corp.	39,859,000	2.03%	0	0.00%	0	0.00%	None	None
Darfon Electronics Corp. Representative : Andy Su	284,234	0.01%	264,703	0.00%	0	0.00%	None	None
Hua Nan Commercial Bank entrusted with Yuanta Taiwan Value High Dividend ETF	29,213,000	1.49%	0	0.00%	0	0.00%	None	None
JPMorgan Chase Bank N.A., Taipei Branch in custody for J.P. MORGAN SECURITIES LTD	24,670,325	1.25%	0	0.00%	0	0.00%	None	None
Chunghwa Post Co., Ltd.	19,347,000	0.98%	0	0.00%	0	0.00%	None	None
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	18,642,660	0.95%	0	0.00%	0	0.00%	None	None

Note 1: Each of the top ten shareholders should be listed. Both the corporate shareholder name and representative name should be listed for corporate shareholders.

Note 2: Shareholding percentage calculations are made using the individual shareholding percentages of the person, his/her spouse, minor children and use of other names.

Note 3: The chairman of AUO Corporation also serves as the chairman of Konly Venture Corp.

IX. Shareholdings and Combined Joint Shareholdings of Businesses Invested in by the Company, Company Directors, Supervisors or Executive Officers or Directly or Indirectly Controlled by the Company

December 31, 2023

Investment business (Note 1)	Investment by the Company		Investment by Directors, supervisors, managers and directly or indirectly- controlled business (Note 2)		Combined investment	
	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)	Number of shares	Shareholding Percentage (%)
Darfon Electronics Corp.,	58,004,667	20.87%	14,514,851	5.22%	72,519,518	26.09%
TCI GENE INC.	4,720,000	17.84%	1,480,000	5.59%	6,200,000	23.43%
Rapidtek Technologies Inc.	2,638,132	8.79%	2,428,016	8.09%	5,066,148	16.88%
NORBEL BABY CO., LTD.	10,000,000	28.54%	-	-	10,000,000	28.54%
QS CONTROL CORP.	6,000,000	20.00%	-	-	6,000,000	20.00%
Topview Optronics Corporation	5,750,000	20.00%	2,854,000	9.93%	8,604,000	29.93%
H2 Energy Co., Ltd.	150,000	30.00%	-	-	150,000	30.00%
VISCO VISION INC.	-	-	9,855,306	15.65%	9,855,306	15.65%
MLK BIOSCIENCE CO., LTD.	-	-	217,030	20.00%	217,030	20.00%
COATMED INCORPORATION	-	-	598,000	9.98%	598,000	9.98%
DMC Components International, LLC	-	-	300,000	30.00%	300,000	30.00%
Jiangsu Yudi Optical Co., Ltd.	-	-	16,182,000	20.01%	16,182,000	20.01%
Nanjing Silvertown Health & Development Co., Ltd	-	-	-	15.00%	-	15.00%
Guigang Donghui Hospital Co., Ltd.	-	-	-	14.13%	-	14.13%
GRANDSYS INC.	-	-	5,643,373	20.96%	5,643,373	20.96%
Everlasting Digital ESG Co., Ltd.	-	-	500,000	29.41%	500,000	29.41%

Note 1: Invested by the Consolidated Company using the equity method

Note 2: Information recorded on the shareholder roster as of the latest book closure date of each company

## Capital and Shares

### I. Capital and shares

#### (I) Source of Share Capital

March 31, 2024; Unit: NTD

Year and month	Issued price (par value per share)	Authorized capital		Paid-in capital		Note				
		Number of Shares (thousand shares)	Amount (thousand)	Number of Shares (thousand shares)	Amount (thousand)	Source of capital (thousand)	Capital increase approval date	Certificate No.	Capital increase by assets other than cash	Others
1984.04	10	14,000	140,000	3,500	35,000	Establishment			-	-
1984.11	10	14,000	140,000	7,000	70,000	Capital increase by cash 35,000			-	-
1986.12	10	14,000	140,000	14,000	140,000	Capital increase by retained earnings 70,000			-	-
1989.12	30	17,000	170,000	17,000	170,000	Capital increase by cash 30,000	1989.12.30	Ministry of economic affairs certificate no. 135215	-	-
1992.05	10	50,000	500,000	27,200	272,000	Capital increase by capital surplus 17,850 Capital increase by retained earnings 84,150	1992.05.07	Ministry of economic affairs certificate no. 106307	-	-
1992.11	10	50,000	500,000	42,000	420,000	Capital increase by capital surplus 17,952 Capital increase by retained earnings 130,048	1992.11.27	Ministry of economic affairs certificate no. 125134	-	-
1993.02	25	60,000	600,000	60,000	600,000	Capital increase by cash 180,000	1993.02.10	Ministry of economic affairs certificate no.127799	-	-
1994.03	10	110,000	1,100,000	79,500	795,000	Capital increase by retained earnings 195,000	1994.03.22	Moeaic certificate no.1392	-	-
1994.09	10	150,000	1,500,000	114,350	1,143,500	Capital increase by retained earnings 348,500	1994.09.22	Moeaic certificate no.5835	-	-
1995.07	10	250,000	2,500,000	190,000	1,900,000	Capital increase by retained earnings 756,500	1995.07.06	Ministry of economic affairs certificate no.108683	-	-
1996.06	60	250,000	2,500,000	250,000	2,500,000	Capital increase by cash 600,000	1996.06.09	Ministry of economic affairs certificate no.109348	-	-
1996.08	10	800,000	8,000,000	371,500	3,715,000	Capital increase by retained earnings 1,215,000	1996.08.23	Ministry of economic affairs certificate no.113452	-	-
1997.04	10	800,000	8,000,000	376,080	3,760,806	Corporate bond conversion to common stock 45,806	1997.04.11	Ministry of economic affairs certificate no.105007	-	-
1997.07	10	800,000	8,000,000	475,800	4,758,008	Capital increase by capital surplus 376,081 Capital increase by retained earnings 621,121	1997.07.04	Ministry of economic affairs certificate no.110892	-	-
1997.10	10	800,000	8,000,000	518,787	5,187,879	Corporate bond conversion to common stock 429,871	1997.10.07	Ministry of economic affairs certificate no.119411	-	-
1998.03	10	800,000	8,000,000	520,849	5,208,499	Corporate bond conversion to common stock 20,620	1998.03.20	Ministry of economic affairs certificate no.105297	-	-
1998.06	10	1,100,000	11,000,000	660,062	6,600,624	Capital increase by capital surplus 520,850 Capital increase by retained earnings 871,275	1998.06.15	Ministry of economic affairs certificate no.114980	-	-
1998.09	10	1,100,000	11,000,000	662,817	6,628,175	Corporate bond conversion to common stock 27,551	1998.09.25	Ministry of economic affairs certificate no.130051	-	-
1999.08	10	1,250,000	12,500,000	767,390	7,673,902	Capital increase by capital surplus 331,409 Capital increase by retained earnings 714,318	1999.08.11	Ministry of economic affairs certificate no.128809	-	-
1999.09	10	1,250,000	12,500,000	788,176	7,881,756	Corporate bond conversion to common stock 207,854	1999.09.20	Ministry of economic affairs certificate no.134724	-	-

Year and month	Issued price (par value per share)	Authorized capital		Paid-in capital		Note				
		Number of Shares (thousand shares)	Amount (thousand)	Number of Shares (thousand shares)	Amount (thousand)	Source of capital (thousand)	Capital increase approval date	Certificate No.	Capital increase by assets other than cash	Others
1999.11	55	1,250,000	12,500,000	888,176	8,881,756	Capital increase by cash 1,000,000	1999.11.19	Ministry of economic affairs certificate no.142178	-	-
2000.02	10	1,250,000	12,500,000	893,943	8,939,426	Corporate bond conversion to common stock 57,670	2000.02.02	Ministry of economic affairs certificate no.102895	-	-
2000.07	10	1,650,000	16,500,000	1,082,731	10,827,312	Capital increase by capital surplus 446,971 Capital increase by retained earnings 1,440,914	2000.07.26	Ministry of economic affairs certificate no.125422	-	-
2001.07	10	1,770,000	17,700,000	1,381,088	13,810,879	Capital increase by capital surplus 541,366 Capital increase by retained earnings 2,442,201	2001.07.02	Ministry of economic affairs certificate no.09001241270	-	-
2002.03	10	1,770,000	17,700,000	1,398,318	13,983,180	Corporate bond conversion to common stock 172,300	2002.03.15	Ministry of economic affairs certificate no.09101087600	-	-
2002.07	10	2,150,000	21,500,000	1,655,596	16,555,963	Capital increase by capital surplus 279,663 Capital increase by retained earnings 1,616,568 Corporate bond conversion to common stock 676,552	2002.07.22	Ministry of economic affairs certificate no.09101282840	-	-
2002.11	10	2,150,000	21,500,000	1,681,051	16,810,510	Corporate bond conversion to common stock 254,547	2002.11.14	Ministry of economic affairs certificate no.09101465750	-	-
2003.07	10	3,000,000	30,000,000	2,067,161	20,671,612	Capital increase by retained earnings 3,861,102	2003.07.22	Ministry of economic affairs certificate no.09201219330	-	-
2003.10	10	3,000,000	30,000,000	2,083,861	20,838,612	Corporate bond conversion to common stock 167,000	2003.10.16	Ministry of economic affairs certificate no.09201291190	-	-
2004.01	10	3,000,000	30,000,000	2,085,205	20,852,048	Corporate bond conversion to common stock 13,436	2004.01.20	Ministry of economic affairs certificate no.09301007380	-	-
2004.03	10	3,000,000	30,000,000	2,066,419	20,664,188	Corporate bond conversion to common stock 112,140 Cancellation of treasury stocks 300,000	2004.03.22	Ministry of economic affairs certificate no.09301046140	-	-
2004.07	10	3,000,000	30,000,000	2,314,899	23,148,990	Corporate bond conversion to common stock 11,780 Capital increase by retained earnings 2,517,591 Cancellation of treasury stocks 44,570	2004.07.15	Ministry of economic affairs certificate no.09301122620	-	-
2004.10	10	3,000,000	30,000,000	2,315,014	23,150,141	Corporate bond conversion to common stock 1,151	2004.10.21	Ministry of economic affairs certificate no.09301198210	-	-
2005.04	10	3,000,000	30,000,000	2,315,509	23,155,091	Corporate bond conversion to common stock 4,950	2005.04.07	Ministry of economic affairs certificate no.09401056200	-	-
2005.07	10	3,000,000	30,000,000	2,467,998	24,679,982	Capital increase by retained earnings 1,513,754 Corporate bond conversion to common stock 11,136	2005.07.27	Ministry of economic affairs certificate no.09401144270	-	-
2005.11	10	3,000,000	30,000,000	2,468,672	24,686,722	Corporate bond conversion to common stock 6,739	2005.11.18	Ministry of economic affairs certificate no.09401229710	-	-
2006.01	31.36	3,000,000	30,000,000	2,618,672	26,186,722	Capital increase by cash 1,500,000	2006.01.23	Ministry of economic affairs certificate no.09501011820	-	-
2006.02	10	3,000,000	30,000,000	2,619,978	26,199,785	Corporate bond conversion to common stock 13,062	2006.02.15	Ministry of economic affairs certificate no.09501026750	-	-
2006.04	10	3,000,000	30,000,000	2,624,880	26,248,800	Corporate bond conversion to common stock 49,015	2006.04.03	Ministry of economic affairs certificate no.09501055570	-	-
2007.04	10	5,000,000	50,000,000	2,564,880	25,648,800	Cancellation of treasury stocks 600,000	2007.04.04	Ministry of economic affairs certificate no.09601065540	-	-



Year and month	Issued price (par value per share)	Authorized capital		Paid-in capital		Note				
		Number of Shares (thousand shares)	Amount (thousand)	Number of Shares (thousand shares)	Amount (thousand)	Source of capital (thousand)	Capital increase approval date	Certificate No.	Capital increase by assets other than cash	Others
2007.08	10	5,000,000	50,000,000	1,538,928	15,389,280	Capital reduction for cover accumulated deficits 10,259,520	2007.08.29	Ministry of economic affairs certificate no.09601212740	-	-
2008.04	22.11	5,000,000	50,000,000	1,765,070	17,650,700	Private placement of common stock capital increase by cash 2,261,420	2008.05.07	Ministry of economic affairs certificate no. 09701101680	-	-
2008.08	10	5,000,000	50,000,000	1,928,218	19,282,176	Capital increase by retained earnings 1,631,476	2008.08.07	Ministry of economic affairs certificate no. 09701190560	-	-
2011.08	10	5,000,000	50,000,000	1,966,782	19,667,820	Capital increase by retained earnings 385,644	2011.08.17	Ministry of economic affairs certificate no. 10001190150	-	-

## (II) Shares Type and Shares Outstanding

March 31, 2024

Shares Type	Authorized Shares			Notes
	Outstanding shares	Un-issued shares	Total shares	
Common Shares	1,966,781,958	3,033,218,042	5,000,000,000	-

## (III) Shareholder structure

March 31, 2024

Shareholder structure Quantity	Government institutions	Financial institutions	Other corporations	Individual	Foreign institutions and foreigners	Subtotal
Number of persons	8	58	425	177,528	469	178,488
Number of shares held	16,167,802	239,759,342	487,180,668	977,832,816	245,841,330	1,966,781,958
Shareholding Percentage (%)	0.82%	12.19%	24.77%	49.72%	12.50%	100.00%

## (IV) Distribution of Equity Ownership

March 31, 2024

Class of Shareholding	Number of shareholders	Number of shares held	Shareholding Percentage (%)
1 ~ 999	63,083	10,588,842	0.54%
1,000 ~ 5,000	86,516	182,097,381	9.26%
5,001 ~ 10,000	14,349	111,007,797	5.64%
10,001 ~ 15,000	4,526	56,734,237	2.88%
15,001 ~ 20,000	2,865	52,320,569	2.66%
20,001 ~ 30,000	2,433	61,382,879	3.12%
30,001 ~ 40,000	1,216	43,162,157	2.19%
40,001 ~ 50,000	740	33,992,612	1.73%
50,001 ~ 100,000	1,490	106,516,240	5.42%
100,001 ~ 200,000	670	93,012,186	4.73%
200,001 ~ 400,000	304	84,768,230	4.31%
400,001 ~ 600,000	105	51,006,573	2.59%
600,001 ~ 800,000	52	36,312,292	1.85%
800,001 ~ 1,000,000	26	23,854,165	1.21%
1,000,001 or more	113	1,020,025,798	51.86%
Total	178,488	1,966,781,958	100.00%

(V) List of Major Shareholders

March 31, 2024

Shareholder's Name	Number of shares held	Shareholding Percentage (%)
AUO Corporation	235,230,510	11.96%
Acer Incorporated.	89,115,690	4.53%
Taishin International Bank entrusted with the Qisda Corporation Employee Stock Ownership Trust Account	78,119,466	3.97%
Taipei Fubon Bank entrusted with Fuh Hwa Taiwan Technology Dividend Highlight ETF	73,415,000	3.73%
Konly Venture Corp.	50,145,113	2.55%
Darfon Electronics Corp.	39,859,000	2.03%
Hua Nan Commercial Bank entrusted with Yuanta Taiwan Value High Dividend ETF	29,213,000	1.49%
JPMorgan Chase Bank N.A., Taipei Branch in custody for J.P. MORGAN SECURITIES LTD.	24,670,325	1.25%
Chunghwa Post Co., Ltd.	19,347,000	0.98%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds.	18,642,660	0.95%

(VI) Information on Market Price, Book Value, Earnings Per Share and Dividend

Unit: NTD

Item	Fiscal Year		As of March 31, 2024 (Note 6)	2023	2022
	Market Price Per Share (Note 1)	Highest	Lowest	49.95	64.80
		Average	41.80	27.20	24.05
			45.02	43.91	29.52
Net Worth Per Share (Note 2)	Before Distribution		(Note 7)	18.84	20.71
	After Distribution		-	17.64	18.71
Earnings Per Share (EPS)	Weighted Average Shares Number (thousand Shares)		1,966,782	1,966,782	1,966,782
	Earnings per share	Before retrospective	-	1.51	4.20
		After retrospective	-	1.51	4.20
Dividends Per Share	Cash dividends		-	1.20	2.00
	Dividends (Shares)	Dividend from retained earnings	-	-	-
		Dividend from capital reserve	-	-	-
	Cumulative unpaid dividend		-	-	-
Return on Investment	Price/Earnings Ratio (Note 3)		(Note 7)	26.68	6.97
	Price/Dividend Ratio (Note 4)		-	33.58	14.64
	Cash Dividend Yield (Note 5)		-	2.98%	6.83%

Note 1: The highest and lowest of common stock. The average market value is calculated using the trading volume and price for each year.

Note 2: Subject to change after shareholders' meeting resolution.

Note 3: Price/Earnings ratio = Average market price / Earnings per share.

Note 4: Price/Dividend ratio = Average market price / Cash dividends per share.

Note 5: Cash dividend yield = Cash dividends per share / Average market price.

Note 6: The closure date on March 31, 2024.

Note 7: Up to the publication date of this annual report, no information has been attested or approved by an independent auditor.

Note 8: The financial information in this annual report was made according to IFRS.

## (VII) Dividend Policy and Execution Status

1. Article 17 of the Articles of Incorporation of the Company regulates the dividend policy as follows:

The Company is in a technology-intensive and capital-intensive technology industry at a developing stage coordinating with long-term capital planning and taking into account the shareholders' cash flow requirement, the Company's dividend policy is to pay dividends from surplus considering factors to improve the growth and sustainable operation of the Company. Dividend distribution is to consider the expanding the scale of operations and cash flow requirements in the future. When the Company has a profit at the end of each fiscal year and the retained earnings available for distribution of the current year reaches 2% of the paid in capital of the Company, no less than 10% of the retained earnings available for distribution of the current year shall be distributed as dividend. Every year the cash portion of the dividend shall not be less than 10% of the total dividend in the form of cash and stock.

2. The dividend distribution proposal by the Shareholders' Meeting:

The Company distributed cash dividends of NT\$ 2,360,138,350 (NT\$ 1.2 per common share), have been approved by the meeting of the board of directors held on March 5, 2024, which will be reported at the 2024 Annual Shareholders' Meeting.

3. Major changes expected in the dividend policy: None

## (VIII) The impact of dividend distribution proposed by this shareholders' meeting on the Company's operating performance and earnings per share:

The Company did not disclose the 2024 financial forecast information and thus does not apply.

## (IX) Compensation for employees and Directors

1. The percentage or range of compensation for employees and Director based on the Articles of Incorporation:

(1) Regulations from the Articles of Incorporation of the Company:

Articles 16

The Company, if profitable in the year, shall set aside 5~20% of the profit as compensation for the employees and no higher than 1% as remuneration for the directors. However, the Company, when accumulated losses remain on the account, shall reserve a portion of its earnings to offset the losses first. The Company may allocate employees' remuneration prescribed in the preceding paragraph in the form of stock or cash to employees of an affiliated company meeting certain conditions. The Board or the person duly designated by the Board is authorized to decide the conditions and allocation method.

Article 16-1:

The Board may set aside certain percentage of the proposal for retained earnings distribution. Where there is remainder balance, together with the undistributed profits of previous years, as the earnings available for distributing to common and preferred shareholders, the Board shall propose the earnings distribution plan and submit to the Shareholders' Meeting for approval by resolution before the distribution.

The rights, obligations and distribution sequence of the Company's preferred share is executed in accordance with the Company's Articles of Incorporation and applicable laws and regulations.

Where the aforesaid earnings distribution plan or dividend on preferred share is performed by means of cash dividends, it is proposed the Board of Directors be authorized for resolution. The resolution thereof shall be reported in the Shareholders' Meeting.

2. Estimation basis of this annual period for the remuneration and compensation for employees and Directors, and the accounting approach for handling the differences between the calculation basis for the shares of employees' remuneration distributed by stock and the actual distributed amount and the estimated number of shares:

The estimated amount of this Annual Period for distribution of remuneration and compensation to employees and Directors is based on the amount (which shall also be listed as operating expenses for the annual period) obtained from the calculation of each pre-tax income (prior to being deducted by remuneration to employees and Directors) from such period multiplying the distribution percentage of remuneration to employees and Directors based on the Company's Articles of Incorporation. If there is any difference between the actual distributed amount and the estimated one, it shall be recognized as profit or loss of next annual period based on the change in accounting estimation.

3. The resolution of remuneration distribution by the Board of Directors:

Approved by the Company's Board of Directors on March 5, 2024.

- (1) Cash compensation of NT\$ 245,716,000 paid to employees and NT\$ 6,800,000 to Directors.
- (2) Sum of employees' compensation in stock and its proportion of the net income after tax (NIAT) provided in the Individual Financial Statement and the total sum of employees' compensation: Not applicable.

4. Actual distribution of employees and Directors' compensation in the previous year, and the difference, reasons, and processing situation for the employees and Directors' compensation that were recognized:

- (1) The amount distributed to employees' remuneration in cash was NT\$ 681,239,000 and NT\$ 18,672,000 for Directors' one.
- (2) The difference between the proposed distribution amount approved by the Board of Directors and the actual amount distributed: the actual distributed amount was the same as the proposed distribution amount approved by the Board of Directors.

(X) Repurchase of the Company's Shares by the Company:

No repurchase of the Company's shares by the Company was conducted in the most recent two annual periods and as of the printing date of the Annual Report.

## II. Corporate bond processing

(I) Information regarding Corporate Bonds:

1. Proceed in accordance with Article 246 of the Company Act.
2. The company has issued one domestic secured ordinary corporate bond in 2022. The offering and issuance status of the bond are as follows:
  - A. Approval Number: The first domestic secured ordinary corporate bond was approved by Taipei Exchange Letter No. Securities-TPEX-Bond 11100060991 dated June 20, 2022.
  - B. Issuance Status: The issuance was approved by the Board of Directors on March 7, 2022, and finished the raising on June 28, 2022.
  - C. Purpose and benefits of the issuance: Repay loans from financial institutions, and strengthen the company's financial structure.
  - D. Total Offering: NT\$3 billion in total.
  - E. Interest rate: Coupon rate: fixed rate at 1.80% per annum.
  - F. Period: 5-year period. Issuance date: June 28, 2022. Maturity date: June 28, 2027.
  - G. Repayment method: The bonds will be repaid in one lump sum; the maturity date is five years from the issuance date.
  - H. Interest payment method: Simple interest is paid once a year.

(II) Information regarding the Conversion Bonds: None.

(III) Information regarding Exchange Corporate Bonds: None.

(IV) Information regarding Shelf Registration for Corporate Bonds: None.

(V) Information regarding Corporate Bonds with Attached Warrant: None.

### III. Handling of preferred shares (including preferred shares outstanding and in process)

(I) Handling of preferred shares: None

(II) Information regarding preferred shares with attached warrant: None.

### IV. Implementation of Overseas Depository Receipts

March 31, 2024

Issue Date	1999.07.07/2002.01.22/2002.01.30/2003.07.10/2005.12.19		
Item			
Issuance and trading place	Luxembourg Stock Exchange		
Total Issued Amount	US\$1,433,094,000		
Unit Issue Price (Note 1)	US\$23.22 · US\$6.15 · US\$4.68		
Total number of issued (units) (Note 2)	80,359,340 Units		
The source of securities represented	As the Common Shareholder of Qisda		
The amount of securities represented	400,370,965 shares		
The rights and obligations of holders of depository receipts	<p>1. The holder of the depository receipts may exercise its depository receipts to recognize the voting rights of shares.</p> <p>2. If Qisda issues stock dividends or other rights in the future, the Depository Institution may issue the deposit certificate with the equivalent amount based on the original shareholding ratio of the holder of the depository certificate, or increase shares of common stock recognized by each unit of the depository receipt.</p> <p>3. The holder of the depository receipt may request the Depository Institution to redeem and deliver the shares of Qisda's common stock recognized by the depository receipt; or request the Depository Institution to redeem and sell the shares of Qisda's common stock recognized by the depository receipt.</p>		
Trustee	Citibank N .A.		
Depository	Citibank N .A. New York Branch		
Custodian	Citibank N .A. Taipei Branch		
Outstanding amount (Note 3)	285,149 Units		
The allocation methods on the relevant costs incurred as a result of the issuance and during the effective period.	The expenses related to the issuance shall be apportioned by the Company and the selling shareholders in proportion to the actual number of shares sold. After the issuance, except for the agreement between the Company and the Depository Institution, the expenses for the duration of all overseas depository receipts shall be borne by the Company.		
Important Agreements for Depository and Custody Contracts	None		
Market Price Per unit (US\$)	2023	Max.	US\$ 7.91
		Min.	US\$ 4.71
		Avg.	US\$ 3.27.
	As of March 31, 2024,	Max.	US\$ 7.43
		Min.	US\$ 6.98
		Avg.	US\$ 7.24

Note 1: For the number of shares of the securities recognized by each unit. In September 2000, each unit recognized 10 shares of common stock and later changed to 5 shares.

Note 2: The number of issued volumes was the sum of the issued volume on the initial issuance date and the additional issued volume amounts after the initial issuance. On October 15, 2007, the Company reduced its capital, and the circulation balance exchange rate was reduced from 1,000 shares to 600 shares.

Note 3: As of March 31, 2024

## V. Employee stock option handling status:

### (I) Employee stock option handling status:

- 1.As of the publication date of the annual report, the processing situation and impact on shareholders' right from employee stock option that have not matured yet: Not applicable.
- 2.Names, acquisition, and subscription of managers who have obtained employee stock option as well as employees who rank among the top 10 in terms of the number of shares obtained via employee stock option, cumulative up to the date of publication of the annual report: Not applicable.

### (II) Operations of new restricted employee shares:

- 1.As of the date of publication of the annual report, new restricted employee shares that have not fully met the conditions and the impact on shareholders' right: The Company has not issued new restricted employee shares, so it is not applicable.
- 2.Names of managers and top ten employees holding new restricted employee shares as of the publication date of the annual report and the conditions of receiving such shares: Not applicable.

## VI. Issuance of new shares in connection with the merger or acquisition of other corporations

- (I) In the most recent year up to the publication date of the annual report, the Company has completed merger and acquisition of other corporations to issue new shares: Not applicable.
- (II) In the most recent year up to the publication date of the annual report, the Board of Directors of the Company has approved merger and acquisition of other corporations to issue new shares: Not applicable.

## VII. Implementation status of fund application

- (I) As of one quarter before the publication date of this annual report, plan for previous issuance or private placement of securities that have not been completed, or that have been completed but no benefits achieved within the past three years: Not applicable.
- (II) As of one quarter before the publication date of this annual report, processing condition for previous issuance or private placement of securities that have not been completed, or that have been completed but no benefits achieved within the past three years: Not applicable.

## Overview of Operations

### I. Operational Guidelines

#### (I) Sales of Major Products (Services)

Unit: NT\$ 1,000

Main products	Revenue in 2023	%
Electronic product	188,699,848	93%
Others	14,894,933	7%
Total	203,594,781	100%

#### (II) Production volume for the past two years

Unit: NT\$ 1,000

Main products	Year	2023			2022		
		Production Capacity (Note)	Production Quantity	Production Value	Production Capacity (Note)	Production Quantity	Production Value
Electronic product	-	-	-	124,405,019	-	-	171,669,190
Others	-	-	-	-	-	-	-

#### (III) Sales volume for the past two years

Unit: NT\$ 1,000

Main products	Year	2023				2022			
		Domestic sales		Export sales		Domestic sales		Export sales	
		Amount (Note)	Value	Amount (Note)	Value	Amount (Note)	Value	Amount (Note)	Value
Electronic product	-	32,195,524	-	156,504,324	-	45,777,082	-	179,947,665	
Others	-	-	-	14,894,933	-	-	-	14,112,549	

Note: There are many types of products in the company, and the measurement units of each product are different, so the sales volume and output are not listed.

#### (IV) A list of any suppliers and clients accounting for 10% or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the below figures.

##### 1. Major Suppliers Information for the past two years

Unit: NT\$ 1,000

Item	2023				2022			
	Company	Amount	As % of Net Procurement	Relationship with Qisda	Company	Amount	As % of Net Procurement	Relationship with Qisda
1	Company A	28,072,604	16%	-	Company A	35,771,774	17%	-
2	Other	142,446,274	84%	-	Other	169,504,454	83%	-
Total	Net Procurement	170,518,878	100%	-	Net Procurement	205,276,228	100%	-

Reasons for increase or decrease: There have been no major changes in the past two years.

##### 2. Major Sales Customer Information for the Past Two Years

Unit: NT\$ 1,000

Item	2023				2022			
	Company	Amount	As % of Net Revenue	Relationship with Qisda	Company	Amount	As % of Net Revenue	Relationship with Qisda
1	Company A	37,490,465	18%	-	Company A	52,964,826	22%	-
2	Other	166,104,316	82%	-	Other	186,872,470	78%	-
Total	Net Revenue	203,594,781	100%	-	Net Revenue	239,837,296	100%	-

Reasons for increase or decrease: There have been no major changes in the past two years.

## (v) Operations Overview

### a. Our Businesses

#### 1. Business Scope

##### (1) Business Overview

**LCD Products:** Qisda maintains the 2nd largest DMS (Design and Manufacturing Services) manufacturer in the industry. Qisda will continue to focus on fortifying relationship with customers, developing new product features and engaging in value-added vertical integration activities such as panel module design and assembly as well as in-house mechanical parts manufacture. Furthermore, Qisda continued with its active research and development of new functions and applications for professional and integrated design display solutions in order to gain a larger share of the professional monitor market.

**Projector Products:** Qisda group projector business maintained worldwide leading position in 2023. Qisda is the only manufacturer in Taiwan that is capable of both DLP and LCD projector mass production and shipment. Compared with 2022, global projector market volume is decreased in 2023.

**Medical Services:** Nanjing BenQ Hospital (NBH), which commenced operations in 2008, has been rated as a Grade A Class III hospital since 2022, being the first private hospital so rated in Nanjing, Jiangsu Province. NBH was recognized as one of the first batch of National Chest Pain Center Accreditation Units and a National Health Management Demonstration Base. NBH has established various national and provincial key disciplines and medical specialties. Meanwhile, Suzhou BenQ Hospital (SBH), which commenced operations in 2013, is a Class III general hospital and passed JCI certification in 2020. SBH was also recognized as a National Chest Pain Center, Certified Atrial Fibrillation Center and National Stroke Prevention and Treatment Center. In 2023, the total inpatient visits at the two hospitals reached 81.9 thousand, and the total outpatient visits at the two hospitals in aggregate reached approximately 2,080.3 thousand.

##### (2) Product Scope

**LCD Products:**

15.6"/17"/19"/19.5"/21.5"/22"/23.x"/24"/24.5"/27"/28"/31.5"/32"/34"/35"/37.5"/49"/55"/65"  
consumer and commercial LCD monitors, wide-screen and professional LCD monitors, medical monitors, and smart monitors.

**Projector Products:** A wide range of projectors for large venue, 4k/2k home, office and educational applications.

**Medical Service:** General healthcare services that comprise inpatient healthcare services and outpatient healthcare services.

#### 2. Industry Overview

##### (1) Current Status and Development of Industry

**LCD Products:** As indicated by market intelligence research reports, the quantity of LCD monitor market declined at an annual rate of 6.5% in 2023. The market forecast for LCD monitors in 2024 is expected to keep even or have slightly growth. The demand from enterprises and consumers is soft in the 1st half year and expect the demand will bounce back in the 2nd half. Therefore, the critical challenge is how to manage the stocks of finish good well and increase adequate stocks for long lead-time material. Besides, fulfill customer's urgent demand and find out new demand and opportunities are the key direction. In order to enhance the competitive edge, Qisda will devote our focus and resource and take advantage of good relationship in supply chain to cater customer's demand and expectation.

**Projector Products:** According to industry analysis reports, the total number of projector shipment worldwide was 5.65 million units in 2023, with a flat or minor increased expectation for 2024. The volume ratio for high brightness, high resolution and solid state lighting source projectors will continue to increase in the future. Also the growth in large venue, home and personal/mobile scenarios enables the sales volume of projectors with 1080p, 4k and 3D/HDR features to grow rapidly. Educational and office applications are supposed to decline due to the expansion of flat panel displays.



Medical Services: The medical market in mainland China is expected to grow rapidly in parallel with the country's swift economic development and increase of medical insurance coverage. Plus, the country's governmental policies encourage the establishment of private medical institutes and such policies will further accelerate the expansion of market size of private hospitals.

## (2) Connection of Upstream, Midstream and Downstream Industries

LCD Products: Upstream business partners consist mainly of LCD panel manufacturing and module assembling plants, including key components such as LCD panels, LED backlight modules and control chipsets. Midstream and downstream partners include system integrators and brand customers, which represent a mature and competitive market. Qisda has developed and maintained strong and long-term relationship with all of its upstream strategic suppliers and downstream brand customers.

Projector Products: Upstream partners consist of a line of optoelectronic device makers, including panel chipset, lens and specialized lamp/ SSL manufacturers. Midstream and downstream partners include projector manufacturers and brand customers. An intimate yet intricate relationship exists amid upstream, midstream and downstream partners as alliance and competition intertwines among business competitors.

Medical Services: NBH is an affiliated hospital of Nanjing Medical University, as well as the Teaching Hospital for Southeast University Medical School and Nanjing University of Chinese Medicine. In addition, NBH was recognized as the Jiangsu Provincial Postdoctoral Innovation Practice Base and a Provincial Blood Purification Training Base. SBH has jointly established a Soochow University – BenQ Clinical Medical Research Institute with Soochow University. SBH also collaborates with medical universities such as Taipei Medical University and Kaohsiung Medical University to create a cross-strait medical transformation platform that promotes scientific research and technological cooperation.

## (3) Trends in Industrial Development and Competition Status

LCD Products: To survive in the mature LCD monitor market, in addition to increasing cost competitiveness and offering flexible delivery, Qisda aims to work closely with brand customers to develop gaming monitors and those with ultra-high resolution, cloud connectivity, wireless application, ultra slim ID, curved and other customized and specialty application products to fulfill diverse demands of the niche market. Besides, through vertical integration of panel module design and assembly, system integrators can elevate their value in the supply chain and increase the ability of differentiation in product design. Seeking for out of China manufacturing is key topic in international brand customers. Qisda Vietnam factory is the 1st facility went into the massive production around monitor ODM. We will take of the advantage to create the value and leading position.

Projector Products: The projector market has expanded as improvements applied to commercial projectors accelerated due to the advent of the latest technologies. In addition to an economical price tag, projectors have become smaller and lighter while the brightness and resolution have been vastly enhanced. It is estimated that the demand for projectors may increase globally with the expansion of high-resolution and high-brightness projectors for meeting rooms and multi-media home entertainment projectors for home theaters. Meanwhile, due to the popularity of personal mobile devices and variety of wireless data applications, the growth of personal and home multimedia markets over the entertainment ones is becoming a foreseeable trend in the future.

Medical Services: According to Frost & Sullivan, driven by economic growth, favorable policies and expanding yet diversifying public demands for healthcare services in recent years, private hospitals in mainland China have outpaced public hospitals in growth due to their flexibility in management models, service offerings and pricing. As a pioneer and leader among private for-profit general hospital groups in mainland China, our leading healthcare service capabilities, operational capabilities and highly scalable and standardized management model bestow upon us tremendous competitive advantages. These advantages allow us to capitalize on the significant growth prospects for private hospitals and achieve sustainable and rapid growth in the years ahead.

### 3. Technology and R&D Overview

#### (1) Developing Successful Technology or Products

LCD Products: QD-OLED 27”(360Hz) QHD/31.5”(240Hz) UHD, Ultra-fast IPS/500Hz and E-TN/540Hz gaming monitor, 96-zone cost-competitive local dimming, DisplayHDR 1400 certification, DP 2.1/4K monitor, 1000R curved monitor, Thunderbolt 4-enabled feature displays ; 4-side like borderless, portable screen, and Eyesafe-certified monitors ; G-Sync R4/super high refresh rate and Night Vision enabled gaming display ; color management (photographer and video post-production usages) monitors.

Projector Products: LED personal portable projectors, LED high brightness commercial projectors, LED 4K UHD gaming projectors, LASER 4K UHD high brightness installation Projectors.

Medical Services: NBH has established multiple key disciplines and medical specialties that are highly regarded in the industry. As of December 31, 2023, NBH had (i) one National Key Clinical Discipline in Thoracic Surgery; (ii) one Jiangsu Provincial Key Clinical Discipline in the Department of Medical Imaging, and one Jiangsu Provincial Key Clinical Discipline Construction Unit in the Department of Urology; and (iii) 16 Nanjing Municipal Key Medical Disciplines. SBH passed the JCI certification in 2020. SBH was also recognized as a National Chest Pain Center, Certified Atrial Fibrillation Center and National Stroke Prevention and Treatment Center. With an acute understanding of market demands, SBH has pursued a differentiated development strategy and accumulated distinctive strengths in departments such as gynecology, pediatrics, geriatrics and rehabilitation.

Smart Hospital: NBH and SBH have developed a “Smart Hospital” operating model and established a “three-in-one” system integrating Smart Healthcare, Smart Services and Smart Management. In February 2023, both NBH and SBH were rated as Class IV Grade A Interconnection Hospital. This achievement symbolizes the hospitals’ advanced level of integration in terms of intelligent healthcare information systems and their abilities to achieve comprehensive information sharing throughout their respective entire institution.

#### (2) Annual Major Actions on R&D and Technology in the Future

LCD Products: Next generation 4-side like frameless, Quick Access Module (USB Hub), Dual-mode WOLED monitors, super high brightness and multiple-K zone, cost-effective HDR product, quantum-dot coupled with cadmium-free wide color gamut, 8K/60Hz & 6K/120Hz high-resolution, USB4/Thunderbolt 5/PD 3.1(140W) application, High power supply (> 200W) solution, curvature below 1,000R monitors, 300/400/600 Hz high refresh rate & high resolution/quick response time, G-sync/FreeSync professional gaming monitors, paper-like display, ES 9.0/TCO 10 compliance and 50% recycle steel application, full range of color adjustment solutions and display software solutions.

Projector Products: LED 4K UHD personal portable projectors, LASER ultra short throw personal portable projectors.

LASER high brightness projectors, LASER 4K UHD high brightness home theater projectors

Medical Services: Both NBH and SBH will continue to elevate the standards of multidisciplinary medical expertise and enhance medical diagnostic and research capabilities. SBH plans to proceed with obtaining Grade A Class III accreditation within the next five years. Both NBH and SBH will continually improve their healthcare service quality by investing in advanced medical facilities, equipment and technologies, while attracting more talented doctors and healthcare professionals to join the two hospitals.

Smart Hospital: Both NBH and SBH will continuously develop smart healthcare platform and advanced diagnosis and solutions. Additionally, the hospitals will continuously introduce the most advanced service modes and diagnosis and treatment technologies to improve operational efficiency and service standardization. For example, the hospitals plan to increase the application of AI technology in providing healthcare services to patients and in the future operation and management of the hospitals.

#### 4. Long-Term and Short-Term Business Development Plan

##### (1) Short-Term Plans:

###### LCD Products:

- Solidify the leading position and provide high-end products.
- Provide all sizes of LCD displays and promote large-size, high-performance and LED backlight models while actively engaging in monitor-related application researches as ways to maintain Qisda's position as one of the top three manufacturers worldwide.
- Increase add-on value in value chains through vertical integration, such as panel module assembly, backlight module design, in-house stamping and in-house plastic injection.

###### Projector Products:

- Solidify the leading position and provide one-stop services featuring hardware and software integrated solutions.
- Continue developing DLP and LCD projector technologies in order to maintain technological advantage and superiority within the industry.
- Cultivate the home projector market utilizing comprehensive product lines. Keep developing solutions for high resolution and high brightness. Improve the quality of wireless transmission

###### Medical Services:

- Solidify the advantage of NBH and SBH and enhance medical expertise through academic research to continuously improve service quality and patient satisfaction.
- Further scale up operations of NBH and SBH to expand service capabilities.
- Continuously develop smart healthcare platform and advanced diagnosis and solutions to improve operational efficiency and service.

##### (2) Long-Term Plans:

###### LCD Products:

- Enhance product customization capabilities and eliminate inefficient activities within the value chain through the synchronization of design and production process of backlight module and displays, thus offering diversified and value-added products.
- Continue cooperating with AUO Corporation Meanwhile, form strategic alliances with other major panel suppliers.
- Expand professional monitor offerings to industrial design, professional CAD/CAM usage, video post-production, color management and medical application markets.
- Optimize hardware and software integrated solutions to provide better user experience in order to create value-added services and increase customers' brand loyalty.

###### Projector Products:

- Expand and enhance product diversifications for mainstream product lines.
- Accelerate the development of high-end and SSL models to complete product offering.

###### Medical Services:

- Form regional medical alliances that covers the full cycle of care needs to promote resource sharing and patient referrals.
- Extend our healthcare service platform through acquisitions.

#### b. Market and Sales Overview

##### 1. Market Analysis

##### (1) Main Sales Areas

LCD Products: Worldwide

Projector Products: Worldwide

Medical Services: The cities of Nanjing and Suzhou in China

(2) Market Share (Key Performance Indicator)

LCD Products: Being one of the top two LCD monitor manufacturers worldwide that occupies the leading position in the industry, Qisda held an approximately 13% of market share in 2022. 23"-plus monitors occupy 84% in product portfolio, which is better than industry average.

Projector Products: With market share at approximately 12%, Qisda group is the worldwide No. 4 projector company in 2023. In terms of brand projectors, the market share reached 7% in 2023, ranking fourth globally.

Medical Services: As measured by revenue in 2022, we are the largest private for-profit general hospital group in the East China region and the fifth largest private for-profit general hospital group nationwide, according to Frost & Sullivan. As measured by revenue in 2022, NBH is the fourth largest private for-profit general hospital in mainland China and the largest private for-profit hospital in Jiangsu Province, according to the same source.

(3) Future Market Supply and Demand and Future Growth, Competitive Niche and Advantages and Disadvantages of the Company's Vision of Development and Response Measures

LCD Products:

A. Advantages:

As the industry consolidates, big players are likely to remain large. Furthermore, the demand of large-size, borderless and low blue light features has been increasing as well as the demand of professional and gaming monitors.

B. Disadvantages:

Severe price competition in a matured market as cost and price become extremely important to brand customers and consumers. Moreover, next-generation array/cell lines go into massive production gradually in the upcoming years. If the demand of end product does not rise accordingly. This will cause the situation of panel over-supply seems to be inevitable.

C. Response Measures:

- i. Provide displays with all panel sizes and promote large-size, high-performance and LED backlight monitors where Qisda is believed to possess distinct advantage over competitors.
- ii. Cultivate and maintain strategic partnerships with top-tier panel vendors to ensure smooth supply of critical parts.
- iii. Increase add-on value within the value chain through vertical integration, such as integrating the design/assembly process for panel module and backlight module and increasing the ratio of in-house stamping and in-house plastic injection.
- iv. Optimize product portfolio by strengthening large-size and high-end professional models.
- v. Product differentiation: Continue with the development of value-added products to increase profitability, avoid price wars and satisfy the demand for multiple displays per room/family.

Projector Products:

A. Advantages:

In addition to the benefit from economies of scale, leading technologies allow Qisda's projectors to remain competitive on a global scale and market share is expected to continue its growth. The brand projector market shows a trend of consolidation, widening the lead over subsequent competitors. Coupled with a globally leading technological competitive advantage, this helps to continue driving the market share upwards.

B. Disadvantages:

Shorter projector product lifecycle and market price disruption caused by growing number of competitors and similar products.

C. Response Measures:

- a. Increase operational efficiency in order to control inventory and fulfill customer needs.
- b. Strengthen product lineup by increasing the ratio of products with high gross profits.

- c. Deeply understand consumer needs and accelerate product development lead-time.
- d. Provide a comprehensive solution for SSL products
- e. Improve price margin by enhancing high end product portfolio.

#### Medical Services:

##### A. Advantages:

Driven by economic growth, favorable policies and expanding yet diversifying public demands for healthcare services in recent years, private hospitals in mainland China have outpaced public hospitals in growth due to their flexibility in management models, service offerings and pricing. The high entry barrier of healthcare service sector and our hospital management experience also makes it impossible for competitors to catch up instantly.

##### B. Disadvantages:

Public hospitals have traditionally held a prominent position in delivering healthcare services in mainland China, and doctors usually hesitate about joining private-owned hospitals. This forms an obstacle in personnel recruitment and development.

##### C. Response Measures:

China government encourages the investment of hospitals by private capitals. In the future, private-owned hospitals will gradually benefit from policies that were only favorable to their state-owned counterparts in the past. With highly advanced hospital management skills and an experienced team backed by the strength of vertical integration within the BenQ group, undoubtedly the BenQ Hospitals will become the leader in the field of medical industry in mainland China.

## 2. Important Applications and Manufacturing Processes of Main Products

### (1) Important Applications of Major Products

LCD Products: Visual display of computer and video/audio device outputs.

Projector Products: Portable and multi-user capacity; specifically, conferences, meetings and trainings for commercial and educational institutions, as well as provide theater-quality videos for home theaters and gaming consoles.

Medical Services: Not applicable.

### (2) Manufacturing Processes:

LCD Products: Incoming inspection → Assembly → Pre-set → Burn-in → Function test → Exterior inspection → Packaging → Inventory → Shipping.

Projector Products: Incoming inspection → Optical system assembly → Module assembly → Burn-in → Final test → Packaging → Inventory → Shipping.

Medical Services: Not applicable.

## 3. Supply Status of Main Materials

LCD Products: Continue cooperating with AUO Corporation to develop superior vertical integration as well as maintaining close partnerships with Taiwan, China & Korea panel vendors in order to ensure smooth supply of panels at lower costs.

Projector Products: The stable supply of key components, such as DMD and LCD panels, are crucial to projector business as suppliers are limited to TI, Epson and Sony. Lamp/SSL suppliers are in a similar state due to the industry's high entry barrier. Qisda has maintained close relationship with suppliers to ensure smooth supply of key components.

Medical Services: Not applicable.

Note: Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE CORPORATION, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its Overview of Operations.

## II. Employee Information

Year		As of March 31, 2024 (Note1)	2023	2022
Total number of employees	Direct employee	11,545	12,330	11,734
	Indirect employee	11,745	11,889	12,555
	Total	23,290	24,219	24,289
Average age		37.4	36.6	35.9
Average duration of service (years)		7.1	6.9	6.7
Educational distribution ratio (%)	Director of Philosophy	0.7%	0.7%	0.7%
	Master's Degree	17.1%	16.6%	15.4%
	Bachelor's Degree	49.0%	47.5%	51.8%
	Senior high school	27.1%	29.3%	27.6%
	Senior high school below	6.1%	5.9%	4.5%

Note 1: As of March 31, 2024 (the Printed Date).

## III. Environmental Protection Expenditures

Losses (including indemnity) caused by environmental pollution and the total indemnity amount involved in the most recent year up to the date this report is published; accounts of future countermeasures (including improvement actions) and possible expenditures (including loss, disposition, and an estimate of indemnity incurred by a failure to implement countermeasures; if a reasonable estimation cannot be made, the justification shall be provided):

1. Losses (including indemnity) caused by the environmental pollution in the most recent year up to the date this report is published, the Company is in compliance with the environmental protection acts. The Company and its subsidiaries were not fined for any other violations against the relevant regulations or requested of environmental improvement from environmental organization in the most recent year up to the publication date this report.
2. Future countermeasures thereof (including improvement actions) and possible expenditures: None. (The Company and its subsidiaries have always put emphasis on environmental protection works. Apart from internal pollution prevention and controls, the factory areas are being continuously improved according to the requirements of the environmental management system (ISO14001:2015), and all facilities are set up according to the relevant regulations to prevent environmental pollution losses.)
3. Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology, Partner Tech Corp., DFI Inc., DATA IMAGE Corporation, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its environmental protection expenditures.

## IV. Labor-Management Relations

List of employee benefits, in-service training, internal training, retirement system, and implementation status, as well as employer-employee agreements, and protection measures for employee entitlements:

1. Employee welfare and implementation: The Company has always been adhered to the business philosophy as "respecting humanity" and "caring for employees". In order to fully take care of the physical and mental health of staff and their relatives, and to establish a life support so that the staff can be dedicated to their work without unnecessary worries. The Company provides and sponsors various welfare plans, and the Welfare Committee is composed of staff themselves. The main measures for the planning and implementation of welfare are as follows:

- a. The Company offers: National Health Insurance, Labor Insurance, travel insurance, labor pension plans, fund for arrear wage debts, occupational injury insurance, Employee Stock Ownership Trust, outpatient center, nursery room and industrial doctors.
- b. The Company additionally offers: Annual festival and performance bonuses, childcare allowance group insurance and health examination, employee remuneration, wedding, funeral and disease support, food stipend subsidy, breakfast lounge, employee training and education program, and staff dorms.
- c. Welfare Committee plans: Club activities, various travel/social activities, various creative/sports competitions, annual gift vouchers, art activities, movie-going, life lectures, massage support, gym and fitness classes, EAP programs, internal coupons, coffee machine and other convenient services.
- d. There are convenient measures within the premise of the Company, including convenience stores, cafes, fruit stands, banking and insurance services, and laundry. In addition, the festival sales events are launched from time to time to provide affordable goods our staff need daily.

## 2. Employee Training

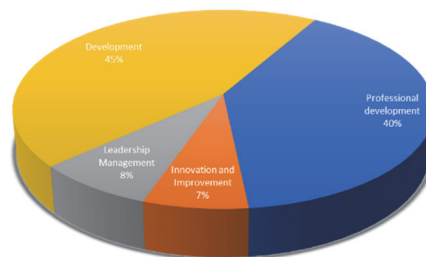
The company places great emphasis on employee training and development. To provide a clear career development blueprint, substantial resources have been allocated. This includes integrating both physical and online learning platforms for employees to undertake relevant courses, and introducing both internal and external resources to develop the Qisda Academy for training employees. Additionally, to convey the importance of social responsibility among employees, courses related to green products, as well as relevant courses like EICC, QC 080000, ESH, and SA8000, are incorporated as mandatory for all colleagues.

The training is based at the Qisda Academy, and courses are categorized into four institutes according to function and participant type: the Institute for Learning and Growth, the Institute for Leadership and Management, the Institute for Professional Development, and the Institute for Innovation and Improvement. These institutes provide a comprehensive learning blueprint tailored to different learning needs. In terms of learning channels, besides physical courses, the Company also provides an internal e-learning platform and a knowledge sharing platform for employees to engage in real-time course studies.

The four institutes cover various types of training courses: The Institute for Learning and Growth includes comprehensive training and orientation for new hires, and courses related to employee competencies, also offering multiple choices for self-development and professional certification. The Institutes for Professional Development and Innovation and Improvement are designed to enhance job-specific knowledge and skills, and to cultivate innovative capabilities through courses in research and development or marketing. Moreover, in response to future trends, courses such as design thinking, innovative development tools, market/business analysis, brand marketing, Python, and industry trend lectures are progressively introduced, helping all colleagues better understand market dynamics, industry trends, and enhance business acumen. The Institute for Leadership and Management tailors its content to the managerial needs of supervisors at different levels, including role responsibility awareness, staff development, team goal setting and advancement, employee performance management and appraisal, and building teams, systematically enhancing their leadership and management skills."

Since the early 2007, the Company has introduced "Six Sigma" to develop the "Continuous Improvement Program" (CIP) to provide concepts and tools employees need for improving their works. And through a series of course design and CIP project implementation, we can help employees to apply the knowledge and skills learned in the course to the actual workflow. More than 6,300 CIP projects have been carried out worldwide, and the improvement results have been significant.

Our employees have always been a very important asset for the Company. In order to enable employees to grow with the Company, we have continued to invest sufficient resources to promote the talent training program. In the future, the Company will continue to develop Qisda Academy and increase the training access to provide more effective training and education for employees and help them apply what they have learned into actual work.



Statistics on the 2023 global employee education and training implementation, and the proportion of the number of classes in each course are as follows:

### 3. Retirement Policy and execution

a. The Company has Retirement Policy.

b. In May of 1986, the Supervisory Committee of Workers' Pension Preparation Fund was established and approved by Taoyuan County Government. In November of 1986, the company began to allocate pension based on 2%~15% of the total monthly wage.

c. Starting from July 2005, the new labor pension plan was implemented in accordance with the law, and allocate pension 6% by monthly.

d. According to the provisions of International Accounting Standard (IFRS), the actuary is required to conduct evaluation on the pension reserve fund, and submit an actuarial assessment report.

### 4. Employee Code of Conduct

The Company issued the "Integrity Handbook" as the highest standard of employee behavior. Moreover, the company regularly conducts employees training, which covering "conflict of interest", "legal compliance", "business secrets and company assets" and "participation in political activities," etc. worldwide.

All the employees of the Company shall abide by the following declaration of good faith:

- We shall adhere to all ethics with the highest standards
- We shall also respect official laws and Company regulations
- All our languages, words and deeds shall be carried out in good faith
- We are strictly prohibited from abusing privileges for illegal misconduct
- We shall do our best to avoid any suspected interest transmission
- We shall never engage in any ethical violations
- We shall seek assistance upon any puzzling of decision-making
- We shall fully cooperate in the investigation of illegal activities
- We shall immediately notify the supervisors upon any discovery of illegal activities
- We extend our business partners based on the code of integrity

In addition, based on the appointment and management of personnel and the compliance of the organization, the Company has a "working rules" and related regulations covering the following matters:

a. Grade and rank system: It lists the Company's job series, job categories, positions and titles, and regulates the grade and rank promotion rules.

b. New recruits probation assessment: Stipulates the assessment regulations for probation.

c. Attendance and leave regulations: Regulations such as leave, overtime, flexible work, annual leave and commemoration days.

d. Wage and bonus regulations: Provide guidance to the various salary-related operating procedures and approved benchmarks, the importance of various wage and bonus issues and Company confidentiality.



- e. Performance management: Assist employees and organizations in planning goal management, implementing corporate strategic goals and visions, and motivating employees' maximum potential and productivity.
  - f. Personal information management: Define the Company's personal information protection and management matters and clarify individual rights and responsibilities.
5. Protective measures for the working environment and personal safety of employees
- The Company attaches great importance to the work environment and employee safety, and expects to be able to fulfill its social responsibilities and achieve sustainability while expanding. In terms of the working environment and personal safety protection measures for employees, in addition to complying with relevant domestic laws and regulations, the Occupational Safety and Health Management System (OHSAS 18001) was promoted in the factory areas. Our relevant management methods include: formulating and implementing safety and health management plans, implementing operational environmental monitoring, safety and health inspections and audits, performing work safety analysis, implementing safety and health education training, etc. to implement safety, health and health protection for employees, improve the working environment and safety and health performance, and achieve the goal of continuous improvement. In addition to ensuring the health and safety of employees, mental health of employees is also one of the management focuses. In the future, the employee assistance program (EAP) will be utilized to continue to achieve such goal.
6. Current important labor agreement and implementation:
- The Company provides various of communication channels within the company, allowing employees to fully express their opinions and reflect problems. For example, regular labor meetings with employees, business briefings, employee welfare committee meetings, and food committee meetings, etc., communicate with company policies and employees. Take opinions such as employee opinion surveys, department meetings, secretarial/assistant symposiums, 2885 online real-time responses, e-newsletters, announcements, etc., and set up "General Manager Mailbox", "Integrity Mailbox", "Sexual Harassment" The 24/7 communication platform, such as the "Trading Mailbox" and "HR Mailbox", collects and understands the employees' problems. Under the mechanism of joint participation and full communication, the labor-management relationship develops harmoniously.
7. Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE Corporation, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its features of employee welfare, education, training, retirement system and their implementation, as well as the agreement between labors and management and the maintenance measures of various employee rights.

List of losses due to labor disputes in the most recent year up to the date this report is published, disclosure of the estimated amount, and countermeasures against current and possible future occurrences. If the amount cannot be reasonably estimated, the reason shall be provided:

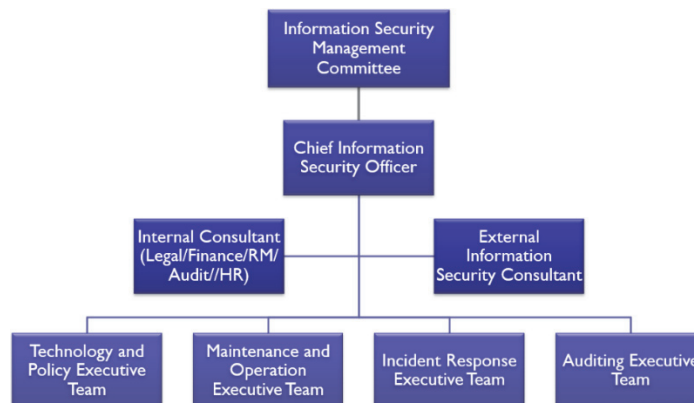
1. Losses caused by labor disputes in the most recent annual period and as of the printing date of the Annual Report: None.
2. Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology, Partner Tech Corp., DFI Inc., DATA IMAGE Corporation, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its labor disputes.

## V. Cybersecurity management

### 1. Framework of Information Security Risk Management

The company has established the Information Security Management Committee to ensure the implementation of the information security management system and the execution of security policy.

The following is Qisda Information Security Committee Organization Chart:



The Information Security Management Committee convene annually. The agenda of the meeting includes:

- a. Review information security policies, inspect the overall development and implementation of the Company's information security management mechanism.
- a). Formulate and review information security policies, provide resources required for information security, and integrate information security objectives into relevant processes to ensure the implementation of the information security management system.
- b). Evaluate the requirements and completeness of the information security management system.
- c). Conduct a review of the following topics in accordance with the International Information Security Regulatory System Standard (ISO 27001):
  - i. Status of proposals from past management review.
  - ii. Changes to internal and external issues related to the information security management system.
  - iii. Feedback on information security performance, including the following trends.
    - i). Non-conformity items and corrective measures.
    - ii). Supervision and measurement results.
    - iii). Auditing Results.
    - iv). Achievement of information security objectives.
  - iv. Feedback from the associate parties.
  - v. The results of the risk assessment and the status of the risk management plan.
  - vi. Opportunities for continuous improvement.
- d). Make the following decisions or actions in accordance with the International Information Security Management System standard (ISO 27001):
  - i. Decisions regarding opportunities for continuous improvement of the information security management system.
  - ii. The need for changes to the information security management system.
- b. Review major information security incidents and take corresponding measures. Report and review information security incidents including current status, and the necessary improvement or punishment measures.
- c. Approve the major information security maintenance items. Review the risk assessment methods and results submitted by the Executive teams based on the selected risk assessment control measures and the acceptable risk levels.

- d. Coordinate cross-departmental division of resources and responsibilities for information security matters.  
For various information security needs, assign the responsible personnel and appropriateness of the assignment based on the implementation results.
- e. Review other regulations or requirements from the competent authorities, the board of directors, and information security policies that needs to be reported to the board of directors.  
Evaluate the scope of application, legality and completeness of the implementation of the information security management system according to the internal and external situation, laws and regulations, and decide whether the content needs to be adjusted and amended.

## 2. Information security policies

To ensure the confidentiality, integrity, accessibility and legality of information assets (hardware, software, data information, documents and personnel related to information processing), and to avoid threats from internal or external accidents or intentional actions, our corporate information security policies are announced based on consideration of the Company's business needs, and reference to ISO 27001 intentional information security international standards.

Information security control measures include:

- Establishment of the information security management organization to supervise the operation of the information security management system, identify the internal and external issues of the information security management system and the information security requirements and expectations of the relevant organizations.  
In 2022, information security department and Chief Information Security Officer was established, which is responsible for the promotion of information security governance, the establishment of consistent information security policies, the formulation of information security management standards, the integration and supervision of the implementation, operation and coordination of the information security management mechanism of the company and its subsidiaries.  
Evaluation and management of information security for internal processes of the company.  
Enhancement of awareness of information security among the Company's employees and division of labor.
- Information security requirements to external suppliers.
- Development of information security indicators.
- Continuous information operations and drills.
- Response to information security incidents.
- Legal compliance.

## 3. Specific information security management plans and resources

- a. To properly protect the information assets within the Company's information security management system, we have determined and implemented relevant specifications for information assets and risk assessment procedures to confirm the risk level of information assets, and determine countermeasures according to risk assessment results in internal meetings. By doing so, we can effectively mitigate, transfer, eliminate or even accept risks.  
The Company has an internal scanning and monitoring system to ensure that the system operates with the latest operational updates to reduce the risk of being attacked.  
We have purchased a third-party information security monitoring system to monitor the level of each risk category, including network security, domain name system health, vulnerability patching, endpoint security, IP reputation rating, application security, etc., and carry out continuous information security system risk analysis with a score of 95 points (the full score is 100 points, and the industry average is 85 points).  
Each year, we review various regulations and evaluate the company's internal information security regulations to ensure compliance with regulations and effectiveness, and regularly publicize relevant security regulations to prevent the company from violating internal regulations, which cause losses to the Company.  
Regarding to supply chain, require the third-party service vendors to sign non-disclosure agreement (NDA) in regard to cyber security.  
In addition to basic information security training for new employees, the Company also

regularly organizes e-mail social engineering exercises to educate employees on information security knowledge such as e-mail sending and receiving, so as to reduce the risk of employees accidentally clicking on malicious e-mail. Through the implementation of various courses, we can not only enhance the staff awareness of information security but also ensure that information security concepts can be incorporated into daily operations.

In 2023, a Security Operations Center (SOC) was implemented, integrating and managing cybersecurity information under various circumstances, responding urgently to security incidents according to control mechanisms, and consolidating and analyzing security events to ensure information security and prevention. In the same year, Privileged Access Management (PAM) was also introduced, focusing on access security policies for privileged accounts, used to control, monitor, protect, and audit privileged identities and activities within the enterprise IT environment.

Cybersecurity red team exercises were conducted, assisting the Company in identifying security gaps and validating detection and response capabilities, thereby continuously strengthening and improving its cybersecurity defenses. Issues identified during the red team exercises were adjusted and improved, and re-testing confirmed that the issues were resolved.

b. Information Security Management

With the establishment of the information security management system, the Company implements information security policies to protect customer data and corporate intelligence property, enhance information security incident response capabilities and achieve information security policy measurement indicators. We also meet the expectations of the stakeholders of the Company, and continue to enhance the Company's security control system through PDCA mechanism, which will assist in improving the Company's competitiveness.

c. Insurance of cybersecurity

Since July 2017, the Company has taken out the Insurance of cybersecurity. In case of insurance claims for expenses incurred during the security incident (such as business interruption, forensics), the insured includes consolidated subsidiaries that owns more than 50% of the Company's stock, to reduce the Company's losses.

d. Countermeasures for Severe Incidents of Information Security

The Company enhances the internal emergency response SOPs and drills during the establishment of the information security management system, and will continue to simulate various MPA attack scenarios and arrange relevant personnel to participate in the drills to ensure lower response time with immediate initiation of emergency procedures and reduce the Company's losses.

e. Security management of information asset equipment

The company protects the confidentiality, availability, and consistency of information assets by establishing a set of information assets classification and inventory mechanism, which effectively identifies the Company's key systems and equipment, and strengthens the physical security management of the server room, including personnel access control, surveillance image system, and item entry and exit management to protect company information appliance.

f. Management of external service vendors

In order to protect the company's own rights and information security, the company establishes a preliminary risk assessment mechanism for external manufacturers and requires them to sign a confidentiality agreement (NDA) when signing service contracts to external manufacturers to protect the Company's confidential information and avoid being misused or disclosed.

g. Information security management system certification

In response to the current information security technology risks, the Company has introduced an information security management system to comprehensively improve information security protection and has achieved ISO 27001 international information security standard certification in August 2020, and passed ISO 27001 reinspection in August

2021.

In addition to investing in software and hardware information security protection, the Company also actively promotes the integration of information security management systems with international standards.

With goals of "confidentiality," "availability," and "integrity", strengthened information security mechanism and continuous maintenance operations improvement are expected to effectively reduce the impact from potential information security incidents, and enhance corporate image and competitiveness.

4. List clearly any losses, possible impacts, and countermeasures caused by significant cybersecurity incidents in the year prior to the annual report publication date; if they cannot be reasonably estimated, an explanation must be made:

There is no major information security incident in the most recent year to the annual report publication date.

For analysis and assessment of other risks, please refer to the 2023 Annual Reports of the Company's Subsidiaries, BenQ Materials Corporation, BenQ Medical Technology, Partner Tech Corp., DFI Inc., DATA IMAGE Corporation, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. respectively.

5. The impact of technological (including cyber security risk) and industrial changes on the Company's financial business and the countermeasures

The Company promotes the policies related cyber security management to fulfill protection for cyber security and deal with related matters. We also regularly evaluate the risk of cyber security, implement cyber security training and formulate the cyber security operating procedure to strictly execute the cyber security risk management.

## VI. Material Contracts

- (1) As of the date of publication of this Report, the material long-term loan agreements and technical cooperation agreements that are still ongoing or are about to expire in the most recent year, are as follows:

March 31, 2024

Contract Type	Party	Contract Term	Content	Restrictions
Financing	Syndicated Crediting Banks	Aug. 15, 2023 – Aug. 15, 2028	Syndicated crediting of NT\$ 12 billion	None
Financing	Syndicated Crediting Banks	Nov.22, 2021 – Nov.22, 2026	Syndicated crediting of NT\$ 12 billion	None
Financing	Syndicated Crediting Banks	Dec.14, 2020 – Dec.14, 2025	Syndicated crediting of NT\$ 8.4 billion	None
Financing Guarantee	Mega International Commercial Bank Co., Ltd.	Jun. 28, 2022 – Jun.28, 2027	Appointed guarantee for Secured Corporate Bond of NT\$3 billion	None
Licensing	Qualcomm Incorporated	Jan. 6, 2005 – Termination of auto-renewal	Licensing of specific patents for communication related	None
Licensing	Telefonaktiebolaget LM Ericsson	Based on the Contract	Licensing of specific patents for communication related	None

Note : Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE Corporation, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its major contracts signed.

# Financial Highlights

## I. Condensed Balance Sheet and Statement of Comprehensive Income for the most recent five years

### (I) International Financial Reporting Standards (IFRS)

#### Condensed Consolidated Balance Sheet

Unit: NT\$ thousands

Item	Year	Financial data for the most recent five years (Note 1)				
		2023	2022	2021	2020	2019
Current Assets		108,010,398	121,385,806	110,588,642	102,323,769	78,332,746
Property, plant and equipment		40,389,379	36,506,711	33,037,041	30,188,228	23,915,978
Intangible assets		9,512,853	10,227,656	10,538,787	9,118,895	5,069,111
Other Assets (Note 2)		30,511,007	25,295,619	33,074,059	29,181,057	28,708,658
Total Assets		188,423,637	193,415,792	187,238,529	170,811,949	136,026,493
Current Liabilities	Before distribution	85,268,520	84,643,620	88,333,471	82,829,234	65,707,236
	After distribution	87,628,658	88,577,184	93,250,426	85,779,407	67,182,322
Non-current liabilities		39,061,545	40,834,741	32,742,295	29,019,495	22,283,663
Total Liabilities	Before distribution	124,330,065	125,478,361	121,075,766	111,848,729	87,990,899
	After distribution	126,690,203	129,411,925	125,964,787	114,798,902	89,465,985
Equity attributable to shareholders of Qisda Corp.		37,057,358	40,726,314	41,456,423	36,025,501	33,943,959
Common Stock		19,667,820	19,667,820	19,667,820	19,667,820	19,667,820
Capital Surplus		1,983,975	1,949,409	1,844,310	1,879,501	2,220,653
Retained Earnings	Before distribution	18,793,317	24,185,472	20,777,515	15,742,825	12,663,994
	After distribution	16,433,179	20,251,908	15,860,560	12,792,652	11,188,908
Other equity		(3,387,754)	(5,076,387)	(833,222)	(1,264,645)	(608,508)
Treasury stock		-	-	-	-	-
Non-controlling interests		27,036,214	27,211,117	24,706,340	22,937,719	14,091,635
Total Equity	Before distribution	64,093,572	67,937,431	66,162,763	58,963,220	48,035,594
	After distribution	61,733,434	64,003,867	61,245,808	56,013,047	46,560,508

Note 1: The financial data for the most recent five years has been audited and attested by CPAs. As of the printed date of this Annual Report, the 2024 financial data has not been audited or reviewed by CPAs.

Note 2: Other assets are non-current assets excluding property, plant and equipment, and intangible assets.

#### Condensed Consolidated Statement of Comprehensive Income

Unit: NT\$ thousands

Item	Year	Financial data for the most recent five years (Note)				
		2023	2022	2021	2020	2019
Revenue		203,594,781	239,837,296	225,961,031	191,701,702	169,754,115
Gross profit		33,075,903	34,561,068	32,556,617	26,826,789	23,049,869
Profit (Loss) from operations		5,011,172	5,852,357	7,360,966	6,612,854	6,228,087
Non-operating income and expenses		1,308,568	10,770,944	5,631,380	1,599,782	(283,096)
Profit (Loss) before income tax		6,319,740	16,623,301	12,992,346	8,212,636	5,944,991
Profit (Loss) from continuing operations for the year		4,516,079	11,079,069	10,482,857	6,366,561	4,409,644
Profit (Loss) for the year		4,516,079	11,079,069	10,482,857	6,366,561	4,409,644
Other comprehensive income (loss), net of tax		1,977,906	(3,760,990)	673,251	(328,194)	(517,025)
Total comprehensive income (loss) for the year		6,493,985	7,318,079	11,156,108	6,038,367	3,892,619
Profit (Loss) attributable to shareholders of Qisda Corp.		2,975,733	8,251,930	8,307,546	4,988,479	3,575,055
Profit (Loss) attributable to non-controlling interests		1,540,346	2,827,139	2,175,311	1,378,082	834,589
Total comprehensive income (loss) attributable to shareholders of Qisda Corp.		4,920,533	4,098,466	9,051,873	4,630,462	3,139,647
Total comprehensive income (loss) attributable to non-controlling interests		1,573,452	3,219,613	2,104,235	1,407,905	752,972
Earnings Per Share (EPS)		1.51	4.20	4.22	2.54	1.82

Note: financial data for the most recent five years has been audited and attested by CPAs. As of the printed date of this Annual Report, the 2024 financial data has not been audited or reviewed by CPAs.

## Condensed Parent Company Only Balance Sheet

Unit: NT\$ thousands

Item	Year	Financial data for the most recent five years (Note 1)				
		2023	2022	2021	2020	2019
Current Assets		31,960,947	29,768,360	27,063,283	28,557,901	32,079,579
Property, plant and equipment		2,021,479	2,106,101	1,949,691	1,513,839	1,519,417
Intangible assets		197,775	213,195	225,918	12,327	10,851
Other Assets (Note 2)		66,384,773	65,726,969	67,970,992	60,263,409	50,663,747
Total Assets		100,564,974	97,814,625	97,209,884	90,347,476	84,273,594
Current Liabilities	Before distribution	38,360,383	26,457,915	33,983,023	35,261,644	37,703,173
	After distribution	40,720,521	30,391,479	38,899,978	38,211,817	39,178,259
Non-current liabilities		25,147,233	30,630,396	21,770,438	19,060,331	12,626,462
Total Liabilities	Before distribution	63,507,616	57,088,311	55,753,461	54,321,975	50,329,635
	After distribution	65,867,754	61,021,875	60,670,416	57,272,148	51,804,721
Equity attributable to shareholders of Qisda Corp.		37,057,358	40,726,314	41,456,423	36,025,501	33,943,959
Common Stock		19,667,820	19,667,820	19,667,820	19,667,820	19,667,820
Capital Surplus		1,983,975	1,949,409	1,844,310	1,879,501	2,220,653
Retained Earnings	Before distribution	18,793,317	24,185,472	20,777,515	15,742,825	12,663,994
	After distribution	16,433,179	20,251,908	15,860,560	12,792,652	11,188,908
Other equity		(3,387,754)	(5,076,387)	(833,222)	(1,264,645)	(608,508)
Total Equity	Before distribution	37,057,358	40,726,314	41,456,423	36,025,501	33,943,959
	After distribution	34,697,220	36,792,750	36,539,468	33,075,328	32,468,873

Note 1: The financial data for the most recent five years has been audited and attested by CPAs. As of the printed date of this Annual Report, the 2024 financial data has not been audited or reviewed by CPAs.

Note 2: Other assets are non-current assets excluding property, plant and equipment, and intangible assets.

## Condensed Parent Company Only Comprehensive Income

Unit: NT\$ thousands

Item	Year	Financial data for the most recent five years (Note 1)				
		2023	2022	2021	2020	2019
Revenue		75,425,479	101,928,525	104,634,583	92,411,291	98,496,920
Gross profit		3,541,216	4,927,567	4,491,094	5,089,536	5,547,128
Profit (Loss) from operations		(708,880)	139,117	63,309	981,411	1,795,302
Non-operating income and expenses		3,690,580	8,246,660	8,380,250	4,269,521	2,045,583
Profit (Loss) before income tax		2,981,700	8,385,777	8,443,559	5,250,932	3,840,885
Profit (Loss) for the year		2,975,733	8,251,930	8,307,546	4,988,479	3,575,055
Other comprehensive income (loss), net of tax		1,944,800	(4,153,464)	744,327	(358,017)	(435,408)
Total comprehensive income (loss) for the year		4,920,533	4,098,466	9,051,873	4,630,462	3,139,647
Profit (Loss) attributable to shareholders of Qisda Corp.		2,975,733	8,251,930	8,307,546	4,988,479	3,575,055
Profit (Loss) attributable to non-controlling interests		-	-	-	-	-
Total comprehensive income (loss) attributable to shareholders of Qisda Corp.		4,920,533	4,098,466	9,051,873	4,630,462	3,139,647
Total comprehensive income (loss) attributable to non-controlling interests		-	-	-	-	-
Earnings Per Share (EPS)		1.51	4.20	4.22	2.54	1.82

Note: The financial data for the most recent five years has been audited and attested by CPAs. As of the printed date of this Annual Report, the 2024 financial data has not been audited or reviewed by CPAs.

## (II) The Names of CPAs and Their Audit Opinions for the Most Recent Five Years.

Year	2023	2022	2021	2020	2019
CPA	Chang, Huei-Chen	Chang, Huei-Chen	Chang, Huei-Chen	Tang, Tzu-Chieh	Tang, Tzu-Chieh
	Shih, Wei-Ming	Shih, Wei-Ming	Shih, Wei-Ming	Chang, Huei-Chen	Chang, Huei-Chen
Opinion and content	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion	Unqualified opinion

## II. Financial analysis for the most recent five years

### (I) International Financial Reporting Standards - Consolidated Financial Analysis

Item analyzed		Year	Financial analysis for the most recent five years (Note)				
			2023	2022	2021	2020	2019
Financial structure	Ratio of debts to assets (%)		65.98	64.87	64.66	65.48	64.69
	Ratio of long-term capital to property, plant and equipment (%)		255.40	297.95	299.38	291.45	294.03
Solvency	Current ratio (%)		126.67	143.41	125.19	123.54	119.21
	Quick ratio (%)		80.63	90.31	67.28	79.45	75.79
	Interest coverage ratio		4.49	14.89	19.87	11.83	6.88
Operating ability	Receivables turnover rate (times)		5.21	6.56	6.50	5.65	5.71
	Average collection days for receivables		70	56	56	65	64
	Inventory turnover rate (times)		4.17	4.37	4.54	5.23	5.54
	Payable turnover rate (times)		5.73	5.88	4.76	4.62	4.77
	Average days for sales		88	84	80	70	66
	Property, plant and equipment turnover rate (times)		5.30	6.90	7.15	7.09	7.56
	Total asset turnover rate (times)		1.07	1.26	1.26	1.25	1.33
Profitability	Return on assets (%)		3.12	6.32	6.16	4.55	4.08
	Return on equity (%)		6.84	16.52	16.76	11.90	10.03
	Ratio of profit before income tax to paid-in capital (%)		32.13	84.52	66.06	41.76	30.23
	Profit margin (%)		2.22	4.62	4.64	3.32	2.60
	Earnings per share (NT\$)		1.51	4.20	4.22	2.54	1.82
Cash flow	Cash flow ratio (%)		15.96	-1.41	2.39	17.59	12.90
	Cash flow adequacy ratio (%)		57.22	48.64	51.77	88.37	92.62
	Cash flow reinvestment ratio (%)		10.21	-4.50	-4.69	17.51	12.70
Leveraging	Operating leverage		8.13	7.22	5.38	4.87	4.44
	Financial leverage		1.56	1.26	1.10	1.13	1.19

#### Reasons for changes in financial ratios in the most recent two years:

1. The decrease in the current ratio and quick ratio was primarily due to the reduction in cash accounts receivable and inventories, caused by a decrease in business scale in 2023.
2. The decrease in the interest coverage ratio was mainly due to the decrease in profits and increased interest expenses resulting from rising interest rates.
3. The decrease in the accounts receivable turnover rate was mainly due to the decrease in the sales of accounts receivable. If it had not been sold out, the accounts receivable turnover rate would have been approximately the same.
4. The decrease in Fixed Assets Turnover was mainly due to the decrease in business scale affected by global terminal consumption momentum, caused by resulting in a decrease in turnover rate.
5. The decrease in Profitability, including return on assets, return on equity, ratio of profit before tax to paid-in capital, profit margin and Earnings per share, which was mainly due to the reduction in net income after taxes compared 2022 to 2023.
6. The cash flow ratio increased significantly, mainly because cash from operating activities was an outflow in 2022 and an inflow in 2023.
7. The increase in Cash flow reinvestment ratio was mainly due to the increase significantly in Operating Cash Flow compared 2022 to 2023.
8. The increase in Financial leverage was mainly due to increased interest expenses resulting from rising interest rates compared 2022 to 2023.

Note: The accompanying financial data has been audited and attested by CPAs. As of the date of printing of the Annual Report, the 2024 financial data has not been attested or reviewed by CPAs.



## (II) International Financial Reporting Standards– Parent Company Only Financial Analysis

Item analyzed	Year	Financial analysis for the most recent five years (Note)				
		2023	2022	2021	2020	2019
Financial structure	Ratio of debts to assets (%)	63.15	58.36	57.35	60.13	59.72
	Ratio of long-term capital to property, plant and equipment (%)	3,077.18	3,388.10	3,242.92	3,638.82	3,065.02
Solvency	Current ratio (%)	83.32	112.51	79.64	80.99	85.08
	Quick ratio (%)	67.05	87.66	62.19	68.22	71.16
	Interest coverage ratio	5.46	16.16	23.75	15.50	9.85
Operating ability	Receivables turnover rate (times)	3.37	4.88	4.84	3.79	3.74
	Average collection days for receivables	108	75	75	96	98
	Inventory turnover rate (times)	11.29	15.58	19.49	18.25	19.70
	Payable turnover rate (times)	3.19	4.41	4.02	3.37	3.46
	Average days for sales	32	23	19	20	19
	Property, plant and equipment turnover rate (times)	36.55	50.26	60.42	60.93	65.63
	Total asset turnover rate (times)	0.76	1.05	1.12	1.06	1.19
Profitability	Return on assets (%)	3.54	8.92	9.18	6.05	4.74
	Return on equity (%)	7.65	20.08	21.44	14.26	10.77
	Ratio of profit before income tax to paid-in capital (%)	15.16	42.64	42.93	26.70	19.53
	Profit margin (%)	3.95	8.10	7.94	5.40	3.63
	Earnings per share (NT\$)	1.51	4.20	4.22	2.54	1.82
Cash flow	Cash flow ratio (%)	35.57	-17.53	16.33	9.45	13.55
	Cash flow adequacy ratio (%)	115.70	50.11	71.06	105.85	113.00
	Cash flow reinvestment ratio (%)	21.03	-13.40	1.37	0.71	8.08
Leveraging	Operating leverage	-5.42	37.93	76.13	5.41	3.19
	Financial leverage	0.51	-0.34	-0.21	1.58	1.32

Reasons for changes in financial ratios in the most recent two annual periods:

1. The decrease in the current ratio and quick ratio was mainly due to the increase in short-term borrowing to repay accounts payable to suppliers.
2. The decrease in the interest coverage ratio was mainly due to a reduction in tax and net income before tax and increase in interest expenses in 2023.
3. The decrease in receivables turnover rate and increase in average collection days for receivables was mainly due to the decrease in net sales.
4. The decrease in inventory turnover rate and increase in average days of sales were mainly due to the decrease in operating costs in 2023.
5. The decrease in payable turnover rate was mainly due to the decrease in cost of goods sold relative to the decrease in net sales.
6. The property, plant and equipment turnover rate and Total asset turnover rate decreased were mainly due to the decrease in net sales.
7. The decrease in Profitability, including return on assets, return on equity, ratio of profit before tax to paid-in capital, profit margin and Earnings per share, which was mainly due to the reduction in net income compared 2022 to 2023.
8. The increase in cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio were mainly due to an increase in net cash flows from operating activities in 2023.
9. The decrease in operating leverage and Financial leverage is mainly due to operating losses in 2023.

Note: The accompanying financial data has been audited and attested by CPAs. As of the date of printing of the Annual Report, the 2024 financial data has not been attested or reviewed by CPAs.

Below are calculations:

1. Financial structure

- (1) Ratio of debts to asset = Total liabilities / Total assets
- (2) Ratio of long-term capital to property, plant, and equipment = (Total equity + Non-current liabilities) / Net property, plant and equipment

2. Solvency

- (1) Current ratio = Current assets / Current liabilities.
- (2) Quick ratio = (Current assets - Inventories - Prepaid expenses) / Current liabilities
- (3) Interest coverage ratio = Net income before income tax and interest expense / Interest expenses over this period.

3. Operating ability

- (1) Receivable (including accounts receivable and notes receivable due to business operations) turnover rate = Net sales / Balance of average accounts receivable for various periods (including accounts receivable and notes receivable due to business operations).
- (2) Average collection days for receivables = 365/Receivables turnover rate.
- (3) Inventory turnover rate = Cost of goods sold/ Average inventory.
- (4) Payable (including accounts payable and notes payable due to business operations) turnover rate = Cost of goods sold / Balance of average accounts payables of various periods (including accounts payable and notes payable due to business operations).
- (5) Average days for sales = 365 / Inventory turnover rate.
- (6) Property, plant and equipment turnover rate = Net sale/Average net property, plant and equipment.
- (7) Total asset turnover rate = Net sales / Average total assets

4. Profitability

- (1) Return on assets = [Net income after taxes + interest expense x (1 - tax rate)] / Average total assets
- (2) Return on equity = Net income after taxes / Average total equity
- (3) Profit margin = Net income after taxes / Net sales
- (4) Earnings per share = (Net income attributable to shareholders of the parent company - preferred stock dividend) / Weighted average number of shares outstanding

5. Cash flow

- (1) Cash flow ratio = Net cash flow of operating activities / Current liabilities.
- (2) Cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years / (Capital expenditures + inventory increase + cash dividend) for the most recent five years.
- (3) Cash flow reinvestment ratio = (Net cash flow from operating activities - cash dividends) / (Gross value of property, plant, and equipment + Long-term investments + Other non-current assets + working capital).

6. Leveraging

- (1) Operating leverage = (Net operating revenue - variable operating cost and expenses) / Operating profit.
- (2) Financial leverage = Operating profit / (Operating profit - interest expenses).

### III. The Audit Committee's Review Report

#### The Audit Committee's Review Report

The Board of Directors has prepared the Company's Financial Statements for the year of 2023. Chang, Huei-Chen and Shih, Wei-Ming Certified Public Accountants of KPMG, have audited the Financial Statements. The 2023 Financial Statements, Business Report, Independent Auditors' Review Report and Earnings Distribution Proposal have been reviewed and determined to be correct and accurate by the Audit Committee of Qisda Corporation. I, as the Chair of the Audit Committee, hereby submit this report according to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act.

Qisda Corporation

Chair of the Audit Committee

Lo-Yu (Charles) Yen

March 5, 2024



- IV. Consolidated Financial Statements with Independent Auditors' Report of the most recent year: please refer to Appendix 1 (Pages 130).
- V. Parent Company only Financial Statements with Independent Auditors' Report for the most recent year: Please refer to Appendix 2 (Pages 282).
- VI. Any financial difficulties experienced by the Company and its affiliate businesses during the most recent year up to the publication date of this report need to be stated as well as the impact on the Company's financial position need to be outlined: None.

# Review and Analysis of Financial Position and Financial Performance, and Risk Management

## I. Financial position

### Financial position analysis

Unit: NT\$ thousands

Item	Year	2023	2022	Difference	
				Amount	%
Current assets		108,010,398	121,385,806	(13,375,408)	-11.02%
Investment accounted for using equity method		8,313,613	5,479,148	2,834,465	51.73%
Property, plant and equipment		40,389,379	36,506,711	3,882,668	10.64%
Investment property		844,682	921,424	(76,742)	-8.33%
Intangible assets		9,512,853	10,227,656	(714,803)	-6.99%
Other non-current assets		21,352,712	18,895,047	2,457,665	13.01%
Total assets		188,423,637	193,415,792	(4,992,155)	-2.58%
Current liabilities		85,268,520	84,643,620	624,900	0.74%
Long-term debt		29,784,806	32,086,612	(2,301,806)	-7.17%
Other non-current liabilities		9,276,739	8,748,129	528,610	6.04%
Total liabilities		124,330,065	125,478,361	(1,148,296)	-0.92%
Common stock		19,667,820	19,667,820	0	0.00%
Capital surplus		1,983,975	1,949,409	34,566	1.77%
Retained earnings		18,793,317	24,185,472	(5,392,155)	-22.30%
Other equity		(3,387,754)	(5,076,387)	1,688,633	-33.26%
Equity attributable to shareholders of Qisda Corp.		37,057,358	40,726,314	(3,668,956)	-9.01%
Non-controlling interests		27,036,214	27,211,117	(174,903)	-0.64%
Total equity		64,093,572	67,937,431	(3,843,859)	-5.66%

Reasons for changes in proportion in the most recent two years:

1. The increase in investments using the equity method was mainly due to the investment in NORBEL BABY CO. LTD. and Topview Optronics Corp. being transferred to the investments accounted for using equity method.
2. The decrease in retained earnings was mainly caused by the repurchase of BBHC's minority shares.
3. The decrease in other negative equity is mainly due to the decrease in unrealized losses on financial assets measured at fair value through other comprehensive gains and losses.

## II. Financial performance

### Financial performance analysis

Unit: NT\$ thousands

Item	Year	2023	2022	Increase (decrease) amount	Change in proportion
Cost of sales		170,518,878	205,276,228	(34,757,350)	-16.93%
Gross profit		33,075,903	34,561,068	(1,485,165)	-4.30%
Operating expenses		28,064,731	28,708,711	(643,980)	-2.24%
Profit (Loss) from operations		5,011,172	5,852,357	(841,185)	-14.37%
Non-operating income and expenses		1,308,568	10,770,944	(9,462,376)	-87.85%
Profit (Loss) before income tax for the year		6,319,740	16,623,301	(10,303,561)	-61.98%
Income tax expense (benefits)		1,803,661	5,544,232	(3,740,571)	-67.47%
Profit (Loss) for the year		4,516,079	11,079,069	(6,562,990)	-59.24%

Reasons for changes in proportion in the most recent two years:

1. The reduction in non-operating income and expenses is mainly due to gains from the disposal of BQHK in 2022.
2. The decrease in income tax expense is mainly due to the gain from the disposal of BQHK in 2022, resulting in lower income tax expenses in China and Taiwan in 2023 compared to the previous year.

### III. Cash flow

#### (1) Change in consolidated cash flow in 2023

Unit: NT\$ thousands

Cash balance at the beginning of 2023	2023 Net cash flow	Cash balance at the end of 2023
31,202,619	(5,729,720)	25,472,899

#### (II) Analysis of changes in consolidated cash flow in 2023

Unit: NT\$ thousands

Item	2023	2022	Increase (decrease) amount	Change in proportion
Net cash flows provided by operating activities	13,611,010	(1,190,960)	14,801,970	1,243%
Net cash flows used in investing activities	(8,773,547)	8,355,330	(17,128,877)	-205%
Net cash flows used in financing activities	(10,518,022)	3,336,129	(13,854,151)	-415%

- (1) Operating activities turned into net cash inflows were mainly due to the decrease in capital demand for operating activities in 2023.
- (2) Investing activities turned into net cash outflows, which were mainly due to the decrease in net disposal proceeds of subsidiary in 2023 and the increase in time deposits of more than three months.
- (3) The net cash outflow from financing activities, which was mainly due to the purchase of subsidiary equity from non-controlling interests in 2023 and the decrease in bank borrowings compared to 2022.

(III) Liquidity improvement plan: The Company showed no signs of liquidity deficit.

(IV) Analysis of cash liquidity in the coming year: The Company, on the premise of maintaining stable cash liquidity, will carefully plan and manage cash expenditures related to investments and operations while taking, cash balances on accounts, cash flows from operating activities and investing activities and the status of financial markets into consideration.

### IV. Material expenditures of the most recent year and impact on the Company's finances and operations

On consolidated statements, the company and subsidiaries purchased approximately NT\$5 billion in real property, plant and equipment in 2023 accounting for 2.5% of net sales, and had no significant impact on the company's financial business.

### V. Investment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the improvement plan, and investment plans for the coming year

The Company's investment policies are in line with business development strategies and operational needs. The annual consolidated financial statements the Share of profits of associates and joint ventures amount is NT\$404,997,000 in 2023. For the coming annual period, we will continue to focus on relevant strategic investment in the industry and continue to prudently evaluate the investment plans.

## VI. Risk Management

Qisda's risk management focuses on company's risk management system and risks transfer planning: Risk Management Committee (RMC) manages strategical, operational, financial and hazardous risks, and defines the vision and strategy of Qisda's risk management to control intolerable risks and optimize total costs of risk management.

### (I) Risk Management Vision

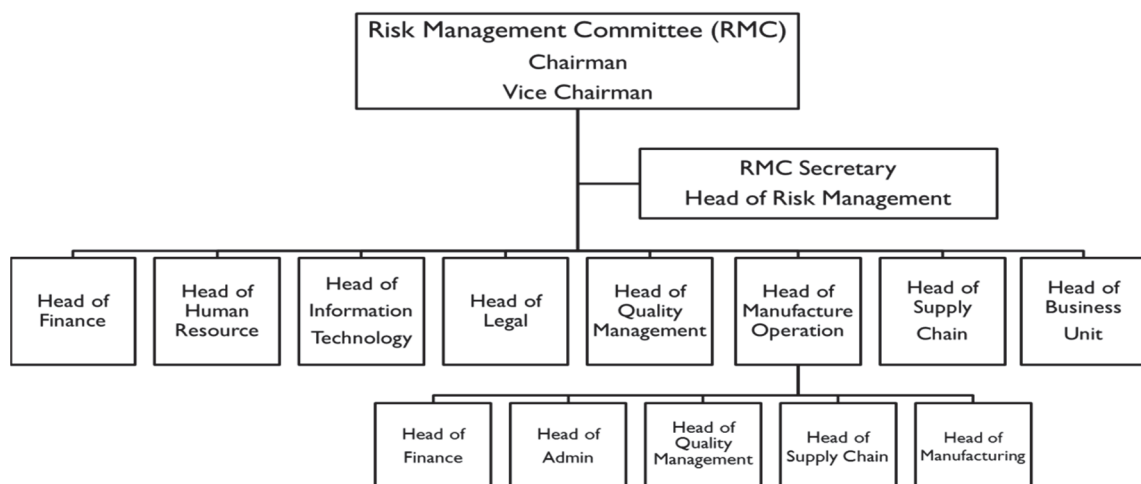
- a. Commit to provide products and services continuously to create the long-term value for customers, shareholders, employees and society.
- b. Systematic risk management organization and procedures, timely and effective identification, evaluation, handling, reporting and monitoring of major risks that threaten business viability, and increasing risk awareness of employees are essential for Risk Management.
- c. The vision and policy of Qisda's risk management is not to pursue "zero" risk but effectively manage those risks that exceed the tolerance, and to optimize the total costs of risks management.

### (II) Risk Management Policy

- a. Ensuring the company's sustainable operation, RMC should identify, evaluate, handle, report, and monitor those risks that may have negative impacts on company's operational objectives on annual basis.
- b. Risk should be identified and controlled before incident and loss should be mitigated during the incident, and supply system of products and services should be recovered as soon as possible afterward. Business Continuity Plans (BCPs) should be established for those major loss scenarios identified by RMC.
- c. In consideration of cost, different control measures can be used for tolerable risks, except for:
  - Risks that may endanger employee's life.
  - Risks that may lead to the violation of law.
  - Risks that may damage company's reputation.

### (III) RMC Organization Chart

RMC consists of chairman, secretary and members. Chief Executive Officer serves as chairman of the committee; head of Risk Management Dept. is appointed to be the secretary; all other heads of functional units are members.



## VII. Matters for Analysis and Assessment for Risks

### (i) The impact of interest rates, exchange rates changes and inflation on the Company's profits and losses and future countermeasures

#### 1. The impact of recent changes in interest rates on the Company's profits and losses and future countermeasures

The bank loans to the Company and its subsidiaries are based on a floating rate basis. The measures taken by the Company and its subsidiaries in response to the risk of changes in interest rates are to regularly assess the interest rates of banks and currencies, and maintain good relationships with financial institutions in order to maintain lower financing costs and enhance the management of working capital, reduce the dependence on bank loans and diffuse the risk of changes in interest rates.

The following sensitivity analysis is based on interest rate risk. For floating rate liabilities, the analysis is based on the assumption that the balance of liabilities outstanding on the reporting date is circulating throughout the whole annual period.

If the annual interest rate increases or decreases by 1%, the net profit before tax of the Company and its subsidiaries in 2023 and 2022 will be reduced or increased by NT\$ 612,606,000 and NT\$ 596,920,000 respectively, with all other variables remaining unchanged. This is mainly due to the floating interest rates of loans for the Company and its subsidiaries.

#### 2. The impact of exchange rate changes on the Company's profits and losses in the most recent annual period and future countermeasures

The Group utilizes foreign currency forward contracts and foreign exchange swaps to hedge its foreign currency exposure with respect to its sales and purchases. These financial instruments help to reduce, but do not eliminate, the impact of foreign currency exchange rate movements. The maturity dates of derivative financial instruments the Group entered into were less than six months and did not conform to the criteria for hedge accounting. The Group's exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable (including related-party transactions), notes and accounts payable (including related-party transactions), other receivables (including related-party transactions), other payables (including related-party transactions), and loans and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. At the reporting date, the carrying amounts of the Group's significant monetary assets and liabilities denominated in a currency other than the respective functional currencies of Group entities and their respective sensitivity analysis were as follows (including the monetary items that have been eliminated in the accompanying consolidated financial statements):

Unit: thousands

	December 31, 2023					
	Foreign currency	Exchange rate	TWD	Change in magnitude	Effect on profit or loss	
<u>Financial assets</u>						
<u>Monetary item</u>						
USD	\$	1,613,382	30.7500	49,611,497	1%	496,115
EUR		28,414	34.0340	967,042	1%	9,670
CNY		2,230,074	4.3364	9,670,493	1%	96,705
JPY		2,621,014	0.2175	570,071	1%	5,701
<u>Non-monetary item</u>						
CNY		9,558	4.3364	41,447	1%	414
<u>Financial Liabilities</u>						
<u>Monetary item</u>						
USD		1,533,736	30.7500	47,162,382	1%	471,624
EUR		7,420	34.0340	252,532	1%	2,525

December 31, 2023					
	Foreign currency	Exchange rate	TWD	Change in magnitude	Effect on profit or loss
CNY	2,292,438	4.3364	9,940,928	1%	99,409
JPY	9,636,556	0.2175	2,095,951	1%	20,960

December 31, 2022					
	Foreign currency	Exchange rate	TWD	Change in magnitude	Effect on profit or loss
<u>Financial</u>					
<u>assets</u>					
<u>Monetary item</u>					
USD	\$ 1,743,465	30.7300	53,576,679	1%	535,767
EUR	47,816	32.8200	1,569,321	1%	15,693
CNY	3,216,324	4.4057	14,170,159	1%	141,702
JPY	3,685,610	0.2330	858,747	1%	8,587
<u>Non-</u>					
<u>monetary</u>					
<u>item</u>					
CNY	10,049	4.4057	44,273	1%	443
<u>Financial</u>					
<u>Liabilities</u>					
<u>Monetary item</u>					
USD	1,259,713	30.7300	38,710,980	1%	387,110
EUR	9,708	32.8200	318,617	1%	3,186
CNY	2,419,549	4.4057	10,659,807	1%	106,598
JPY	8,592,235	0.2330	2,001,991	1%	20,020

As the Group deal in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. The aggregate of realized and unrealized foreign exchange gains (losses) for the years ended December 31, 2023 and 2022 were \$93,506,000 and \$53,703,000, respectively.

### 3. The impact of inflation on the Company's profits and losses and future countermeasures

In recent years, the market prices have risen steadily. The Company and its subsidiaries will continue to pay full attention to the inflation and appropriately adjust the product retail price and inventory to reduce the impact of inflation on the Company and its subsidiaries, and sign procurement contracts the major raw material suppliers.

- (ii) The main reasons for the high-risk, high-leveraged investment, capital loan, guarantee/endorsement and derivative commodity trading, and the profits or losses and future countermeasures.

The Company and its subsidiaries have always adhered to the policies of not engaging in high-risk, high-leveraged investments. Our derivatives trading is based on risk aversion and does not engage in speculative trading. The trading of the derivatives of the Company and its subsidiaries in 2023 was based on the principles of hedging and there was no relevant operational risk generated. In the future, the Company will continue to conduct derivatives transactions on the principles of hedging caused by exchange rate and interest rate fluctuations, and continue to regularly assess foreign exchange positions and risks to reduce the Company's operational risks.

The Company and its subsidiaries have engaged in forward foreign exchange contracts and FX swap transactions mainly to hedge the risks arising from fluctuations in exchange rates of assets or liabilities denominated in foreign currencies, which are highly negatively related to the fair value changes of the derivative financial products used as hedging tools, and the assessment is regularly conducted. However, it is not subject to the hedge accounting treatment conditions and is therefore classified as a financial asset or liability measured at fair value of profits or losses.



When the Company and its subsidiaries engage in loaning funds to others, making guarantee/endorsement guarantees and conducting derivatives transactions, in addition to complying with relevant operating procedures, we shall regularly file the announcement in accordance with the regulations of the competent authority. As of the printing date of this Annual Report, the recipients of the Company's and its subsidiaries' loaned funds and guarantee/endorsement are only our subsidiaries.

(III) R&D expenses for future R&D projects and investment amount.

In 2024, the Company is planning to invest more than NT\$ 7.1 billion in R&D expenditures. In the future, we will adjust our investment plans according to the global industry development trend and the actual operating conditions of the Company.

Future R&D plans of the Company

1. LCD Products: Next generation 4-side like frameless, Quick Access Module (USB Hub), Dual-mode WOLED monitors, super high brightness and multiple-K zone, cost-effective HDR product, quantum-dot coupled with cadmium-free wide color gamut, 8K/60Hz & 6K/120Hz high-resolution, USB4/Thunderbolt 5/PD 3.1(140W) application, High power supply (> 200W) solution, curvature below 1,000R monitors, 300/400/600 Hz high refresh rate & high resolution/quick response time, G-sync/FreeSync professional gaming monitors, paper-like display, ES 9.0/TCO 10 compliance and 50% recycle steel application, full range of color adjustment solutions and display software solutions.
2. Projector Products: LED 4K UHD personal portable projectors, LASER ultra short throw personal portable projectors.

(IV) The impact of important policies and legal regulations changes at domestic and abroad on the Company's financial status and the countermeasures

1. Policies:

The relevant units of the Company have always paid full attention to and studied the policies and laws that may affect the Company's operations, and adjusted the internal system of the Company to ensure the smooth corporate operation. In the most recent annual period, there had been no significant impact on the Company's financial status due to important domestic and foreign policies changes.

2. Legal regulations:

- a. The Company's business operation philosophy is to comply with relevant laws and regulations as the priority; therefore, the Company's management team is always aware of the changes of relevant laws and regulations, and can respond to various situations arising from regulatory changes at any time.
- b. There have been no other significant impact to the company's financial status due to legal changes in the most recent annual period.

(V) The impact of technological (including cyber security risk) and industrial changes on the Company's financial business and the countermeasures

The global LCD monitor market is heading towards the plateau period and its scale continues to shrink. In addition to continuing to develop new niche products in recent years, the Company has integrated resources from its subsidiaries such as BenQ Corporation, BenQ Materials Corporation, BenQ Medical Technology Corporation, BenQ Hospital, Partner Tech Corp., DFI Inc., K2 International Medical Inc., DATA IMAGE CORPORATION, MetaAge Corporation, SIMULA TECHNOLOGY INC., Alpha Networks Inc., Hitron Technologies Inc., IDT, Interactive Digital Technologies Inc. and GOLDEN SPIRIT CO., LTD. to provide more comprehensive products and services of medical equipment and consumables, biomedical and medical cosmetology, terminal customer service of retail, motherboard manufacturing and customer application services, and optimize existing business

operations, expand medical layout efficiency, accelerate solution development and Strategic investment in Network business. The operation of these high value-added products has laid a good foundation and layout for Qisda to meet the future growth and challenges.

The Company promotes the policies related cyber security management to fulfill protection for cyber security and deal with related matters. We also regularly evaluate the risk of cyber security, implement cyber security training and formulate the cyber security operating procedure to strictly execute the cyber security risk management,

(VI) The impact of corporate image changes on corporate crisis management and the countermeasures.

1. The Company conducts a questionnaire survey on important stakeholders every year to understand the stakeholders' expectations and concerns about the company, as an important reference for the company's continuous operation strategy, and responds and explains the operation in the annual corporate social responsibility report to ensure information transparency and effective communication.

2. The Company conducts regular inspections on matters such as the external environment, the Company's business type and management system, and responds to any situation that may affect the goodwill of the Company and simulates its possible impact. The countermeasures will minimize the uncertainty; and the risk management unit will be responsible for the operation-related risks and impact analysis, and cooperate with the implementation of relevant contingency plan with the Risk Management Committee.

3. The Company is also actively committed to environmental protection and safety and health management, and has obtained the certification of ISO 14001 Environmental Management System and ISO 45001 Occupational Safety and Health Management System, and will pursue continuous improvement in the spirit of this certification.

(VII) Expected benefits and possible risks of M&A and the countermeasures.

There are currently no ongoing M&A so there are no benefits and risks.

(VIII) Expected benefits and possible risks of the expansion of factory and the countermeasures

Currently, the main focus of the Company and its subsidiaries in the factory and equipment is to fully utilize the existing production capacity and maximize the economy of scale. Therefore, there is no need to significantly expand the factory in the short-term.

(IX) Risk of procurement and sales concentration, and countermeasures

The Company's domestic and foreign major raw material suppliers and customers are quite diversified, and long-term stable cooperative relations have been formed, so there is no problem and risk of concentration of purchase and sales. The Company also evaluates the financial attributes of different customers and controls the risks according to different trading modes with insurance companies, bank letters of credit and collateral, and timely tracks customer payment status to protect the Company's interests.

(X) The impact and risk of a substantial transfer or replacement of equities by Directors, Supervisors or Shareholders holding more than 10% of the total shares

The Directors of the Company have no substantial transfer or replacement of equities.

(XI) Impact of changes in management on the Company and risks

Not applicable due to the Board of Directors and the management team of the Company have not changed significantly.

(XII) Disclosure of disputed contents, amounts of the subject matters, commencement dates of the proceedings, parties involved in the proceedings of litigation or non-litigation events, major closed or ongoing lawsuits and litigation or non-litigation events involving the Company and its Directors, Supervisors, General Managers,

Substantive Persons-in Charge, major shareholders holding more than 10% of total shares and affiliates/subsidiaries with results of which may have a material impact on the shareholders' equity or the price of the securities, and the actual results as of the printing date of this Annual Report.

1. Major closed or ongoing lawsuits, litigation or non-litigation events or administrative litigation involving the Company in the most recent two annual periods and as of the printing date of this Annual Report with results of which may have a material impact on the shareholders' equity or the price of the securities:

a. In January 2012, some direct and indirect Canadian purchasers of optical disk drive products filed class actions against the Company and BOA, among other co-defendants. In the complaints, the plaintiffs claimed monetary damages from an alleged antitrust conspiracy. The Company has reached a settlement agreement with the plaintiff, and the settlement had been approved by the Court; therefore, the case was closed.

2. Major closed or ongoing lawsuits, litigation or non-litigation events or administrative litigation involving the Company's Directors, Supervisors, General Managers, Substantive Persons-in Charge, major shareholders holding more than 10% of total shares and affiliates/subsidiaries in the most recent two annual periods and as of the printing date of this Annual Report with results of which may have a material impact on the shareholders' equity or the price of the securities:

a. Litigation events of the Company's subsidiary BenQ America Corp. (BQA):

(i) In January 2012, some direct and indirect Canadian purchasers of optical disk drive products filed class actions against the Company and BOA, among other co-defendants. In the complaints, the plaintiffs claimed monetary damages from an alleged antitrust conspiracy. The Company has reached a settlement agreement with the plaintiff, and the settlement had been approved by the Court; therefore, the case was closed.

b. Litigation events of the Company's corporate director, AUO Corporation (AUO):

(i) Antitrust civil action

In May 2014, Nanjing LG Xingang Display Co., Ltd. and seven of its affiliated companies (plaintiffs) filed a civil lawsuit against certain LCD manufacturers, including AUO, in the Seoul Central District Court, South Korea, claiming overcharge and damages compensation. The South Korean Court of First Instance ruled in November 2023 that AUO must pay the plaintiff a total of approximately 29.099 billion won plus interest. This case is a derivative civil lawsuit from the LCD antitrust case that ended in 2006. It has been ongoing for many years since the plaintiff filed the lawsuit in 2014. AUO filed an appeal in December 2023 and deposited the aforementioned 29.099 billion won plus interest deposit to the court in January 2024. The Plaintiffs also filed an appeal in March 2024. At this stage, the final outcome of this case cannot be determined, and AUO is continuing to evaluate the substance of this lawsuit.

(ii) Patent action

Phenix Longhorn LLC ("Phenix") filed a lawsuit against two companies, including AUO to the Eastern District of Texas with the U.S. District Court in October 2012, claiming that had infringed certain U.S. patent related to LCD panel manufacturing held by Phenix. AUO intends to vigorously defend this lawsuit, but the final result of this case cannot be determined, and the Company is continuously evaluating the substance of this lawsuit.

Explanation of Influence:

As of the publication date of AUO's annual report, AUO evaluates the rationality of the recognized expenses in each financial reporting period according to the nature of the case, whether the possible loss amount is significant, the progress of the case and the opinions of professional consultants, and make necessary adjustments in the way the

Company thinks fit, but the final amount will not be determined until the relevant cases are concluded. AUO wants to actively defend the aforementioned unsettled or ongoing litigation cases, but the final results of these cases cannot be determined, and the possible losses (if any) cannot be accurately estimated at present. AUO is continuously evaluating the substance of these lawsuits. In addition to the above litigation events, there are other litigation cases arising from the normal operation of the merged company, but other litigation cases should not have a significant adverse impact on the operation of AUO.

(iii) Environmental lawsuits:

Since 2010, there have been environmental proceedings relating to the development Project of the Central Taiwan Science Park in Houli, Taichung, which AUO's second 8.5 generation fab is Located at (the "Project"). The Environmental Protection Administration ("EPA") of the Executive Yuan of Taiwan issued the environmental assessment and development approval on November 6, 2018. On October 24, 2019, the Appeal Review Committee of the Executive Yuan rejected the administrative appeal filed by five local residents. On December 24, 2019, the residents filed an administrative action for invalidating the environmental assessment again and the Appeal Review Committee of the Executive Yuan ruled in the residents' favor on July 21, 2022 and invalidated the environmental assessment approval. The EPA filed an appeal in the Supreme Administrative Court on August 17, 2022. The Company will continue to monitor the development of this event.

(xiii) Other material matters: None.

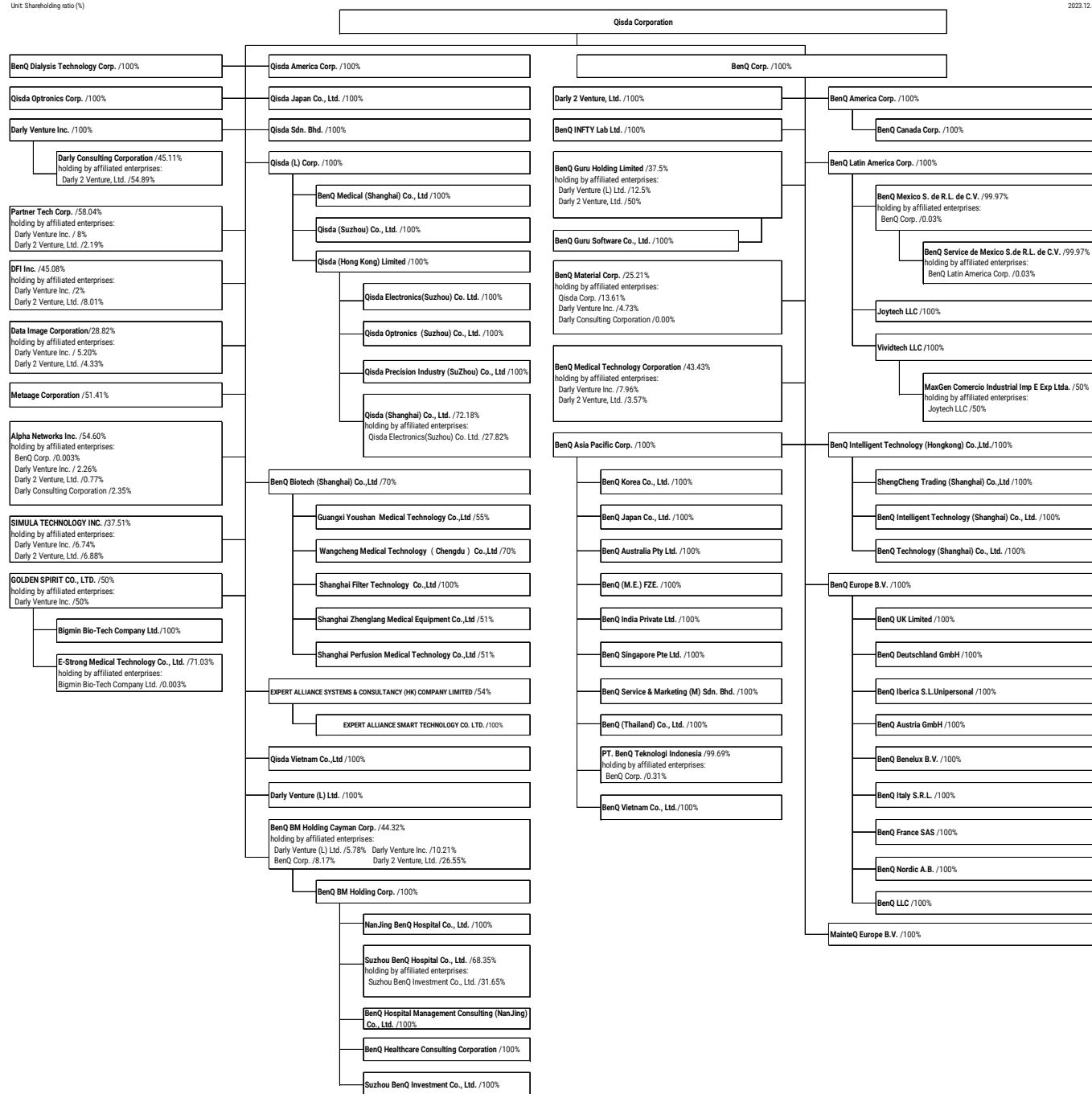
# Special Notes

## I. Information about affiliates

### (I) Organization chart of affiliates

Unit: Shareholding ratio (%)

2023.12.31



Note: Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE CORPORATION, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its organization chart of affiliates

## (II) Basic information of affiliates

March 31, 2024; NT\$,1,000

Name of business	abbreviation	Date of incorporation	Address	Currency	Paid-in Capital	Main Activities
BenQ Medical Technology Corporation	BMT	1989.03.21	7F., No. 46, Zhouzi St., Neihu Dist., Taipei City 114, Taiwan	NTD	445,660	Manufacturing and trading of medical equipment
BENQ MATERIALS CORP.	BMC	1998.07.16	No. 29, Jianguo E. Rd., Guishan Dist., Taoyuan City 333, Taiwan	NTD	3,206,745	Development, manufacturing and sales of various functional film products
PARTNER TECH CORP.	PTT	1990.02.21	10F., No. 233-1, Baoqiao Rd., Xindian Dist., New Taipei City 231, Taiwan	NTD	750,856	Production and sales of electronic products and point of sale and import and export trade
DFI INC.	DFI	1981.07.14	10F., No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan	NTD	1,144,889	Manufacturing, processing and trading of industrial computer boards and computer components
DATA IMAGE CORPORATION	DIC	1997.11.22	30F., No.93, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City 221, Taiwan	NTD	693,996	Design, manufacture and sale of display modules
MetaAge Corporation	MTG	1998.04.16	10F., No. 516, Sec. 1, Neihu Rd., Neihu Dist., Taipei City 114, Taiwan	NTD	1,883,573	ICT Infrastructures, Computing & Data Utilization, Digitalization, Clouds, Software and Services
SIMULA TECHNOLOGY INC.	SIMULA	2003.12.15	14F., No.1351, 14F., No.1353, Zhong-Zheng Rd., Taoyuan Dist., Taoyuan City 33071, Taiwan	NTD	799,729	Electronic Parts/Components
GOLDEN SPIRIT CO., LTD.	GSC	2001.08.31	No. 232, Dazhong 2nd Rd., Zuoying Dist., Kaohsiung City 81369, Taiwan	NTD	350,000	Trading in medical equipment
Bigmin Bio-Tech Company Ltd.	BMB	1991.11.13	No. 232, Dazhong 2nd Rd., Zuoying Dist., Kaohsiung City 81369, Taiwan	NTD	15,000	Trading in medical equipment
E-STRONG MEDICAL TECHNOLOGY CO., LTD.	ESM	2013.09.11	No. 27, Nongyuan Rd, Changzhi Township, Pingtung County 908126, Taiwan	NTD	333,500	Trading in medical equipment

Name of business	abbreviation	Date of incorporation	Address	Currency	Paid-in Capital	Main Activities
Alpha Networks Inc.	Alpha	2003.09.04	No. 8, Li-Hsin 7th Rd., Hsinchu Science Park, Hsinchu, Taiwan	NTD	5,417,185	Networking design, manufacturing and service supplier.
EXPERT ALLIANCE SYSTEMS & CONSULTANCY (HK) COMPANY LIMITED	EASCHK	2011.03.29	Unit 1103 11/F Orient International Tower, 1018 Tai Nan West Street, Cheung Sha Wan Kowloon, Hong Kong	HKD	30,000	Manufacturing of computer peripheral products and provide smart service
EXPERT ALLIANCE SMART TECHNOLOGY CO. LTD.	EASTMO	2018.12.14	Flat F, 17Floor, Centro Comercial Cheng Feng, 336-342 Alameda Dr Carlos D'Assumpcao, Macau.	MOP	100	Manufacturing of computer peripheral products and provide smart service
BenQ corporation	BenQ	2000.03.13	No. 16, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	NTD	3,200,000	Brand product manufacturing and sales
BENQ ASIA PACIFIC CORP.	BQP	2007.09.28	No. 12, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	NTD	200,000	Electronic product trading in Asia
BENQ DIALYSIS TECHNOLOGY CORP.	BDT	2014.10.08	No. 159-1, Shanying Rd., Guishan Dist., Taoyuan City 333, Taiwan	NTD	280,000	Manufacturing and trading of medical equipment
QISDA OPTRONICS CORP.	QTOS	2014.12.11	No. 1, Xingye St, Guishan Dist., Taoyuan City 333, Taiwan	NTD	1,000	Manufacturing of computer peripheral products
Darly Venture Inc.	APV	1996.05.02	No. 12, Jihu Rd., Neihu Dist., Taipei City 114066, Taiwan	NTD	2,011,814	Holding company
Darly2 Venture, Inc.	Darly2	2000.01.19	No. 12, Jihu Rd., Neihu Dist., Taipei City 114066, Taiwan	NTD	2,273,724	Holding company
Darly Consulting Corporation.	DarlyC	2001.08.29	No. 12, Jihu Rd., Neihu Dist., Taipei City 114066, Taiwan	NTD	268,326	Investment management consultant
BenQ INFITY Lab Ltd.	INF	1994.12.08	No. 14, Jihu Rd., Neihu Dist., Taipei City 114066, Taiwan	NTD	69,469	Assembly and trading of E-sport products
BenQ Healthcare Consulting Corporation	BHCC	2009.02.05	No. 12, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan	NTD	23,474	Management consultant
Qisda America Corp.	QALA	2007.07.05	8941 Research Drive, Suite 200, Irvine, CA 92618 USA	USD	1,000	Electronic product trading
Qisda Japan Co., Ltd.	QJTO	2007.07.27	3-30-1, KAIGAN AKIMOTO SOKO 3A 5F. MINATO-KU, Tokyo, Japan	JPY	10,000	Electronic product trading and product repair in the local market
Qisda Sdn. Bhd.	QLPG	1989.11.15	2686 Jalan Todak, Seberang Jaya 13700 Prai Penang, Malaysia	MYR	50,274	Leasing and management services

Name of business	abbreviation	Date of incorporation	Address	Currency	Paid-in Capital	Main Activities
Qisda (L) Corp.	QLLB	1997.01.23	London Room, Unit Level 3(J), Main Office Tower, Financial Park Labuan Complex, Jalan Merdeka, 87000 Labuan F.T., Malaysia	USD	114,250	Holding company
BenQ Medical (Shanghai) Co., Ltd	BMSH	2015.07.20	Room 2, Unit C, 8th Floor, Building D, No. 207, Yuhong Road, Changning District, Shanghai, China	USD	1,360	Trading in medical equipment
Qisda (Suzhou) Co., Ltd.	QCSZ	1993.06.25	No. 169, Zhujiang Road, Suzhou New District, Jiangsu, China	USD	74,000	Processing of liquid crystal displays and mobile communication products
Qisda (Hong Kong) Limited	QCHK	2008.12.04	Room 1204, Yu Sung Boon Bldg., 107-111 Des Voeux Road Central, Hong Kong	HKD	10	Holding company
Qisda Electronics (Suzhou) Co. Ltd.	QCES	2000.02.23	No. 169, Zhujiang Road, Suzhou New District, Jiangsu, China	USD	11,800	Processing of liquid crystal display modules
Qisda Optronics (Suzhou) Co., Ltd.	QCOS	2000.01.12	No. 169, Zhujiang Road, Suzhou New District, Jiangsu, China	USD	12,460	Processing of optoelectronic products such as projectors
Qisda Precision Industry (Suzhou) Co., Ltd	QCPS	2007.07.27	No. 169, Zhujiang Road, Suzhou New District, Jiangsu, China	USD	5,000	Processing of plastic parts
Qisda (Shanghai) Co., Ltd.	QCSH	2005.12.15	No. 669, Taihua Road, Pudong New Area, Shanghai, China	USD	66,500	Processing of liquid crystal display
BenQ Biotech (Shanghai) Co., Ltd	BBC	2019.08.19	No. 613, 713 Taihua Road, Pudong New District, Shanghai	CNY	200,000	Manufacturing and trading of medical equipment
Guangxi Youshan Medical Technology Co., Ltd	Youshan	2020.01.19	Room 1322/13/F · TOWER 1, Datang headquarters, No.21, Pingle Road, Nanning Area of China (Guangxi) Pilot Free Trade Zone, China	CNY	6,000	Trading in medical equipment
Wangcheng Medical Technology ( Chengdu ) Co.,Ltd	Wangcheng	2020.11.25	Room 1-401, Building 17, Chengdu Cross-Strait Technology Industry Development Park · Wenjiang District, Chengdu, Sichuan Province, China	CNY	2,000	Trading in medical equipment
Shanghai Filter Technology Co., Ltd	Filter	2020.12.24	Building 4, No. 613, 713 Taihua Road, Pudong New District, Shanghai, China	CNY	75,000	R&D, manufacturing and sales of synthetic materials and rubber products



Name of business	abbreviation	Date of incorporation	Address	Currency	Paid-in Capital	Main Activities
Shanghai Zhenglang Medical Equipment Co., Ltd	Zhenglang	2021.06.24	Room A05,Floor 1 · Building 2 · No. 613, 713 Taihua Road, Pudong New District, Shanghai · China	CNY	6,000	trading of medical equipment
Shanghai Perfusion Medical Technology Co., Ltd	Pufeixin	2023.03.01	Room A03,Floor 1 · Building 2 · No. 613, 713 Taihua Road, Pudong New District, Shanghai · China	CNY	5,000	Manufacturing and trading of medical equipment
Qisda Vietnam Co., Ltd	QVH	2019.10.23	Lot CN12, Dong Van 4 Industrial Park, Dai Cuong Commune, Kim Bang District, Ha Nam Province, Vietnam.	USD	40,000	Manufacturing of liquid crystal display
Darly Venture (L) Ltd	Darly	1997.01.23	London Room, Unit Level 3(J), Main Office Tower, Financial Park Labuan Complex, Jalan Merdeka, 87000 Labuan F.T., Malaysia	USD	6,000	Holding company
BenQ BM Holding Cayman Corp.	BBHC	2009.01.05	Floor 4, Willow House, Cricket Square, PO Box 2804, Grand Cayman KY1-1112, Cayman Islands	USD	244,945	Holding company
BenQ BM Holding Corp.	BBM	2003.10.30	Unit Level 3(J), Main Office Tower, Financial Park Complex Labuan Jalan Merdeka, 87000 W.P. Labuan, Malaysia	USD	262,463	Holding company
NANJING BenQ Hospital Co., Ltd.	NMH	2003.11.11	No. 71 Hexi street, Jianye District, Nanjing, China	USD	182,015	Medical service
Suzhou BenQ Hospital Co., Ltd.	SMH	2004.07.07	No.181, Zhuyuan Road, High Tech Zone, Jiangsu, Suzhou, China	CNY	601,975	Medical service
BenQHospital Management Consulting (Nanjing) Co., LTD.	NMHC	2005.11.14	No. 71 Hexi street, Jianye District, Nanjing, China	USD	1,000	Management consultant
Suzhou BenQ Investment Co., Ltd.	BIC	2015.09.16	No.181, Zhuyuan Road, High Tech Zone, Jiangsu, Suzhou, China	USD	30,000	Holding company
BenQ Guru Holding Limited	GSH	2005.12.08	Unit A2, 10/F, Block A, Tin On Industrial Building, 777-779 Cheung Sha Wan Road, Lai Chi Kok, Hongkong	HKD	62,400	Holding company
BenQ Guru Software Co., Ltd.	GSS	1998.07.21	Second Floor · S2 Factory · 169 Zhujiang Road, New District,Suzhou, China	USD	13,200	R&D and trading of computer information systems
BenQ America Corp.	BQA	1997.09.25	3200 Park Center Dr., Suite 150, Costa Mesa, CA 92626 USA	USD	2,000	Electronic product trading in north USA
BenQ Canada Corp.	BQca	2003.09.29	3-1750 The Queensway, Suite 1265, Toronto, on M9C 5H5 Canada	CAD	1	Electronic product trading
BenQ Latin America Corp.	BQL	2005.10.13	8350 NW 52nd street, Suite 301, Miami FL 33166, USA.	USD	9,350	Electronic product trading in Central and South America
BenQ Mexico S. de R.L. de C.V.	BQmx	2002.05.27	Calle Vía, Magna No. 25, Piso 7, Bosques de la Herradura, Huixquilucan, Estado de México, México, C.P. 52783	MXN	3	Electronic product trading

Name of business	abbreviation	Date of incorporation	Address	Currency	Paid-in Capital	Main Activities
BenQ Service de Mexico S. de R. L. de C.V.	BQms	2011.07.21	Calle Camino a la Mina, Sin Número, San Luis Grande, Tepexpan Acolman, México C.P. 55885	MXN	3	Provide various administrative and management services
Joytech LLC.	Joytech	2009.11.20	8350 NW 52nd street, Suite 301, Miami FL 33166, USA.	USD	2,646	Holding company
Vividtech LLC.	Vividtech	2010.01.04	8350 NW 52nd street, Suite 301, Miami FL 33166, USA.	USD	2,646	Holding company
MaxGen Comercio Industrial Imp E Exp Ltda.	MaxGen	2010.01.14	Rua Haddock Lobo, 585 7 andar CEP 01414-001 Sao Paulo, SP Brazil	BRL	23,901	Electronic product trading
BenQ Intelligent Technology (Hongkong) Co., Ltd.	BQHK_HLD	2017.07.05	Unit A-2, 10/F, Tin On Industrial Building, 777-779 Cheung Sha Wan Road, Lai Chi Kok, Kowloon, Hong Kong	USD	4,000	Electronic product trading in HK
ShengCheng Trading (Shanghai) Co., LTD	BQsha_EC2	2015.10.10	Room 5, Unit C, 8th Floor, Building D, No. 207, Yuhong Road, Changning District, Shanghai, China	USD	100	Electronic product trading
BenQ Intelligent Technology (Shanghai) Co., Ltd.	BQC_RO	2017.10.13	Unit E, 8th Floor, Building D, No. 207, Yuhong Road, Changning District, Shanghai, China	USD	3,000	Trading in electronic products in China
BenQ Technology (Shanghai) Co., Ltd.	BQIs	2003.10.24	Room 2103F, 21st Floor, No. 28, Maji Road, Waigaogaoqiao Free Trade Zone, Shanghai, China	USD	200	Electronic product trading
BenQ Europe B.V.	BQE	1994.09.26	Meerenakkerweg 1-12, 1-17, 1-19 and 1-23, Eindhoven, the Netherlands	EUR	12,523	Electronic product trading in Europe
BenQ UK Limited	BQuk	1997.11.07	3 Staplehurst Office Centre, Weston-on-the-Green, OX25 3QU, Bicester Oxfordshire, United Kingdom	GBP	300	Electronic product trading
BenQ Deutschland GmbH	BQde	2000.09.07	Essener Strasse 5, 46047 Oberhausen, Germany	EUR	600	Electronic product trading
BenQ Iberica S.L. Unipersonal	BQib	2002.10.19	C/-Constitucion, 1-3 (3rd fl), 08960 San Just Desvern, Barcelona, Spain	EUR	150	Electronic product trading
BenQ Austria GmbH	BQat	2001.08.07	Altmanndorfer Strasse 89, Top 6, 1120 Vienna, Austria	EUR	35	Electronic product trading
BenQ Benelux B.V.	BQnl	2000.10.12	Meerenakkerweg 1-12, 1-17, 1-19 and 1-23, Eindhoven, the Netherlands	EUR	18	Electronic product trading
BenQ Italy S.R.L.	BQit	2002.02.14	Viale Ercole Marelli 165, 5th Floor, 20099 Sesto San Giovanni, Italy	EUR	300	Electronic product trading
BenQ France SAS	BQfr	2004.04.08	Centre d'affaires La Boursidiere RN 186, 92350 Le Plessis Robinson France	EUR	50	Electronic product trading
BenQ Nordic A.B.	BQse	2005.12.06	Norgegatan 1, 164 32 Kista, SWEDEN	SEK	100	Electronic product trading
BenQ LLC	BQru	2011.01.02	Park Place Moscow, 113/1 Leninski Prospekt B101, 117198 Moscow, Russian Federation	RUB	50	Provide various administrative and management services
MainteQ Europe B.V.	MQE	2002.04.05	Nijverheidsweg 9-13, 5627 BT, Eindhoven, The Netherlands	EUR	818	Display and projector repair service in Europe

Name of business	abbreviation	Date of incorporation	Address	Currency	Paid-in Capital	Main Activities
BenQ Korea Co., Ltd.	BQkr	2006.08.18	1801288, Digital-ro, Guro-gu, Seoul, Korea	KRW	50,000	Electronic product trading
BenQ Japan Co., Ltd.	BQjp	1996.07.19	8Fl, NK Uchikanda Bldg. 1-14-5 Uchikanda, Chiyoda-ku, Tokyo 101-0047 Japan	JPY	10,000	Electronic product trading
BenQ Australia Pty Ltd	BQau	2000.06.05	Unit 7, 175 Briens Road, Northmead NSW 2152	AUD	2,191	Electronic product trading
BenQ (M.E.) FZE.	BQme	2001.04.07	P. O. Box 18007, Jebel Ali Free Zone, Dubai. U.A.E.	AED	1,000	Electronic product trading
BenQ India Private Ltd.	BQin	2000.02.29	9B Building, 3rd Floor, DLF Cyber city Phase-3, Gurgaon-122002, Haryana, India	INR	440,296	Electronic product trading
BenQ Singapore Pte Ltd.	BQsg	2000.09.20	8 Burn Road #11-07 Trivex, Singapore 369977	SGD	500	Electronic product trading
BenQ Service & Marketing (M) Sdn. Bhd.	BQmy	2004.03.04	C-39-5, Block C, Jaya One, No. 72A, Jalan Prof Diraja Ungku Aziz, 46200 Petaling Jaya, Malaysia.	MYR	100	Electronic product trading
BenQ (Thailand) Co., Ltd.	BQth	2003.02.20	28th Fl., Sinn Sathorn Tower. 77/119 Krungthomburi Road, Klongtomsai, Klongsarn, Bangkok 10600, Thailand	THB	60,000	Electronic product trading
PT. BENQ TEKNOLOGI INDONESIA	BQid	2017.11.06	Wisma 77 Tower 2 Lantai 5 Zone 1, Jalan Letjen S. Parman Kavling 77, Slipi, Palmerah, West Jakarta, DKI Jakarta, 11410	IDR	3,250,000	Electronic product trading
BenQ Vietnam Co., Ltd	BQvn	2021.10.11	14th Floor, HM Town, 412 Nguyen Thi Minh Khai, Ward 5, Dist 3, HCMC	VND	4,632,200	Electronic product trading

Note: Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DF Inc., DATA IMAGE CORPORATION, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. and respectively see its affiliate organizational chart.

3. Presumed to be the same shareholder for those with relations of control and affiliation: None.

4. Overall business covered by the affiliates and subsidiaries, and the interaction and division of labor:

The Company's business coverage:

DMS (Design and Manufacturing Service): Engaged in the design, development, manufacturing and sales of various electronic products.

Brand Marketing: Engaged in design, development and sales of our private brand products.

Materials Science: Engaged in research, development, manufacturing and sales of various electronic chemical film products.

Medical Services: Hospitals that provide medical services.

Network communication: Engaged in the commissioned design, research and development, manufacturing and sales of broadband, wireless network products and computer network systems equipment and their components.

The Company is convinced that this division of labor system will enable the Company's overall operations to be upgraded, and will be able to fully utilize synergies in R&D, manufacturing, marketing and investment strategies to form the best competitive advantages.

## (V) Directors, supervisors, and presidents of affiliates

March 31, 2024; Unit: in thousand shares; NT\$ 1,000; %

Name of business	Title	Name or representative	Shareholding	
			Shares (Investment Amount)	(Investment Holding %)
BMT	Director  General manager	BenQ Corp.Representative: Peter Chen, Danny Shen, Michael Kuan, Harry Yang Chang, Chin-Tung (Independent director), Chou, Kuang-Jen (Independent director)  Michael Kuan	24,491,956	54.96%
BMC	Director  General manager	Qisda Corp. Representative: ZC. Chen, Peter Chen, Ray Liu BenQ Corp.Representative: Conway Lee K.Y. Lee, Yeh, Fu-Hai (Independent director), Lu, Yu-Yang (Independent director) Wang, Gong (Independent director) Liu, Jun-Lin (Independent director)  Ray Liu	129,241,347	40.30%
PTT	Director  General manager	Qisda Corp. Representative: Peter Chen, Pete Wang, Joshua Tzeng Wu Hung Lin Victor Tsan (Independent director), Calvin Wang (Independent director), Ryan Shen (Independent director)  Pete Wang	51,231,888	68.23%
DFI	Director  General manager	Qisda Corp. Representative: Peter Chen, Alexander Su, Joshua Tzeng Luo, Bing-Kuan Chu, Chih-Hao (Independent director), Yeh, Te-Chang (Independent director)  Alexander Su	63,078,873	55.10%
DIC	Director  General manager	Qisda Corp. Representative: Joe Huang, Joe Lee, Jasmin Hung, Daniel Hsueh Yu, Su-Ping Deng, Fu-Ji Yeh, Hui-Hsin (Independent director), Ma, Xiao-Kang (Independent director), He, Wen-Xian (Independent director)  Yu, Su-Ping	26,612,305	38.35%
MetaAge	Director  General manager	Qisda Corp. Representative: Joshua Tzeng, Jasmin Hung, TK Yang, Guo, Shu-Er Wang, Wen-Cong (Independent director), Wang, Jin-Lai (Independent director), Lai, Shan-Gui (Independent director)  TK Yang	96,841,239	51.41%
SIMULA	Director  General manager	Qisda Corp. Representative: Joe Huang, Jo Yao Hu, Cheng, Yin-Shiang, Yuchin Lin Chen, Jin-ji (Independent director), Tan,Tang-O (Independent director), Yeh, Hui-Hsin (Independent director)  Jo Yao Hu	40,890,000	51.11%

Name of business	Title	Name or representative	Shareholding	
			Shares (Investment Amount)	(Investment Holding %)
GSC	Director Supervisor	Qisda Corp. Representative: Spark Huang, Harry Yang, Chris Chao Qisda Corp. Representative: Jimmy Hsu	35,000,000	100.00%
BMB	Director Supervisor	GOLDEN SPIRIT CO., LTD. Representative: Spark Huang, Harry Yang, Chris Chao GOLDEN SPIRIT CO., LTD. Representative: Jimmy Hsu	1,500,000	100.00%
ESM	Director Supervisor	GOLDEN SPIRIT CO., LTD. Representative: Spark Huang, Harry Yang, Joy Chang, Chris Chao NEW IMAGE MEDICAL CO., LTD. Representative: Wu, Sheng-Zhong Bigmin Bio-Tech Company Ltd. Representative: Jimmy Hsu	23,687,866	71.03%
Alpha	Director General manager	Qisda Corp. Representative: April Huang, Peter Chen, Joe Huang, Jasmin Hung Shu-Hsing Li (Independent director), Cheng-Jung Chiang (Independent director), Ming-Der Hsieh (Independent director), Julian Chen (Independent director) April Huang	295,797,126	54.60%
EASCHK	Director	Lee Chang Hung, Huang, Chih-Kuang, U Io Fai, Chan Fong leong, Pun Hon Lam	Contribution amount HKD30,000,100	54.00%
EASTMO	Director	Lee Chang Hung, Huang, Chih-Kuang, U Io Fai	Contribution amount MOP100,000	54.00%
BenQ	Director Supervisor General manager	Qisda Corp. Representative: K.Y. Lee, Peter Chen, Conway Lee, Jasmin Hung Qisda Corp. Representative: Jimmy Hsu Conway Lee	320,000,000	100.00%
BQP	Director Supervisor General manager	BenQ Corp.Representative: Conway Lee, Jeffrey Liang, Billy Liou BenQ Corp.Representative: Jeff Wu Jeffrey Liang	20,000,000	100.00%
BDT	Director Supervisor	Qisda Corp. Representative: Spark Huang, Harry Yang, Jimmy Hsu Qisda Corp. Representative: Joy Chang	28,000,000	100.00%
QTOS	Director Supervisor	Qisda Corp. Representative: Joe Huang, Jasmin Hung, Daniel Hsueh Qisda Corp. Representative: Jimmy Hsu	100,000	100.00%
APV	Director Supervisor	Qisda Corp. Representative: Jasmin Hung, Peter Chen, Michael LS Wang Qisda Corp. Representative: Jimmy Hsu	201,181,383	100.00%
Darly2	Director Supervisor	BenQ Corp. Representative: Jasmin Hung, Peter Chen, Michael LS Wang BenQ Corp. Representative: Jimmy Hsu	227,372,437	100.00%
DarlyC	Director Supervisor	Darly2 Venture, Inc. Representative: Jasmin Hung, Peter Chen, Michael LS Wang Darly Venture Inc. Representative: Jimmy Hsu	26,832,611	100.00%

Name of business	Title	Name or representative	Shareholding	
			Shares (Investment Amount)	(Investment Holding %)
INF	Director Supervisor	BenQ Corp.Representative: Conway Lee, Peter Huang, Enoch Huang BenQ Corp.Representative: Jeff Wu	6,946,880	100.00%
BHCC	Director Supervisor	BenQ BM Holding Corp. Representative: Mark Hsiao, Peter Chen, Ron Chiang, Jasmin Hung BenQ BM Holding Corp. Representative: Jimmy Hsu	2,347,414	95.02%
QALA	Director General manager	Jack Wang, Daniel Hsueh, Ping Shen Daniel Hsueh	1,000,000	100.00%
QJTO	Director Supervisor	Jack Wang, Chen, Pei-Tzu, Jimmy Hsu Zhao Si-Yi	Contribution amount JPY10,000,000	100.00%
QLPG	Director	Jasmin Hung, SS Lim, Jimmy Hsu	Contribution amount MYR 50,274,200	100.00%
QLLB	Director	Jasmin Hung, Peter Chen, Jimmy Hsu, BABY MARI- LEN DIMAYUGA NGU	114,250,000	100.00%
BMSH	Director Supervisor General manager	Qisda (L)Corp. Representative: Harry Yang, Francis Xiao, Rackie Kuo Qisda (L)Corp. Representative: Mercer Peng Francis Xiao	Contribution amount USD1,360,000	100.00%
QCSZ	Director Supervisor General manager	Qisda (L)Corp. Representative: Eric Lee, Aaron Chang, Mercer Peng Qisda (L)Corp. Representative: Jimmy Hsu Mark Hsiao	Contribution amount USD74,000,000	100.00%
QCHK	Director	HUNG, CHIU-CHIN; CHEN, CHI-HONG; HSU, FENG- LIN	10,000	100.00%
QCES	Director Supervisor General manager	Qisda (Hong Kong) Limited Representative: Eric Lee, Aaron Chang, Mercer Peng Qisda (Hong Kong) Limited Representative: Jimmy Hsu Mark Hsiao	Contribution amount USD11,800,000	100.00%
QCOS	Director Supervisor General manager	Qisda (Hong Kong) Limited Representative: Eric Lee, Aaron Chang, Mercer Peng Qisda (Hong Kong) Limited Representative: Jimmy Hsu Mark Hsiao	Contribution amount USD12,460,000	100.00%
QCPS	Director Supervisor General manager	Qisda (Hong Kong) Limited Representative: Eric Lee, Aaron Chang, Mercer Peng Qisda (Hong Kong) Limited Representative: Jimmy Hsu Mark Hsiao	Contribution amount USD5,000,000	100.00%

Name of business	Title	Name or representative	Shareholding	
			Shares (Investment Amount)	(Investment Holding %)
QCSH	Director  Supervisor  General manager	Qisda Electronics (Suzhou) Co. Ltd. Representative: Eric Lee Qisda (Hong Kong) Limited Representative: Aaron Chang, Mercer Peng Qisda (Hong Kong) Limited Representative: Jimmy Hsu  Mark Hsiao	Contribution amount USD66,500,000	100.00%
BBC	Director  Supervisor	Qisda Corp. Representative: Spark Huang, Mark Hsiao, Jasmin Hung Shanghai Kunxin Medical Technology Co., Ltd. Representative: Xia, Lie-Bo Qisda Corp. Representative: Michael Lee Shanghai Kunxin Medical Technology Co., Ltd. Representative: He, Hong-Xing	Contribution amount CNY 140,000,000	70.00%
Youshan	Director  Supervisor	BenQ Biotech (Shanghai) Co., Ltd Representative: Xia Liebo, Wen, Hu Guangxi Youshan Investment Co., Ltd Representative: Huang, Tian Yue BenQ Biotech (Shanghai) Co., Ltd Representative: Lei, Xin-Hua	Contribution amount CNY3,300,000	38.50%
Wangcheng	Director  Supervisor	Xu, Yong BenQ Biotech (Shanghai) Co., Ltd Representative: Wen, Hu, Fan, Shi-Hai BenQ Biotech (Shanghai) Co., Ltd Representative: Wu, Zhan-cheng	Contribution amount CNY1,100,000	49.00%
Filter	Director  Supervisor	BenQ Biotech (Shanghai) Co., Ltd Representative: Mark Hsiao, Xia, Lie-Bo, Spark Huang, Jasmin Hung Michael Lee, He, Hong-Xing	Contribution amount CNY 75,000,000	70.00%
Zhenglang	Director  Supervisor	BenQ Biotech (Shanghai) Co., Ltd Representative: Xia, Lie-Bo, Lei, Xin-Hua, Shanghai Zhenglang Enterprise Management Partnership (Limited Partnership) Representative: Zheng feng Shanghai Zhenglang Enterprise Management Partnership (Limited Partnership) Representative: An Ting	Contribution amount CNY3,060,000	35.70%
Pufeixin	Director  Supervisor	BenQ Biotech (Shanghai) Co., Ltd Representative: Xia, Lie-Bo, Lei, Xin-Hua, Shanghai Yisheng Luyuan Enterprise Management Partnership (Limited Partnership) Representative: Zhang,jianxing Shanghai Yinamiao Enterprise Management Partnership (Limited Partnership) Representative: Yang fengping BenQ Biotech (Shanghai) Co., Ltd Representative: He, Hong-Xing	Contribution amount CNY2,550,000	35.70%
QVH	Director  Supervisor	Qisda Corp. Representative: Eric Lee, Simon Teo, Mercer Peng, Robert Lin Qisda Corp. Representative: Jimmy Hsu	Contribution amount USD40,000,000	100.00%
Darly	Director	Jasmin Hung, Peter Chen, Michael LS Wang, BABY MARI-LEN DIMAYUGA NGU	6,000,000	100.00%
BBHC	Director	Peter Chen, Jasmin Hung, Mark Hsiao, Louise Wang	232,746,740	95.02%
BBM	Director	Peter Chen, Jasmin Hung, Mark Hsiao, Louise Wang, BABY MARI-LEN DIMAYUGA NGU	262,463,251	95.02%

Name of business	Title	Name or representative	Shareholding	
			Shares (Investment Amount)	(Investment Holding %)
NMH	Director	BenQ BM Holding Corp. Representative: Mark Hsiao, Peter Chen, Michael Tseng, Louise Wang, Jasmin Hung, Yu, Zhen-Kun	Contribution amount USD 182,014,984	95.02%
	Supervisor	BenQ BM Holding Corp. Representative: Jimmy Hsu		
	General manager	Mark Hsiao		
SMH	Director	BenQ BM Holding Corp. Representative: Mark Hsiao, Peter Chen, Michael Tseng, Louise Wang, Jasmin Hung, Zhou, Xiao-Qing	Contribution amount CNY 601,975,000	95.02%
	Supervisor	BenQ BM Holding Corp. Representative: Jimmy Hsu		
	General manager	Mark Hsiao		
NMHC	Director	BenQ BM Holding Corp. Representative: Mark Hsiao, Peter Chen, Michael Tseng, Louise Wang, Jasmin Hung	Contribution amount USD 1,000,000	95.02%
	Supervisor	BenQ BM Holding Corp. Representative: Jimmy Hsu		
	General manager	Mark Hsiao		
BIC	Director	BenQ BM Holding Corp. Representative: Mark Hsiao, Jasmin Hung, Louise Wang, Ron Chiang	Contribution amount USD30,000,000	95.02%
	Supervisor	BenQ BM Holding Corp. Representative: Jimmy Hsu		
	General manager	Mark Hsiao		
GSH	Director	Michael CH Lee, Joshua Tzeng, Rackie Kuo	62,400,000	100.00%
GSS	Director	BenQ Guru Holding Limited Representative: Michael CH Lee, Joshua Tzeng, Jimmy Hsu	Contribution amount USD13,200,000	100.00%
	Supervisor	BenQ Guru Holding Limited Representative: Joy Chang		
	General manager	Huang, Chih-Kuang		
BQA	Director	Conway Lee, Ping Shen, Lars Yoder	200,000	100.00%
BQca	Director	Conway Lee, Lars Yoder, Ping Shen	1,000	100.00%
BQL	Director	Conway Lee, Ping Shen, Israel Bedolla	Contribution amount USD9,350,000	100.00%
BQmx	Director	Israel Bedolla, Ping Shen, Conway Lee	3,000	100.00%
BQms	Director	Israel Bedolla, Ping Shen, Conway Lee	3,000	100.00%
Joytech	Director	Israel Bedolla, Cheng Yueh Wu, Ping Shen	500	100.00%
Vividtech	Director	Israel Bedolla, Cheng Yueh Wu, Ping Shen	500	100.00%
MaxGen	Director	Marcelo Café	23,900,556	100.00%
BQHK_HLD	Director	Conway Lee, Michael Tseng, Rackie Kuo	Contribution amount USD4,000,000	100.00%
BQsha_EC2	Director	BenQ Intelligent Technology (Hongkong) Co., Ltd. Representative: Michael Tseng, David Huang, Rackie Kuo	Contribution amount USD100,000	100.00%
	Supervisor	BenQ Intelligent Technology (Hongkong) Co., Ltd. Representative: Jeff Wu		
	General manager	David Huang		



Name of business	Title	Name or representative	Shareholding	
			Shares (Investment Amount)	(Investment Holding %)
BQC_RO	Director Supervisor General manager	BenQ Intelligent Technology (Hongkong) Co., Ltd. Representative: Conway Lee, Michael Tseng, Rackie Kuo BenQ Intelligent Technology (Hongkong) Co., Ltd. Representative: Jeff Wu Michael Tseng	Contribution amount USD3,000,000	100.00%
BQls	Director Supervisor General manager	BenQ (Hong Kong) Limited Representative: Conway Lee, Michael Tseng, Rackie Kuo BenQ (Hong Kong) Limited Representative: Jeff Wu Michael Tseng	Contribution amount USD200,000	100.00%
BQE	Director	Conway Lee, Steve Chu, Selina Hsu	5,009,076	100.00%
BQuk	Director Secretary	Conway Lee, Steve Chu, Royce James Lye Selina Hsu	300	100.00%
BQde	Director	Steve Chu, Selina Hsu, Oliver Barz	100	100.00%
BQib	Director	Steve Chu, Ivan Hsu	150	100.00%
BQat	Director	Steve Chu, Selina Hsu, Mihai Borze	35	100.00%
BQnl	Director	Conway Lee, Steve Chu, Selina Hsu	182	100.00%
BQit	Director	Steve Chu, Selina Hsu, Mihai Borze	50,000	100.00%
BQfr	Director	Steve Chu, Selina Hsu, Bruno Morel	1	100.00%
BQse	Director	Steve Chu, Selina Hsu, Bo Joalim Carl Cramer	1	100.00%
BQru	Director	Steve Chu, Selina Hsu, Yuri Studenikin	1	100.00%
MQE	Director	Conway Lee, Selina Hsu, EL Tan	81,800	100.00%
BQkr	Director Supervisor	Jeffrey Liang, Billy Liou, Peter So Jeff Wu	10,000	100.00%
BQjp	Director Supervisor	Jeffrey Liang, Billy Liou, Masashi Kikuchi Jeff Wu	200	100.00%
BQau	Director	Jeffrey Liang, Billy Liou, Martin Moelle	2,191,092	100.00%
BQme	Director	Jeffrey Liang, Billy Liou, Manish Bakshi	1	100.00%
BQin	Director	Jeffrey Liang, Billy Liou, Rajeev.Singh	440,295,980	100.00%
BQsg	Director	Jeffrey Liang, Billy Liou, Zaccheus Elijah Surendran	500,000	100.00%
BQmy	Director	Jeffrey Liang, Billy Liou, Brian HY Lee (Lee Hing Yew)	100,000	100.00%
BQth	Director	Jeffrey Liang, Billy Liou, Roger IC Chen	11,999,998	100.00%
BQid	Director Commissioner General manager	Jeffrey Liang, Andryanto C Wijaya Billy Liou Andryanto C Wijaya	325	100%
BQvn	Director	Jeffrey Liang, Billy Liou, Asher TY Chan	Contribution amount VND 4,632,200,000	100.00%

Note1: Qisda Group combined holding shares and Shareholding ratio.

Note2: Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE CORPORATION, MetaAge Corporation, SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its directors, supervisors, and presidents of affiliates.

## (VI) Overview of affiliates' operations:

December 31, 2023; Unit: NT\$1,000

Name of business	Capital	Total assets	Total liabilities	Net assets	Revenue	Profit from operations	Profit or loss for the year (After income tax)	Earnings per share (dollar; after income tax)
QLPG	546,160	393,914	27,379	366,536	0	(14,153)	(11,938)	
QALA	32,800	10,676,129	10,605,548	70,581	18,624,025	16,851	7,800	
QJTO	3,784	1,168,177	1,127,927	40,250	2,705,494	(1,356)	(2,839)	
BDT	280,000	78,295	40,176	38,119	137,667	(10,130)	(9,122)	(0.33)
QTOS	1,000	1,017	0	1,017	0	(0)	14	0.14
Darly L	165,000	429,084	153,845	275,239	0	(102)	44,410	
Darly	2,011,814	3,969,364	164,455	3,804,909	0	(613)	315,068	1.57
QVH	1,212,849	3,350,892	3,046,006	304,886	1,104,704	(8,811)	(188,191)	
QLLB	3,460,633	17,953,305	1,318,865	16,634,440	0	(172)	752,768	
QCSZ	2,241,460	29,086,367	17,488,933	11,597,434	59,192,443	566,726	595,756	
QCHK	0	4,505,302	0	4,505,302	0	(382)	231,288	
BMSH	43,776	79,081	58,707	20,374	56,401	(4,058)	(3,995)	
QCSH	2,014,285	343,947	1,880,998	(1,537,050)	0	(24,503)	(15,085)	
QCES	357,422	4,780,995	2,955,866	1,825,130	8,944,297	74,811	64,084	
QCOS	377,413	9,044,212	4,623,292	4,420,920	13,522,799	259,692	179,827	
QCPS	151,450	766,319	314,807	451,512	1,457,565	31,821	2,830	
BenQ	3,200,000	18,071,825	9,026,039	9,045,786	12,233,627	(474,499)	1,451,193	4.53
BQE	485,684	1,944,982	889,582	1,055,400	4,551,830	48,573	112,835	
BQP	200,000	3,117,189	2,469,981	647,208	6,600,499	375,925	452,786	22.64
BQA	60,580	2,252,772	1,104,443	1,148,329	4,562,004	129,694	100,379	
BQL	266,539	867,096	774,510	92,586	790,718	13,607	52,822	
MQE	35,139	107,103	25,446	81,656	77,052	2,006	1,671	
Darly 2	2,273,724	4,421,134	33,964	4,387,170	0	(1,844)	485,885	2.14
BQHK_HLD	118,143	2,337,763	54,151	2,283,612	184,793	13,574	403,804	
INF	69,469	337,976	256,002	81,974	409,596	2,775	6,732	0.97
GSH	242,320	131,287	673	130,614	0	(28)	5,728	
BQid	6,923	106,189	85,373	20,816	152,782	(3,508)	(10,443)	
BQkr	1,713	200,272	202,507	(2,235)	254,139	(1,229)	(4,293)	
BQjp	2,582	689,270	482,412	206,858	1,854,386	50,763	31,868	
BQau	65,042	186,492	88,454	98,039	330,397	7,975	5,781	
BQme	8,809	527,390	386,179	141,211	1,423,224	42,934	42,597	
BQin	225,287	1,129,868	996,671	133,196	2,078,969	89,415	83,588	
BQsg	11,425	31,244	25,639	5,604	58,290	3,540	3,377	
BQmy	106,550	27,888	20,138	7,750	93,934	975	(695)	
BQth	56,030	38,469	128,481	(90,011)	86,378	(16,143)	(16,958)	
BQvn	5,515	29,211	24,793	4,418	37,732	389	(138)	
BQls	12,703	325,916	217,076	108,840	13,248	17,854	13,784	
BQsha_EC2	2,942	84,202	16,573	67,629	241,104	11,175	11,402	
BQC_RO	90,106	3,005,782	946,173	2,059,609	4,627,880	388,144	367,117	
GSS	495,651	85,184	70,446	14,738	113,520	2,377	4,528	
BQca	30	249,732	178,835	70,897	655,223	2,178	2,638	
BQmx	7	325,429	207,228	118,201	652,038	67,933	42,352	
Joytech	73,985	(17,329)	0	(17,329)	0	0	32,321	
Vivitech	73,985	(17,329)	0	(17,329)	0	0	32,321	
MaxGen	129,849	534,849	582,640	(47,791)	271,906	38,751	64,642	
BQms	6	13,378	8,845	4,533	0	(5)	(5)	
BQuk	14,003	180,839	98,154	82,685	890,543	10,865	7,844	
BQde	23,535	245,143	59,690	185,453	1,096,932	12,138	2,842	
BQib	5,884	196,069	98,316	97,752	262,059	13,145	6,816	
BQat	1,373	92,105	50,923	41,182	766,256	4,929	3,290	
BQnl	714	245,719	267,905	(22,186)	769,108	7,764	5,743	
BQit	11,768	103,154	17,648	85,506	238,074	4,746	40,606	
BQfr	1,961	166,836	269,871	(103,034)	588,503	6,574	5,336	
BQse	439	67,372	25,262	42,111	276,524	3,468	3,656	
BQru	48	17,937	1,514	16,423	25,571	(3,607)	51	
DarlyC	268,326	433,928	20,008	413,919	0	(745)	14,392	0.54
BBHC	7,405,278	6,396,839	2,951	6,393,887	0	(10,583)	759,612	
BBM	8,038,278	6,389,116	27,160	6,361,956	0	(43,520)	793,762	
NMH	5,855,577	7,414,999	3,619,490	3,795,509	7,410,434	599,858	380,398	
SMH	2,929,594	4,706,514	3,007,219	1,699,295	4,273,715	542,900	411,353	
NMHC	38,825	22,071	144	21,927	25	(1,018)	(814)	
BHCC	23,474	38,004	13,383	24,621	40,995	581	380	0.16
BIC	974,419	849,298	11,111	838,187	0	(2)	141	
BBC	872,810	1,106,164	152,752	953,413	363,035	(122,607)	(99,053)	
Youshan	25,306	235,045	167,587	67,458	409,053	40,827	26,815	

Name of business	Capital	Total assets	Total liabilities	Net assets	Revenue	Profit from operations	Profit or loss for the year (After income tax)	Earnings per share (dollar; after income tax)
Wangcheng	8,643	17,842	3,647	14,195	19,569	2,072	1,979	
Filter	326,199	442,036	124,717	317,319	27,057	(7,833)	(7,784)	
Zhenglang	25,798	66,050	25,422	40,628	258,439	9,749	10,080	
Perfusion	22,189	25,700	6,058	19,642	0	(2,101)	(2,067)	
BMTC	445,660	4,712,161	2,531,831	2,180,331	3,513,139	278,945	200,261	2.57
BMC	3,206,745	20,557,778	11,801,724	8,756,054	17,127,523	591,705	503,791	1.29
PTT	750,856	2,142,452	833,976	1,308,476	2,717,161	180,229	117,071	1.45
DFI	1,144,889	9,101,605	4,118,723	4,982,882	13,685,363	532,675	350,445	3.16
K2	200,000	1,045,339	410,850	634,489	1,072,913	43,600	90,251	4.51
K2TH	38,339	204,723	130,785	73,938	206,647	21,276	14,983	
K2SH	39,415	181,063	55,103	125,960	354,733	44,314	36,887	
K2ID	5,000	353,895	44,009	309,886	272,528	56,183	38,278	
DIC	693,996	3,283,765	969,805	2,313,960	3,916,245	395,915	314,502	4.02
EASCHK	117,507	172,145	2,351	169,794	842,510	18,754	12,016	
EASTMO	381	452	495	(42)	15,800	(4,207)	(4,214)	
TOC	0	0	0	0	1,011,583	160,553	123,696	
MTG	1,883,573	11,975,748	6,680,943	5,294,805	15,312,529	497,488	594,219	3.14
SIMULA	799,729	2,636,921	550,577	2,086,344	2,039,055	(86,639)	(83,450)	(1.04)
GSC	350,000	668,788	197,931	470,856	560,540	7,929	21,152	1.39
BMB	15,000	74,600	43,257	31,343	141,181	4,876	4,561	3.04
ESM	333,500	588,045	153,022	435,024	390,105	7,255	4,521	0.14
ALPHA	5,417,185	23,798,843	10,468,764	13,330,079	28,272,191	829,271	639,867	1

Note: Please refer to the 2023 Annual Reports of the Company's Subsidiaries BenQ Materials Corporation, BenQ Medical Technology Corporation, Partner Tech Corp., DFI Inc., DATA IMAGE CORPORATION, MetaAge CO., LTD. , SIMULA TECHNOLOGY INC. and Alpha Networks Inc. to respectively see its Overview of affiliates' operations.

- II. Privately placed securities handling status in the most recent year up to the publication date of this Annual Report: None
- III. Holding or disposition of the Company shares by subsidiaries in the most recent year up to the publication date of this Annual Report: None.
- IV. Other items that must be included: None.
- V. Any event that results in substantial impact on the shareholders' equity or prices of the Company's securities as prescribed by Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act that have occurred in the most recent year up to the publication date of this Annual Report: None.

**QISDA CORPORATION AND SUBSIDIARIES**

**Consolidated Financial Statements  
With Independent Auditors' Report**

**For the Years Ended December 31, 2023 and 2022**

Address: No. 157, Shan-Ying Rd., Gueishan Dist., Taoyuan City, Taiwan  
Telephone: 886-3-359-8800

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

## **Representation Letter**

The entities that are required to be included in the combined financial statements of Qisda Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 “Consolidated Financial Statements” endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Qisda Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Hereby declare

Qisda Corporation  
Chi-Hong (Peter) Chen  
Chairman  
March 5, 2024

## **Independent Auditors' Report**

To the Board of Directors of Qisda Corporation:

### **Opinion**

We have audited the consolidated financial statements of Qisda Corporation and its subsidiaries, which comprise the consolidated balance sheet as of December 31, 2023 and the restated consolidated balance sheet as of December 31, 2022, and the consolidated statements of comprehensive income and changes in equity for the years then ended, and the consolidated statement of cash flow for the year ended December 31, 2023 and the restated consolidated statement of cash flow for the year ended December 31, 2022 and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of Qisda Corporation and its subsidiaries as of December 31, 2023 and 2022 (restated), and their consolidated financial performance for the years then ended, and the consolidated cash flow for the year ended December 31, 2023 and the restated consolidated cash flow for the year ended December 31, 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), and Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

## Key Audit Matters

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

Key audit matters for Qisda Corporation and its subsidiaries' consolidated financial statements for the year ended December 31, 2023 are stated as follows:

### 1. Revenue recognition

Please refer to Note 4(r) for the accounting policy on revenue recognition, and Note 6(y) for the related disclosures of revenue, respectively, to the consolidated financial statements.

Description of key audit matter:

Qisda Corporation and its subsidiaries have several operating segments which engage in different business activities through their worldwide operational locations. Qisda Corporation and its subsidiaries recognize revenue depending on the various trade terms in each individual sale transaction, which are considered to be complex in determining the timing of revenue recognition. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matters above, our principal audit procedures included performing a sample test on the design and operating effectiveness of Qisda Corporation and its subsidiaries' internal controls over financial reporting related to the sales and collection cycle; assessing whether revenue is recognized based on the trade terms with customers through reviewing the related sales contracts or other trade documents; performing a sample test on sales transactions that took place before and after the balance sheet date to determine when the performance obligation has been satisfied by transferring control over the goods to a customer to assess the accuracy of the timing of revenue recognition; reviewing and analyzing the reason for significant sales returns and allowances that took place after the balance sheet date to assess the reasonableness of the related accrued sales returns and allowances.

### 2. Valuation of inventories

Please refer to Note 4(h) for the inventory accounting policy, Note 5(a) for estimation uncertainty of inventory valuation, and Note 6(f) for the related inventory write-down disclosures, respectively, to the consolidated financial statements.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the rapid technological innovations and highly competitive environments in the electronic industry which Qisda Corporation and its subsidiaries are engaged in, the life cycle of certain electronic products are short and their market prices fluctuate rapidly, which could possibly result in a price decline and obsolescence of inventory, wherein the inventory cost may exceed its net realizable value. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included reviewing the inventory of aging report and analyzing the fluctuation of inventory aging; selecting samples to verify the accuracy of the net realizable value of inventories and inventory aging report prepared by Qisda Corporation and its subsidiaries; evaluating whether valuation of inventories was accounted for in accordance with Qisda Corporation and its subsidiaries' accounting policies; and assessing the reasonableness of management's accounting policies on inventory provisions.

### 3. Impairment of goodwill

Please refer to Note 4(p) for the accounting policy on impairment of non-financial assets, Note 5(b) for estimation uncertainty of impairment of goodwill, and Note 6(m) for the related disclosures of goodwill impairment test, respectively, to the consolidated financial statements.

Description of key audit matter:

Goodwill arising from acquisition of subsidiaries is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions, including the discount rate, expected growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis to assess the impact of variations in key assumptions; and assessing the adequacy of Qisda Corporation and its subsidiaries' disclosures with respect to evaluation of goodwill impairment.

#### **Other Matter**

We did not audit the financial statements of certain subsidiaries of Qisda Corporation and its subsidiaries. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the report of other auditors. The financial statements of those subsidiaries reflect the total assets amounting to NTD 5,920,686 thousand and NTD 9,914,620 thousand, respectively, constituting 3.14% and 5.13%, respectively, of the consolidated total assets as of December 31, 2023 and 2022, and the total operating revenue amounting to NTD 5,955,300 thousand and NTD 11,405,195 thousand, respectively, constituting 2.93% and 4.76%, respectively, of the consolidated total operating revenues for the years ended December 31, 2023 and 2022.

Qisda Corporation has additionally prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have audited and expressed an unmodified opinion with Other Matter section.

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

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 with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing Qisda Corporation and its subsidiaries' financial reporting process.



## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Qisda Corporation and its subsidiaries' internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Qisda Corporation and its subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Qisda Corporation and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Qisda Corporation and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chang, Huei-Chen and Shih, Wei-Ming.

KPMG

Taipei, Taiwan (Republic of China)  
March 5, 2024

#### **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' audit 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' audit report and consolidated financial statements, the Chinese version shall prevail.

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

**QISDA CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

**December 31, 2023, December 31 and January 1, 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

Assets	December 31, 2023		December 31, 2022 (Restated)		January 1, 2022 (Restated)		
	Amount	%	Amount	%	Amount	%	
<b>Current assets:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 25,472,899	13	31,202,619	16	18,449,682	10
1110	Financial assets at fair value through profit or loss—current (note 6(b))	325,552	-	145,049	-	133,212	-
1120	Financial assets at fair value through other comprehensive income — current (note 6(c))	109,921	-	100,146	-	102,037	-
1170	Notes and accounts receivable, net (notes 6(d), (y) and 8)	35,742,965	19	38,085,893	20	29,999,477	16
1181	Notes and accounts receivable from related parties (notes 6(d), (y) and 7)	2,299,192	1	2,064,033	1	3,007,620	2
1200	Other receivables (notes 6(d), (e) and (i))	1,021,406	1	2,353,786	1	852,087	-
1210	Other receivables from related parties (notes 6(e) and 7)	300,403	-	304,287	-	304,166	-
130X	Inventories (note 6(f) )	37,931,141	20	43,870,428	23	50,147,906	27
1470	Other current assets	3,163,005	2	2,929,967	2	3,069,555	2
1476	Other financial assets— current (notes 6(a) and 8)	1,298,713	1	329,598	-	4,046,389	2
1461	Non-current assets held for sale (note 6(g))	345,201	-	-	-	476,511	-
	<b>Total current assets</b>	<u>108,010,398</u>	<u>57</u>	<u>121,385,806</u>	<u>63</u>	<u>110,588,642</u>	<u>59</u>
<b>Non-current assets:</b>							
1510	Financial assets at fair value through profit or loss— non-current (note 6(b))	751,233	-	516,377	-	354,333	-
1517	Financial assets at fair value through other comprehensive income — non-current (note 6(c))	12,070,208	7	10,231,092	5	18,047,059	10
1550	Investments accounted for using the equity method (note 6(h))	8,313,613	4	5,479,148	3	4,067,106	2
1600	Property, plant and equipment (notes 6(j) and 8)	40,389,379	22	36,506,711	19	33,037,041	18
1755	Right-of-use assets (notes 6(k) and 7 )	5,222,230	3	5,142,615	3	4,613,883	2
1760	Investment property (notes 6(l) and 8)	844,682	1	921,424	1	3,408,285	2
1780	Intangible assets (notes 6(i) and (m))	9,512,853	5	10,227,656	5	10,538,787	6
1840	Deferred income tax assets (note 6(u))	2,205,533	1	2,085,522	1	1,761,231	1
1900	Other non-current assets (note 6(t))	374,868	-	311,097	-	386,454	-
1980	Other financial assets— non-current (notes 6(a) and 8)	728,640	-	608,344	-	435,708	-
	<b>Total non-current assets</b>	<u>80,413,239</u>	<u>43</u>	<u>72,029,986</u>	<u>37</u>	<u>76,649,887</u>	<u>41</u>
	<b>Total assets</b>	<u>\$ 188,423,637</u>	<u>100</u>	<u>193,415,792</u>	<u>100</u>	<u>187,238,529</u>	<u>100</u>

(Continued)

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

**QISDA CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets (Continued)**

**December 31, 2023, December 31 and January 1, 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

		December 31, 2023		December 31, 2022 (Restated)		January 1, 2022 (Restated)	
		Amount	%	Amount	%	Amount	%
<b>Liabilities and Equity</b>							
<b>Current liabilities:</b>							
2100	Short-term borrowings (notes 6(n) and 8)	\$ 29,919,639	16	25,969,736	13	24,295,022	13
2110	Short-term notes and bills payable (note 6(n))	-	-	199,619	-	-	-
2120	Financial liabilities at fair value through profit or loss – current (note 6(b))	79,374	-	96,982	-	78,178	-
2130	Contract liabilities – current (note 6(y))	3,035,848	2	2,798,320	2	2,431,400	1
2170	Notes and accounts payable	29,891,039	16	28,290,462	15	39,319,708	21
2180	Accounts payable to related parties (note 7)	577,039	-	747,500	-	1,465,399	1
2200	Other payables (notes 6(i) and (z))	13,203,307	7	15,229,989	8	12,863,465	7
2220	Other payables to related parties (note 7)	26,117	-	24,835	-	27,307	-
2230	Current income tax liabilities	1,731,112	1	4,448,014	2	1,540,749	1
2260	Liabilities related to non-current assets held for sale (note 6(g))	48,024	-	-	-	-	-
2300	Other current liabilities	852,649	-	757,374	-	878,646	-
2365	Refund liabilities – current	2,709,182	1	2,867,758	2	2,884,556	2
2321	Current portion of bonds payable (note 6(p))	-	-	-	-	461,471	-
2322	Current portion of long-term debt (notes 6(o) and 8)	1,556,119	1	1,635,671	1	714,857	-
2280	Lease liabilities – current (notes 6(q) and 7)	564,317	-	531,390	-	466,245	-
2250	Provisions – current (note 6(r))	1,074,754	1	1,045,970	1	906,468	1
	<b>Total current liabilities</b>	<u>85,268,520</u>	<u>45</u>	<u>84,643,620</u>	<u>44</u>	<u>88,333,471</u>	<u>47</u>
<b>Non-current liabilities:</b>							
2503	Financial liabilities at fair value through profit or loss – non-current (note 6(b))	-	-	63,144	-	97,986	-
2530	Bonds payable (note 6(p))	3,260,702	2	2,995,015	2	-	-
2540	Long-term debt (notes 6(o) and 8)	29,784,806	16	32,086,612	17	26,702,353	14
2580	Lease liabilities – non-current (notes 6(q) and 7)	1,863,813	1	1,986,764	1	1,524,736	1
2550	Provisions – non-current (note 6(r))	775,589	-	763,548	-	743,366	1
2570	Deferred income tax liabilities (note 6(u))	2,520,226	1	2,031,650	1	2,383,103	1
2670	Other non-current liabilities (note 6(t))	856,409	1	908,008	-	1,290,751	1
	<b>Total non-current liabilities</b>	<u>39,061,545</u>	<u>21</u>	<u>40,834,741</u>	<u>21</u>	<u>32,742,295</u>	<u>18</u>
	<b>Total liabilities</b>	<u>124,330,065</u>	<u>66</u>	<u>125,478,361</u>	<u>65</u>	<u>121,075,766</u>	<u>65</u>
<b>Equity attributable to shareholders of the Company (notes 6(c), (i) and (v)):</b>							
3110	Common stock	19,667,820	11	19,667,820	10	19,667,820	11
3260	Capital surplus	1,983,975	1	1,949,409	1	1,844,310	1
3300	Retained earnings	18,793,317	10	24,185,472	13	20,777,515	11
3400	Other equity	(3,387,754)	(2)	(5,076,387)	(3)	(833,222)	(1)
	<b>Total equity attributable to shareholders of the Company</b>	<u>37,057,358</u>	<u>20</u>	<u>40,726,314</u>	<u>21</u>	<u>41,456,423</u>	<u>22</u>
36XX	Non-controlling interests (notes 6(i) and (v))	27,036,214	14	27,211,117	14	24,706,340	13
	<b>Total equity</b>	<u>64,093,572</u>	<u>34</u>	<u>67,937,431</u>	<u>35</u>	<u>66,162,763</u>	<u>35</u>
	<b>Total liabilities and equity</b>	<u>\$ 188,423,637</u>	<u>100</u>	<u>193,415,792</u>	<u>100</u>	<u>187,238,529</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**QISDA CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2023 and 2022**  
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (notes 6(s), (y), 7 and 14)	\$ 203,594,781	100	239,837,296	100
5000	Operating costs (notes 6(f), (j), (k), (l), (m), (q), (r), (s), (t), (z), 7 and 12)	(170,518,878)	(84)	(205,276,228)	(86)
	<b>Gross profit</b>	33,075,903	16	34,561,068	14
	<b>Operating expenses (notes 6(d), (j), (k), (l), (m), (q), (s), (t), (w), (z) 7 and 12):</b>				
6100	Selling expenses	(14,955,087)	(7)	(15,099,320)	(6)
6200	Administrative expenses	(6,198,413)	(3)	(6,332,071)	(3)
6300	Research and development expenses	(6,943,939)	(4)	(7,192,111)	(3)
6450	Gain on reversal of impairment loss (expected credit loss)	32,708	-	(85,209)	-
	<b>Total operating expenses</b>	(28,064,731)	(14)	(28,708,711)	(12)
	<b>Operating income</b>	5,011,172	2	5,852,357	2
	<b>Non-operating income and loss:</b>				
7100	Interest income (note 6(aa))	901,749	1	413,906	-
7010	Other income (note 6(aa))	900,044	-	1,095,272	1
7020	Other gains and losses, net (notes 6(g), (h), (i), (q), (r), (s), (aa) and (ab))	910,056	1	10,092,000	4
7050	Finance costs (notes 6(q), (aa) and 7)	(1,808,278)	(1)	(1,196,799)	-
7060	Share of profits of associates and joint ventures (note 6(h))	404,997	-	366,565	-
	<b>Total non-operating income and loss</b>	1,308,568	1	10,770,944	5
	<b>Income before income tax</b>	6,319,740	3	16,623,301	7
7950	Less: income tax expense (note 6(u))	(1,803,661)	(1)	(5,544,232)	(2)
	<b>Net income</b>	4,516,079	2	11,079,069	5
	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurements of defined benefit plans (notes 6(t) and (v))	13,290	-	220,840	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes 6(v) and (ab))	1,949,297	1	(6,863,049)	(3)
8320	Share of other comprehensive income (loss) of associates (notes 6(h) and (v))	251,145	-	(159,470)	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss (note 6(u))	(14,293)	-	61,906	-
		2,199,439	1	(6,739,773)	(3)
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign operations (note 6(v))	(145,292)	-	2,758,759	1
8370	Share of other comprehensive income (loss) of associates and joint ventures (notes 6(h) and (v))	(76,241)	-	220,024	-
		(221,533)	-	2,978,783	1
	<b>Other comprehensive income (loss) for the year, net of income tax</b>	1,977,906	1	(3,760,990)	(2)
	<b>Total comprehensive income for the year</b>	\$ 6,493,985	3	7,318,079	3
	<b>Net income attributable to:</b>				
8610	Shareholders of the Company	\$ 2,975,733	1	8,251,930	4
8620	Non-controlling interests	1,540,346	1	2,827,139	1
		\$ 4,516,079	2	11,079,069	5
	<b>Total comprehensive income attributable to:</b>				
8710	Shareholders of the Company	\$ 4,920,533	2	4,098,466	2
8720	Non-controlling interests	1,573,452	1	3,219,613	1
		\$ 6,493,985	3	7,318,079	3
	<b>Earnings per share (in New Taiwan Dollars) (note 6(x)):</b>				
9750	Basic earnings per share	\$ 1.51		4.20	
9850	Diluted earnings per share	\$ 1.51		4.14	

See accompanying notes to consolidated financial statements.

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

**QISDA CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Company												
	Retained earnings						Other equity						
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other equity	Total equity of the Company	Non-controlling interests	Total equity
<b>Balance at January 1, 2022</b>	\$19,667,820	1,844,310	2,639,376	1,264,645	16,873,494	20,777,515	(1,723,237)	1,378,567	(488,552)	(833,222)	41,456,423	24,706,340	66,162,763
Net income in 2022	-	-	-	-	8,251,930	8,251,930	-	-	-	-	8,251,930	2,827,139	11,079,069
Other comprehensive income (loss) in 2022	-	-	-	-	-	-	2,598,267	(6,952,755)	201,024	(4,153,464)	(4,153,464)	392,474	(3,760,990)
Total comprehensive income (loss) in 2022	-	-	-	-	8,251,930	8,251,930	2,598,267	(6,952,755)	201,024	(4,153,464)	4,098,466	3,219,613	7,318,079
Appropriation of earnings:													
Legal reserve	-	-	798,486	-	(798,486)	-	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(431,423)	431,423	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(4,916,955)	(4,916,955)	-	-	-	-	(4,916,955)	-	(4,916,955)
Share of changes in equity of associates and joint ventures	-	105,435	-	-	-	-	-	-	-	-	105,435	118,683	224,118
Acquisition or disposal of shares of subsidiaries	-	-	-	-	(16,719)	(16,719)	-	-	-	-	(16,719)	(45,141)	(61,860)
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	89,701	89,701	-	(89,701)	-	(89,701)	-	-	-
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,525,512)	(1,525,512)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	75,045	75,045
Changes in ownership interests in subsidiaries	-	(3,732)	-	-	-	-	-	-	-	-	(3,732)	3,732	-
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	3,370	3,370
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	654,987	654,987
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	-	3,396	-	-	-	-	-	-	-	-	3,396	-	3,396
<b>Balance at December 31, 2022</b>	<u>19,667,820</u>	<u>1,949,409</u>	<u>3,437,862</u>	<u>833,222</u>	<u>19,914,388</u>	<u>24,185,472</u>	<u>875,030</u>	<u>(5,663,889)</u>	<u>(287,528)</u>	<u>(5,076,387)</u>	<u>40,726,314</u>	<u>27,211,117</u>	<u>67,937,431</u>
Net income in 2023	-	-	-	-	2,975,733	2,975,733	-	-	-	-	2,975,733	1,540,346	4,516,079
Other comprehensive income (loss) in 2023	-	-	-	-	-	-	(198,384)	2,138,796	4,388	1,944,800	1,944,800	33,106	1,977,906
Total comprehensive income (loss) in 2023	-	-	-	-	2,975,733	2,975,733	(198,384)	2,138,796	4,388	1,944,800	4,920,533	1,573,452	6,493,985
Appropriation of earnings:													
Legal reserve	-	-	832,491	-	(832,491)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	4,243,165	(4,243,165)	-	-	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(3,933,564)	(3,933,564)	-	-	-	-	(3,933,564)	-	(3,933,564)
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	256,167	256,167	-	(256,167)	-	(256,167)	-	-	-
Shares of changes in equity of associates and joint ventures	-	1,748	-	-	-	-	-	-	-	-	1,748	5	1,753
Distribution of cash dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(2,559,152)	(2,559,152)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	79,307	79,307
Acquisition or disposal of shares of subsidiaries	-	1	-	-	(4,690,491)	(4,690,491)	-	-	-	-	(4,690,490)	(1,588,467)	(6,278,957)
Changes in ownership interests in subsidiaries	-	28,490	-	-	-	-	-	-	-	-	28,490	(28,490)	-
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	1,273	1,273
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	2,347,169	2,347,169
Claim for the disgorgement right	-	75	-	-	-	-	-	-	-	-	75	-	75
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	-	4,252	-	-	-	-	-	-	-	-	4,252	-	4,252
<b>Balance at December 31, 2023</b>	<u>\$19,667,820</u>	<u>1,983,975</u>	<u>4,270,353</u>	<u>5,076,387</u>	<u>9,446,577</u>	<u>18,793,317</u>	<u>676,646</u>	<u>(3,781,260)</u>	<u>(283,140)</u>	<u>(3,387,754)</u>	<u>37,057,358</u>	<u>27,036,214</u>	<u>64,093,572</u>

See accompanying notes to consolidated financial statements.

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

**QISDA CORPORATION AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022 (Restated)</u>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 6,319,740	16,623,301
Adjustments for:		
<b>Adjustments to reconcile profit or loss:</b>		
Depreciation	4,598,992	4,203,530
Amortization	1,101,189	1,111,212
Expected credit loss (gain on reversal of impairment loss)	(32,708)	85,209
Interest expense	1,808,278	1,196,799
Interest income	(901,749)	(413,906)
Dividend income	(621,566)	(905,068)
Share-based compensation cost	1,273	3,370
Share of profit of associates and joint ventures	(404,997)	(366,565)
Loss (gain) on disposal of property, plant and equipment	(11)	5,434
Gain on disposal of non-current assets held for sale	-	(907,772)
Gain on disposal and liquidation of subsidiaries	(745,466)	(8,756,264)
Loss (gain) on disposal of investments accounted for using equity method	23,589	(120,326)
Gain on bargain purchase	-	(81,089)
Impairment loss on investments accounted for using equity method	-	22,715
Impairment loss on non-financial assets	-	7,699
Total adjustments for profit or loss	<u>4,826,824</u>	<u>(4,915,022)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(297,846)	(43,025)
Notes and accounts receivable	2,190,857	(7,723,804)
Notes and accounts receivable from related parties	(235,159)	958,922
Other receivables	261,065	(421,603)
Other receivables from related parties	3,884	(121)
Inventories	5,703,107	6,502,065
Other current assets	(240,806)	112,787
Other non-current assets	(96,033)	43,700
Net changes in operating assets	<u>7,289,069</u>	<u>(571,079)</u>
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(78,000)	(16,038)
Notes and accounts payable	1,697,513	(11,412,889)
Accounts payable to related parties	(170,461)	(717,899)
Other payables to related parties	1,282	1,063
Provisions	56,730	159,684
Contract liabilities	290,733	373,252
Other payables and other current liabilities	(1,394,759)	1,060,497
Other non-current liabilities	(8,881)	(9,849)
Net changes in operating liabilities	<u>394,157</u>	<u>(10,562,179)</u>
Total changes in operating assets and liabilities	<u>7,683,226</u>	<u>(11,133,258)</u>
Total adjustments	<u>12,510,050</u>	<u>(16,048,280)</u>
Cash provided by operations	18,829,790	575,021
Interest received	935,921	457,559
Dividends received	1,028,790	1,191,034
Interest paid	(1,778,785)	(1,105,958)
Income taxes paid	(5,404,706)	(2,308,616)
<b>Net cash provided by (used in) operating activities</b>	<u>13,611,010</u>	<u>(1,190,960)</u>

(Continued)

See accompanying notes to consolidated financial statements.

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

**QISDA CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Continued)**  
**For the years ended December 31, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	2023	2022 (Restated)
<b>Cash flows from investing activities:</b>		
Purchase of financial assets at fair value through other comprehensive income	\$ (198,288)	(465,167)
Proceeds from disposal of financial assets at fair value through other comprehensive income	303,198	113,342
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	2,833	1,338,239
Purchase of financial assets at fair value through profit or loss	(173,557)	(130,856)
Proceeds from disposal of financial assets at fair value through profit or loss	56,025	-
Purchase of investments accounted for using equity method	(1,830,730)	(1,098,690)
Proceeds from disposal of investments accounted for using equity method	84,988	150,462
Proceeds from disposal of subsidiaries (including collection of receivables arising from disposal of subsidiaries)	1,339,297	10,417,241
Proceeds from liquidation of investments accounted for using equity method	-	565
Proceeds from disposal of non-current assets held for sale	-	1,318,126
Cash decrease in disposal groups classified as held for sale	(12,349)	-
Additions to property, plant and equipment (including prepayments for equipment)	(5,047,746)	(6,538,224)
Proceeds from disposal of property, plant and equipment	163,305	281,946
Additions to intangible assets	(287,599)	(466,069)
Decrease (increase) in other financial assets	(1,073,253)	3,572,923
Net cash paid for acquisition of subsidiaries	(1,781,038)	(138,508)
Net decrease in cash from derecognition of subsidiaries	(318,633)	-
<b>Net cash provided by (used in) investing activities</b>	<b>(8,773,547)</b>	<b>8,355,330</b>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	19,013,137	25,784,456
Repayments of short-term borrowings	(14,915,840)	(24,299,351)
Increase (decrease) in short-term notes and bills payable	(199,619)	199,619
Proceeds from issuing bonds	631,884	2,994,473
Repayments of bonds	-	(372,300)
Increase in long-term debt	40,419,767	27,480,876
Repayments of long-term debt	(42,609,613)	(21,464,003)
Decrease in guarantee deposits received	(11,303)	(21,144)
Payment of lease liabilities	(787,354)	(540,611)
Cash dividends to shareholders	(3,933,564)	(4,916,955)
Distribution of cash dividends by subsidiaries to non-controlling interests	(2,559,152)	(1,525,512)
Acquisition of subsidiary's interests from non-controlling interests	(5,662,128)	(61,860)
Claim for the disgorgement right	75	-
Proceeds from disposal of subsidiary's interests (without losing control)	12,129	-
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	4,252	3,396
Capital injection from non-controlling interests	79,307	75,045
<b>Net cash provided by (used in) financing activities</b>	<b>(10,518,022)</b>	<b>3,336,129</b>
<b>Effects of foreign exchange rate changes</b>	<b>(49,161)</b>	<b>2,252,438</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,729,720)</b>	<b>12,752,937</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>31,202,619</b>	<b>18,449,682</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 25,472,899</b>	<b>31,202,619</b>

See accompanying notes to consolidated financial statements.



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

## **QISDA CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

**For the years ended December 31, 2023 and 2022**

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

#### **1. Organization and business**

Qisda Corporation (the “Company”) was incorporated on April 21, 1984, as a company limited by shares under the laws of the Republic of China (“R.O.C.”) and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No. 157, Shan-Ying Rd., Gueishan Dist., Taoyuan City, Taiwan. The Company and subsidiaries (collectively the “Group”) are engaged in the manufacturing, sales and services of high-end monitors, opto-mechatronics products and optoelectronics film; the manufacturing, sales and services of smart business solution; the manufacturing, sales and services of medical equipment; providing medical services; as well as the research, development, design, manufacturing and sale of broadband products, wireless network products and computer network system equipment.

#### **2. Authorization of the consolidated financial statements**

These consolidated financial statements were authorized for issuance by the Board of Directors on March 5, 2024

#### **3. Application of new and revised accounting standards and interpretations**

- (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 details of impact on the Group’s adoption of the new amendments beginning January 1, 2023 are as follows:

- (i) Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The amendments narrowed the scope of the recognition exemption so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group may need to recognize equal deferred income tax assets and deferred income tax liabilities. The application of the amendments results in deferred tax assets and deferred tax liabilities to increase by \$27,934 and \$27,934, respectively, on January 1, 2022, as well as \$30,261 and \$30,261, respectively, on December 31, 2022.

In addition, if the Group had applied its previous accounting policy, the deferred tax assets and deferred tax liabilities would decrease by \$11,823 and \$11,823, respectively, on December 31, 2023.

- (ii) Other amendments

The following amendments are not expected to have a significant impact on the Group’s consolidated financial statements.

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

## **QISDA CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

In addition, the Group has adopted Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules” on May 23, 2023. The amendments provide a temporary mandatory exception from deferred tax accounting for the top-up tax, which applies retrospectively, and require new disclosures about the Pillar Two exposure for annual reporting periods beginning on or after January 1, 2023. However, as of December 31, 2022, as no new legislation to implement the top-up tax was enacted or substantively enacted in any jurisdiction in which the Group operates and no related deferred taxes were recognized at that date, the retrospective application has no impact on the Group’s consolidated financial statements. The Group is closely monitoring developments related to the implementation of the international tax reforms introducing global minimum tax. Please refer to note 6(u) income tax for further description.

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

The Group assesses that the adoption of the following new amendments, effective January 1, 2024, would not have a significant impact on its consolidated financial statements:

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

#### **4. Summary of material accounting policies**

The material accounting policies presented in the consolidated financial statements are summarized as follows and have been applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

The Group’s accompanying consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the “Regulations”) and the IFRSs, IASs, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the FSC (collectively as “Taiwan-IFRSs”).

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

(b) Basis of preparation

(i) Basis of measurement

The accompanying consolidated financial statements have been prepared on a historical cost basis except for the following items:

- 1) Financial instruments measured at fair value through profit or loss (including derivative financial instruments and contingent consideration measured at fair value);
- 2) Financial assets measured at fair value through other comprehensive income; and
- 3) Net defined benefit liabilities (assets) measured at the present value of the defined benefit obligation less the fair value of the plan assets.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The Group's consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency. Except when otherwise indicated, all financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The accompanying consolidated financial statements incorporate the financial statements of the Company and its controlled entities (the subsidiaries) in which the Company is exposed, or has right, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. All inter-company transactions, balances and resulting unrealized income and loss are eliminated on consolidation. Total comprehensive income (loss) of a subsidiary is attributed to the shareholders of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, financial statements of subsidiaries are adjusted to align the accounting policies with those adopted by the Company.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the adjustment of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and attributed to the shareholders of the Company.

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

(ii) List of subsidiaries in the consolidated financial statements

The subsidiaries included in the consolidated financial statements were as follows:

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
The Company	Qisda Sdn. Bhd. (“QLPG”)	Leasing and management services	100.00 %	100.00 %	-
The Company	Qisda America Corp. (“QALA”)	Sales of electronic products	100.00 %	100.00 %	-
The Company	Qisda Japan Co., Ltd. (“QJTO”)	Sales and maintenance of electronic products in Japanese market	100.00 %	100.00 %	-
The Company	BenQ Dialysis Technology Corp. (“BDT”)	Manufacture and sales of medical consumables and equipment	100.00 %	100.00 %	-
The Company	Qisda Optronics Corp. (“QTOS”)	Sale of electronic products	100.00 %	100.00 %	-
The Company	Darly Venture (L) Ltd. (“Darly”)	Investment and holding activity	100.00 %	100.00 %	-
The Company	Darly Venture Inc. (“APV”)	Investment and holding activity	100.00 %	100.00 %	-
The Company	Qisda Vietnam Co., Ltd. (“QVH”)	Manufacture of monitors	100.00 %	100.00 %	-
The Company	Qisda (L) Corp. (“QLLB”)	Investment and holding activity	100.00 %	100.00 %	-
QLLB	Qisda (Suzhou) Co., Ltd. (“QCSZ”)	Manufacture of monitors and communication devices	100.00 %	100.00 %	-
QLLB	Qisda (Hong Kong) Limited (“QCHK”)	Investment and holding activity	100.00 %	100.00 %	-
QLLB	BenQ Medical (Shanghai) Co., LTD. (“BMSH”)	Sales of medical consumables and equipment	100.00 %	100.00 %	-
QCHK/QCES	Qisda (Shanghai) Co., Ltd. (“QCSH”)	Manufacture of monitors	100.00 %	100.00 %	-
QCHK	Qisda Electronics (Suzhou) Co., Ltd. (“QCES”)	Manufacture of LCD module	100.00 %	100.00 %	-
QCHK	Qisda Optronics (Suzhou) Co., Ltd. (“QCOS”)	Manufacture of projectors	100.00 %	100.00 %	-
QCHK	Qisda Precision Industry (Suzhou) Co., Ltd. (“QCPS”)	Manufacture of plastic parts	100.00 %	100.00 %	-
The Company	BenQ Corp. (“BenQ”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BenQ	BenQ Europe B.V. (“BQE”)	Sales of brand-name electronic products in European markets	100.00 %	100.00 %	-
BenQ	BenQ Asia Pacific Corp. (“BQP”)	Sales of brand-name electronic products in Asia markets	100.00 %	100.00 %	-
BenQ	BenQ America Corporation (“BQA”)	Sales of brand-name electronic products in North America markets	100.00 %	100.00 %	-
BenQ	BenQ Latin America Corp. (“BQL”)	Sales of brand-name electronic products in Latin America markets	100.00 %	100.00 %	-
BenQ	Mainteq Europe B.V. (“MQE”)	Maintenance of brand-name monitors and projectors in European markets	100.00 %	100.00 %	-

(Continued)

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

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
BenQ	Darly2 Venture, Inc. (“Darly2”)	Investment and holding activity	100.00 %	100.00 %	-
BenQ	BenQ Intelligent Technology (Hong Kong) Co., Ltd. (“BQHK_HLD”)	Sales of brand-name electronic products in HK markets	100.00 %	100.00 %	-
BenQ	BenQ INFY Lab Ltd. (“INF”)	Assembly and sales of gaming electronic products	100.00 %	100.00 %	-
BenQ/Darly/Darly2	BenQ Guru Holding Limited (“GSH”)	Investment and holding activity	100.00 %	100.00 %	-
BenQ/BQP	PT BenQ Teknologi Indonesia (“BQid”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQP	BenQ Korea Co., Ltd. (“BQkr”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQP	BenQ Japan Co., Ltd. (“BQjp”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQP	BenQ Australia Pty Ltd. (“BQau”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQP	BenQ (M.E.) FZE (“BQme”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQP	BenQ India Private Ltd. (“BQin”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQP	BenQ Singapore Pte. Ltd. (“BQsg”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQP	BenQ Service & Marketing (M) Sdn. Bhd. (“BQmy”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQP	BenQ (Thailand) Co., Ltd. (“BQth”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQP	BenQ Vietnam Co., Ltd. (“BQvn”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQHK_HLD	BenQ Technology (Shanghai) Co., Ltd. (“BQls”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQHK_HLD	ShengCheng Trading (Shanghai) Co., Ltd. (“BQsha_EC2”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQHK_HLD	BenQ Intelligent Technology (Shanghai) Co., Ltd. (“BQC_RO”)	Sales of brand name electronic products in China markets	100.00 %	100.00 %	-
GSH	BenQ Guru Software Co., Ltd. (“GSS”)	R&D and sales of computer information systems	100.00 %	100.00 %	-
BQA	BenQ Canada Corp. (“BQca”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BenQ/BQL	BenQ Mexico S. de R.L. de C.V. (“BQmx”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQL	Joytech LLC. (“Joytech”)	Investment and holding activity	100.00 %	100.00 %	-
BQL	Vividtech LLC. (“Vividtech”)	Investment and holding activity	100.00 %	100.00 %	-
Joytech/Vividtech	MaxGen Comercio Industrial Imp E Exp Ltda. (“MaxGen”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQmx/BQL	BenQ Service de Mexico S. de R.L. de C.V. (“BQsm”)	Providing administration and management service to affiliates	100.00 %	100.00 %	-
BQE	BenQ UK Limited (“BQuk”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQE	BenQ Deutschland GmbH (“BQde”)	Sales of brand-name electronic products	100.00 %	100.00 %	-

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

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
BQE	BenQ Iberica S.L. Unipersonal (“BQib”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQE	BenQ Austria GmbH (“BQat”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQE	BenQ Benelux B.V. (“BQnl”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQE	BenQ Italy S.R.L. (“BQit”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQE	BenQ France SAS (“BQfr”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQE	BenQ Nordic A.B. (“BQse”)	Sales of brand-name electronic products	100.00 %	100.00 %	-
BQE	BenQ LLC. (“BQru”)	Providing administration and management service to affiliates	100.00 %	100.00 %	-
APV/Darly2	Darly Consulting Corporation (“Darly C”)	Investment management consulting	100.00 %	100.00 %	-
The Company/ BenQ/Darly/ APV/Darly2	BenQ BM Holding Cayman Corp. (“BBHC”)	Investment and holding activity	95.02 %	70.28 %	-
BBHC	BenQ BM Holding Corp. (“BBM”)	Investment and holding activity	95.02 %	70.28 %	-
BBM	Nanjing BenQ Hospital Co., Ltd. (“NMH”)	Medical services	95.02 %	70.28 %	-
BBM/BIC	Suzhou BenQ Hospital Co., Ltd. (“SMH”)	Medical services	95.02 %	70.28 %	-
BBM	BenQ Hospital Management Consulting (Nanjing) Co., Ltd. (“NMHC”)	Medical management consulting	95.02 %	70.28 %	-
BBM	BenQ Healthcare Consulting Corporation (“BHCC”)	Medical management consulting	95.02 %	70.28 %	-
BBM	Suzhou BenQ Investment Co., Ltd. (“BIC”)	Investment and holding activity	95.02 %	70.28 %	-
The Company	BenQ Biotech (Shanghai) Co., Ltd. (“BBC”)	Manufacture and sales of medical consumables and equipment	70.00 %	70.00 %	-
BBC	Guangxi Youshan Medical Technology Co., Ltd. (“Youshan”)	Sales of medical consumables and equipment	38.50 %	38.50 %	Note 2
BBC	Wangcheng Medical Technology (Chengdu) Co., Ltd. (“Wangcheng”)	Sales of medical consumables and equipment	49.00 %	49.00 %	Note 2
BBC	Shanghai Filter Technology Co., Ltd. (“Filter”)	Sales of medical consumables and equipment	70.00 %	70.00 %	-
BBC	Shanghai Zhenglang Medical Equipment Co., Ltd. (“Zhenglang”)	Sales of medical consumables and equipment	35.70 %	35.70 %	Note 2
BBC	Shanghai Perfusion Medical Technology Co., Ltd. (“Perfusion”)	R&D and manufacture of medical consumables and equipment	35.70 %	-	Notes 2 and 3
BenQ/APV/ Darly2	BenQ Medical Technology Corp. (“BMTC”)	Manufacture and sales of medical consumables and equipment	54.96 %	54.96 %	-
BMTC	Highview Investments Limited (“Highview”)	Investment and holding activity	54.96 %	54.96 %	-

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

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
BMTC	Asiacconnect International Company Ltd. (“Asiacconnect”)	Sales of medical consumables and equipment and information software	54.82 %	54.82 %	-
BMTC	LILY Medical Corporation (“LILY”)	Sales of medical consumables and equipment	54.96 %	54.96 %	-
BMTC	BenQ AB DentCare Corporation (“BABB”)	Sales of medical consumables and equipment	48.36 %	48.36 %	Note 2
BMTC	BenQ Healthcare Corporation (“BHS”)	Sales of medical consumables and equipment	54.96 %	54.96 %	-
BMTC	EASTECH CO., LTD. (“EASTECH”)	Sales of medical consumables and equipment	38.47 %	38.47 %	Note 2
BMTC	Concord Medical Co., Ltd. (“Concord”)	Sales of medical products, medical equipment leasing, and management consulting	21.98 %	21.98 %	Notes 6 and 10
BMTC/Concord	Concord Healthcare Co., Ltd. (“CCHC”)	Sales of medical consumables and equipment, and management consulting	21.98 %	32.97 %	Notes 2, 4 and 7
The Company/ Darly2/BMTC/ Asiacconnect	K2 International Medical Inc. (“K2”)	Sales of medical consumables and equipment	21.98 %	40.00 %	Notes 1 and 8
K2	K2 Medical (Thailand) Co., Ltd.	Sales of medical consumables and equipment	10.77 %	19.60 %	Notes 1 and 8
K2	K2 (Shanghai) International Medical Inc. (“K2SH”)	Sales of medical consumables and equipment	21.98 %	40.00 %	Notes 1 and 8
K2	PT. Frismed Hoslab Indonesia	Medical devices for blood donation and consumables	14.73 %	26.80 %	Notes 1 and 8
Highview	BenQ Medical Technology (Shanghai) Ltd. (“BMTS”)	Agency of international and entrepot trade business	54.96 %	54.96 %	-
LILY	LILY Medical (Suzhou) Co., Ltd. (“ALS”)	Sales of medical consumables and equipment	54.96 %	54.96 %	-
BHS	New Best Hearing International Trade Co., Ltd. (“NBHIT”)	Sales of medical consumables and equipment	28.58 %	28.58 %	Note 2
BHS	CKCARE Co., Ltd. (“CKCARE”)	Sales of medical products, over-the-counter drugs, and health supplements	32.97 %	32.97 %	Notes 2 and 6
The Company/ BenQ/APV/ Darly C	BenQ Materials Corp. (“BMC”)	R&D, manufacture and sales of optoelectronics film	43.56 %	43.56 %	Note 10
BMC	BenQ Materials (L) Co. (“BMLB”)	Investment and holding activity	43.56 %	43.56 %	Note 2
BMC	Sigma Medical Supplies Corp. (“SGM”)	Sales of medical consumables and equipment	43.56 %	43.56 %	Note 2
BMC	Genejet Biotech Co., Ltd. (“GJB”)	R&D, manufacture and sales of medical consumables and equipment	32.94 %	30.49 %	Note 2

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

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
BMC	Cenefom Corp. (“CENEFOM”)	R&D, manufacture and sales of medical consumables and equipment	22.21 %	22.36 %	Note 2
BMLB	BenQ Material (Suzhou) Co., Ltd. (“BMS”)	Manufacture of optoelectronics film	43.56 %	43.56 %	Note 2
BMLB	Daxon Biomedical (Suzhou) Co., Ltd. (“DTB”)	Service and sales of medical consumables	43.56 %	43.56 %	Note 2
BMLB	BenQ Materials (Wuhu) Co., Ltd. (“BMW”)	Manufacture and sales of optoelectronics film and cosmetics	43.56 %	43.56 %	Note 2
BMLB	BenQ Materials Medical Supplies (Suzhou) Co., Ltd. (“BMM”)	Manufacture and sales of medical consumables	43.56 %	43.56 %	Note 2
SGM	Suzhou Sigma Medical Supplies Co., Ltd. (“SMSZ”)	Sales of medical consumables and equipment	43.56 %	43.56 %	Note 2
BMC	WEB-PRO Corporation (“WPC”)	R&D, manufacture and sales of medical supplies	22.22 %	-	Notes 2 and 5
WPC	Beyond Top Pte. Ltd. (“WPSG”)	Investment and holding activity	22.22 %	-	Notes 2 and 5
WPSG	Web-Pro (Vietnam) Co., Ltd. (“WPVN”)	Manufacture and sales of medical supplies	22.22 %	-	Notes 2 and 5
The Company/APV/ Darly2	Partner Tech Corp. (“PTT”)	Manufacture, sales and import and export of POS terminals and peripherals	68.23 %	68.23 %	-
PTT/PTE	Partner Tech UK Corp., Ltd. (“PTUK”)	Sales, purchases, import and export of electronic products	64.34 %	64.34 %	-
PTT/WEBEST	Partner Tech Middle East FZCO (“PTME”)	Sales, purchases, import and export of electronic products	68.23 %	68.23 %	-
PTT	Partner-Tech Europe GmbH (“PTE”)	Sales, purchases, import and export of electronic products	34.13 %	34.13 %	Note 2
PTT/WEBEST	Partner Tech North Africa (“PTNA”)	Sales, purchases, import and export of electronic products	-	39.70 %	Notes 2 and 19
PTT	Epoint Systems Pte. Ltd. (“PTSE”)	Software development and sales of product	47.68 %	47.68 %	Note 2
PTT	Partner Tech Asia Pacific Corp. (“PTAP”)	Software development and sales of product	68.23 %	-	Note 3
PTT	P&S Investment Holding Co., Ltd. (B.V.I.) (P&S)	Investment and holding activity	68.23 %	68.23 %	-
PTE	Partner Tech France (“PTF”)	Sales, purchases, import and export of electronic products	23.89 %	23.89 %	Notes 2 and 4
PTE	Sloga Team D.o.o (“Sloga”)	Sales, purchases, import and export of electronic products	30.72 %	30.72 %	Note 2
PTE	Retail Solution & System S.L. (“RSS”)	Sales, purchases, import and export of electronic products	23.21 %	23.21 %	Note 2
PTME	E-POS International LLC (“E-POS”)	Sales, purchases, import and export of electronic products	68.23 %	68.23 %	Note 9
P&S	Partner Tech USA Inc. (“PTU”)	Sales, purchases, import and export of electronic products	68.23 %	68.23 %	-

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

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
P&S	Partner Tech (Shanghai) Co., Ltd. (“PTCM”)	Sales, purchases, import and export of electronic products	68.23 %	68.23 %	-
PTT/WEBEST	La Fresh information Co., Ltd. (“PTTN”)	Software development and sales of product	41.10 %	34.55 %	Notes 2 and 14
PTT/PTTN	Webest Solution Corporation (“WEBEST”)	Sales, purchases, import and export of electronic products	41.10 %	68.23 %	Notes 2 and 14
PTT/PTTN	Mace Digital Corporation (“PTMG”)	Software development and sales of product	41.10 %	35.74 %	Notes 2 and 14
The Company/APV/Darly2	DFI Inc. (“DFI”)	Manufacture and sales of industrial motherboards and component	55.09 %	55.09 %	-
DFI	DFI AMERICA, LLC	Sales of industrial motherboards	55.09 %	55.09 %	-
DFI	DFI Co., Ltd.	Sales of industrial motherboards	55.09 %	55.09 %	-
DFI	Diamond Flower Information (NL) B.V.	Sales of industrial motherboards	55.09 %	55.09 %	-
DFI	Yan Tong Technology Ltd. (“Yan Tong”)	Investment and holding activity	55.09 %	55.09 %	-
Yan Tong	Yan Tong Infotech (Dongguan) Co., Ltd. (“DYTF”)	Manufacture and sale of industrial motherboards and component	-	55.09 %	Note 19
Yan Tong	Yan Ying Hao Trading (ShenZhen) Co., Ltd. (“DYTH”)	Wholesale, import and export of industrial motherboards and component	55.09 %	55.09 %	-
DFI	Aewin Technologies Co., Ltd. (“AEWIN”)	Manufacture and sale of industrial motherboards and component	28.31 %	28.31 %	Note 2
AEWIN	Wise Way	Investment and holding activity	28.31 %	28.31 %	Note 2
AEWIN	Aewin Tech Inc.	Wholesale of computer peripheral products and software	28.31 %	28.31 %	Note 2
Wise Way	Bright Profit	Investment and holding activity	28.31 %	28.31 %	Note 2
Bright Profit	Aewin Beijing Technologies Co., Ltd. (Aewin Beijing)	Wholesale of computer peripheral products and software	28.31 %	28.31 %	Note 2
Aewin Beijing	Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	28.31 %	28.31 %	Note 2
DFI	Ace Pillar Co., Ltd. (“ACE”)	Tests, processing, sales, repairment and electromechanical integration of automatic control and mechanical transmission system	26.48 %	26.48 %	Note 10
ACE	Cyber South Management Ltd. (“Cyber South”)	Investment and holding activity	26.48 %	26.48 %	Note 2
ACE/Proton/Cyber South	Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	26.48 %	26.48 %	Note 2
ACE	Hong Kong Ace Pillar Enterprise Company Limited	Sales of automation mechanical transmission system and component	26.48 %	26.48 %	Note 2

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

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
ACE	ACE Energy Co., Ltd. ("AEG")	Energy service	26.44 %	26.44 %	Notes 2 and 16
AEG/ACE	BlueWalker GmbH ("BWA")	Sales and service of energy management products	26.44 %	26.44 %	Notes 2, 6 and 17
ACE	Standard Technology Corp. ("STC")	Sales of semiconductor, optoelectronics and machinery equipment and equipment repair	15.89 %	15.89 %	Notes 2 and 6
STC	Standard Technology Corp. ("STCBVI")	Investment and holding activity	15.89 %	15.89 %	Notes 2 and 6
Standard Technology Corp.	Standard International Trading (Shanghai) Co., Ltd.	Sales of semiconductor, optoelectronics and machinery equipment and equipment repair	15.89 %	15.89 %	Notes 2 and 6
Cyber South	Proton Inc. ("Proton")	Investment and holding activity	26.48 %	26.48 %	Note 2
Cyber South	Ace Tek (HK) Holding Co., Ltd. ("ACETK")	Investment and holding activity	26.48 %	26.48 %	Note 2
Cyber South	Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	26.48 %	26.48 %	Note 2
Cyber South	Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	26.48 %	26.48 %	Note 2
ACETK	Advancedtek Ace (TJ) Inc.	Electronic system integration	26.48 %	26.48 %	Note 2
The Company/APV/Darly2	Data Image Corporation ("DIC")	Manufacture and sales of marine display modules	38.35 %	38.35 %	Note 10
DIC	Data Image (Mauritius) Corporation ("DICMR")	Investment and holding activity	38.35 %	38.35 %	Note 2
Data Image (Mauritius) Corporation	Data Image (Suzhou) Corporation	Manufacture and sales of LCD	38.35 %	38.35 %	Note 2
DIC	DIVA Laboratories. Ltd. ("DIVA")	R&D, manufacture and sales of medical consumables and computer peripheral products	13.63 %	13.63 %	Note 1
DIVA	DIVA Laboratories GmbH	Sales of monitor	13.63 %	13.63 %	Note 1
DIVA	DIVA Laboratories U.S., LLC	Sales of monitor	13.63 %	13.63 %	Note 1
DIVA	Panoramic Imaging Solutions Inc.	Sales of monitor	13.63 %	13.63 %	Note 1
DIVA	Diva Capital Inc.	Investment and holding activity	13.63 %	13.63 %	Note 1
Diva Capital Inc.	Diva Holding Inc.	Investment and holding activity	13.63 %	13.63 %	Note 1
Diva Holding Inc.	Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	13.63 %	13.63 %	Note 1
The Company	Expert Alliance Systems & Consultancy (HK) Company Limited ("EASCHK")	Sales of brand-name electronic products and smart services	54.00 %	54.00 %	-
EASCHK	Expert Alliance Smart Technology Co. Ltd.	Sales of electronic products and smart services	54.00 %	54.00 %	-

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

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
The Company/APV/Darly2	Topview Optronics Corporation (“Topview”)	Manufacture, sales and import and export of video surveillance cameras	-	33.56 %	Notes 1 and 18
Topview	Messoa Technologies Inc. (“Messoa”)	Sales, and import and export of video surveillance cameras	-	13.69 %	Notes 1 and 18
Messoa	Messoa Technologies Inc. (“Messoa USA”)	Sales, and import and export of video surveillance cameras and maintenance services	-	13.69 %	Notes 1 and 18
The Company	Metaage Corporation (“MTG”)	The distribution and reselling of software and hardware equipment of ICT infrastructures, computing and data, utilization, and digitalization	51.41 %	51.41 %	-
MTG/Epic Cloud	Global Intelligence Network Co., Ltd. (“Ginnet”)	Sales of network and information and communication hardware and software	41.03 %	40.84 %	Note 2
MTG	Epic Cloud Co., Ltd. (“Epic Cloud”)	Software and data processing services	51.41 %	51.41 %	-
DFI/MTG	Brainstorm Corporation (“Brainstorm”)	Wholesale and retail of computer peripheral products	18.04 %	19.33 %	Note 12
MTG	Corex (Pty) Ltd. (“Corex”)	Sales, purchases, import and export of electronic products	51.41 %	51.41 %	-
MTG	AdvancedTEK International Corp. (“AdvancedTEK”)	Implementation of application software services	17.53 %	17.53 %	Notes 1 and 11
Advanced TEK	APEO Human Capital Services Corp. (“APEO”)	Implementation of application software services	17.53 %	17.53 %	Note 1
MTG/Epic Cloud	Statinc Company (“Statinc”)	Market research, marketing consultant and big data cloud database services	18.00 %	18.00 %	Note 1
Statinc	DKABio Co., Ltd. (“Datta”)	Market research, marketing consultant and big data cloud database services	18.00 %	18.00 %	Note 1
MTG/GSH	Metaguru Corporation (“MRU”)	R&D and sales of computer information systems	51.41 %	51.41 %	Note 15
The Company/APV/Darly2	Simula Technology Inc. (“Simula”)	Manufacture and sales of electronic material	51.13 %	51.13 %	-
Simula	Aspire Asia Inc.	Investment and holding activity	51.13 %	51.13 %	-
Simula	Simula Technology Corp.	Sales in North America	51.13 %	51.13 %	-
Simula	Action Star Technology Co., Ltd. (“AST”)	R&D, manufacture and sale of USB docking station products	30.34 %	30.34 %	Note 2
Simula/Aspire Asia Inc.	Simula Company Limited	Investment and holding activity	51.13 %	51.13 %	-
Aspire Asia Inc.	Aspire Electronics Corp.	Investment and holding activity	48.62 %	48.62 %	Note 2

(Continued)

**QISDA CORPORATION AND SUBSIDIARIES**  
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Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
Aspire Electronics Corp.	Opti Cloud Technologies, Inc. (“Opti Cloud”)	R&D of high-speed optical transmission cable and module product technology	-	26.17 %	Notes 2 and 19
Simula Company Limited	Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	51.13 %	51.13 %	-
The Company/APV	Golden Spirit Co., Ltd. (“GSC”)	Sale of alcohol and medical disinfectant	100.00 %	100.00 %	-
GSC	Bigmin Bio-Tech Company Ltd.	Sale of alcohol and medical disinfectant	100.00 %	100.00 %	-
GSC	E-Strong Medical Technology Co., Ltd. (“ESM”)	Manufacture of alcohol and dialysate	71.03 %	71.03 %	-
The Company/APV/Darly2/Darly C	Alpha Networks Inc. (“Alpha”)	Manufacture and sales of broadband products, wireless network products and computer network system equipment	59.98 %	59.98 %	-
Alpha	Alpha Holdings Inc. (“AH”)	Investment holding	-	59.98 %	Note 19
Alpha	Alpha Solutions Co., Ltd. (“Alpha Solutions”)	Sale of network equipment, components and technical services	59.98 %	59.98 %	-
Alpha	Alpha Networks Inc. (“Alpha USA”)	Sale, marketing and procurement service in USA	59.98 %	59.98 %	-
Alpha	Alpha Technical Services Inc. (“ATS”)	Post-sale service	59.98 %	59.98 %	-
Alpha	Alpha Networks (Hong Kong) Limited (“Alpha HK”)	Investment holding	59.98 %	59.98 %	-
Alpha	Alpha Networks Vietnam Company Limited (“Alpha VN”)	Production and sale of network products	59.98 %	59.98 %	Note 4
Alpha	Enrich Investment Corporation (“Enrich”)	Investment holding	59.98 %	59.98 %	-
Alpha	D-Link Asia Investment Pte., Ltd. (“D-Link Asia”)	Investment in manufacturing business	59.98 %	59.98 %	Note 6 (g)
D-Link Asia	Alpha Networks (Dongguan) Co., Ltd. (“Alpha DGF”)	Production and sale of network products	59.98 %	59.98 %	Note 6 (g)
Alpha/D-Link Asia	Alpha Networks (Chengdu) Co., Ltd. (“Alpha CD”)	Research and development of network products	59.98 %	59.98 %	Note 20
Alpha HK	Alpha Networks (Changshu) Co., Ltd. (“Alpha CSF”)	Production and sale of network products	59.98 %	59.98 %	-
Alpha CSF/Alpha DGF	Mirac Networks (Dongguan) Co., Ltd. (“Mirac”)	Production and sale of network products	59.98 %	59.98 %	Note 21
Alpha CSF	Alpha Networks (Changshu) Trading Co., Ltd. (“Alpha CST”)	Production and sale of network products	59.98 %	-	Note 3
Enrich	Transnet Corporation (“Transnet”)	Operating in network communication products, provide system support services, integrated supply and import and export of network equipment	59.98 %	59.98 %	-
Enrich	Aespula Technologies Inc. (“APL”)	Sale of network equipment, components and technical services	59.34 %	59.34 %	-

**QISDA CORPORATION AND SUBSIDIARIES**  
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<u>Name of Investor</u>	<u>Name of Investee</u>	<u>Main Business and Products</u>	<u>Percentage of Ownership</u>		<u>Note</u>
			<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Alpha	Hitron Technologies Inc. (“Hitron”)	Marketing on system integration and production and sales of telecommunication products	37.33 %	37.33 %	Note 2
Hitron	Hitron Technologies (Samoa) Inc (“HSM”)	International trade	37.33 %	37.33 %	Note 2
Hitron	Hitron Technologies Europe Holding B.V. (“HBV”)	International trade	37.33 %	37.33 %	Note 2
Hitron	Hitron Technologies (Americas) Inc. (“HUS”)	International trade	37.33 %	37.33 %	Note 2
Hitron	Innoauto Technologies Inc. (“HTG”)	Investment and automotive electronics products	37.33 %	37.33 %	Note 2
Hitron	Hitron Technologies (Vietnam) Inc. (“HVN”)	Production and sale of broadband telecommunications products	37.33 %	37.33 %	Note 2
HSM	Hitron Technologies (SIP) Inc. (“HSZ”)	Production and sale of broadband telecommunications products	37.33 %	37.33 %	Note 2
HSM	Jietech Trading (Suzhou) Inc. (“HJT”)	Sale of broadband network products and related services	37.33 %	37.33 %	Note 2
Hitron/Enrich	Interactive Digital Technologies Inc. (“IDT”)	Telecommunication and broadband network system services	16.95 %	19.33 %	Note 13
IDT	Hwa Chi Technologies (Shanghai) Inc. (“IHC”)	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	16.95 %	19.33 %	Note 13

Note 1: Although the Group did not own more than half of the voting rights of the entities, the Group owns more than half of the board seats of the entities; therefore, it is determined that the Group has control over these entities.

Note 2: Although the Group did not own more than half of the ownership of the entities, the Group, directly and indirectly, held more than half of their voting rights, resulting in the Group to have control over their entities.

Note 3: The subsidiaries were newly established in 2023.

Note 4: The subsidiaries were newly established in 2022.

Note 5: In 2023, the Group obtained control over the entities.

Note 6: In 2022, the Group obtained control over the entities.

Note 7: In January 2023, BMTC sold 33.33% equity ownership of CCHC to Concord.

Note 8: In 2023, BMTC and Asiaconnect acquired 40% equity ownership of K2 from the Company as a result of an organizational restructuring in 2023.

Note 9: PTME originally held 100% equity ownership of E-POS; however, because of certain legal restrictions, the 51% ownership of E-POS was registered under the name of other parties.

Note 10: Although the Group did not own more than half of the voting rights of the entity, the Group is the single largest shareholder of the entity. Moreover, the remaining ownership was not concentrated within specific shareholders and there was no indication that all other shareholders exercised their votes collectively, resulting in the Group to obtain more than half of the voting rights at the entity’s shareholders’ meeting, and thus, has control over the entity.

Note 11: MTG owned 34.09% of the voting rights of AdvancedTEK and is the single largest shareholder of the entity. Moreover, MTG obtained a majority AdvancedTEK’s board seats, resulting in the Group to obtain control over AdvancedTEK.

## **QISDA CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

- Note 12: On May 1, 2021, DFI acquired 35.09% equity ownership of Brainstorm. According to the stock purchase agreement with the existing shareholders and Articles of Incorporation of Brainstorm, DFI obtained 55.29% of voting rights of Brainstorm and owned a majority of Brainstorm's board seats, resulting in DFI to obtain control over Brainstorm. On October 2, 2023, MTG acquired the entire ownership of Brainstorm from DFI as a result of an organizational restructuring.
- Note 13: Although the Group did not own more than half of the ownership of IDT, the Group has the power to direct the operating decisions of the entity. Thereafter, IDT has been included in the Group's consolidated entities.
- Note 14: On July 4, 2023, PTTN acquired 100% equity ownership of WEBEST and PTMG through share exchange as a result of an organizational restructuring in 2023.
- Note 15: On December 1, 2022, MTG acquired 100% equity ownership of MRU from GSH as a result of an organizational restructuring in 2022.
- Note 16: The Group undertook an organizational restructuring in 2022, whereby, ACE acquired 99.86% equity ownership of AEG from APV, Darly2, Darly C and non-controlling interests on July 1, 2022.
- Note 17: Referring to note 6(i), on April 1, 2022, ACE acquired 100% equity ownership of BWA. Additionally, on December 1, 2022, AEG acquired 100% equity ownership of BWA from ACE as a result of an organizational restructuring.
- Note 18: Topview was a subsidiary of the Group prior to June 30, 2023. However, the Group disposed parts of its ownership in that subsidiary thereafter, wherein three of its directors had resigned, failing to own the majority of the board seats of the subsidiary as of June 30, 2023, resulting in the Group to lose control over Topview and its subsidiaries, who were then excluded from the consolidated financial statements of the Group and have been reclassified as investments accounted for using the equity method.
- Note 19: The entities were liquidated in 2023.
- Note 20: On June 15, 2023, D-link Asia entered into an agreement with Alpha to transfer the entire ownership of Alpha CD to Alpha.
- Note 21: On May 5, 2023, Alpha DGF entered into an agreement with Alpha CSF to transfer the entire ownership of Mirac to Alpha CSF.

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

(d) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period ("the reporting date"), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into the presentation currency of the Group's consolidated financial statements at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency of the Group's consolidated financial statements at the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

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

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the accumulated exchange differences related to that foreign operation is reclassified to profit or loss. In the case of a partial disposal that does not result in the Group losing control over a subsidiary, the proportionate share of the accumulated exchange differences is reclassified to non-controlling interests. For a partial disposal of the Group's ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the monetary item is, in substance, a part of net investment in that foreign operation, and the related foreign exchange gains and losses thereon are recognized as other comprehensive income.

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

An asset is classified as current when one of following criteria is met; all other assets are classified as non-current assets.

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

A liability is classified as current when one of following criteria is met; all other liabilities are classified as non-current liabilities:

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

(f) Cash and cash equivalents

Cash consists of cash on hand, checking deposits, and demand deposits. Cash equivalents consist of short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the aforesaid criteria and are not held for investing purposes are also classified as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

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

(g) Financial instruments

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

(i) Financial assets

On initial recognition, financial assets are classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). A regular way purchases or sales of financial assets is recognized or derecognized on a trade-date basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold financial 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 (SPPI) on the principal amount outstanding.

Subsequent to initial recognition, these assets are measured at amortized cost, using the effective interest method less impairment loss. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Financial assets measured at fair value through other comprehensive income

A debt investment is measured at FVOCI 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 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 (SPPI) on the principal amount outstanding.



## **QISDA CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

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

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment loss are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends 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 are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity is reclassified to retained earnings and is never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive the dividends is established (usually the ex-dividend date).

#### 3) Financial assets measured at fair value through profit or loss

All financial assets not classified as measured at amortized cost or at 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.

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

#### 4) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

**QISDA CORPORATION AND SUBSIDIARIES**  
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- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

- 5) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial assets on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

- 6) Impairment of financial assets

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

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following financial assets which are measured using 12-month ECL:

- 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.

The Group measures loss allowances for accounts receivable at an amount equal to lifetime ECL.

**QISDA CORPORATION AND SUBSIDIARIES**  
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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 months 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, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. The information includes both quantitative and qualitative information and analysis based on the Group's historical experience and credit assessment, as well as forward-looking information.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. 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.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

7) Derecognition of financial assets

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

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

**QISDA CORPORATION AND SUBSIDIARIES**  
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(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual agreement and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognized at the amount of consideration received, less, the direct issuing cost.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

3) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligation has been fulfilled or cancelled, or has expired. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

4) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis only when the Group has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(iii) Derivative financial instruments

The Group uses derivative financial instrument to hedge its foreign currency exposures. Derivatives are initially measured at fair value and attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss. If the valuation of a derivative instrument is in a positive fair value, it is classified as a financial asset, otherwise, it is classified as a financial liability.

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(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to the location and condition ready for sale. Fixed manufacturing overhead is allocated to finished products and work in process based on the higher of normal capacity or actual capacity; variable manufacturing overhead is allocated based on the actual capacity of machinery and equipment. Net realizable value represents the estimated selling price in the ordinary course of business, less, all estimated costs of completion and necessary selling expenses.

(i) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are expected to be recovered primarily through a sale transaction, rather than through continuing use, are reclassified as non-current assets held for sale. Such non-current assets or disposal groups must be available for immediate sale in their present condition, and the sale is highly probable within one year.

Immediately before the initial classification of the non-current assets (or disposal groups) as held for sale, the carrying amount of the assets (or all the assets and liabilities in the group) is measured in accordance with the Group's applicable accounting policies. Thereafter, the assets are measured at the lower of their carrying amount and fair value, less, costs to sell. Any impairment loss on a disposal group will first be allocated to goodwill, and then the remaining balance of impairment loss is allocated to assets and liabilities on a pro rata basis, except for the assets within the scope of IAS 36— Impairment of Assets, which are continue to be measured in accordance with the Group's accounting policies. Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on re-measurement are recognized in profit or loss; nevertheless, the reversal gains are not recognized in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment are no longer amortized or depreciated when they are classified as held for sale. Besides, the equity method of accounting is discontinued from the date when equity-method investments are classified as held for sale.

(j) Investment in associates

Associates are those entities in which the Group has significant influence, but not control or jointly control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost, plus, any transaction costs. The carrying amount of the investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses. When necessary, the entire carrying amount of the investment (including goodwill) will be tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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The Group's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized as other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate, and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the change in ownership interests of its associate as "capital surplus" in proportion to its ownership.

Unrealized gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated investors' interests in the associate.

Adjustments are made to associates' financial statements to conform to the accounting policies applied by the Group.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, the recognition of further losses is discontinued. Additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When an associate issues new shares and the Group does not subscribe to the new shares in proportion to its original ownership percentage, the Group's interest in the associate's net assets will be changed. The change in the equity interest is adjusted through the capital surplus and investment accounts. If the Group's capital surplus is insufficient to offset the adjustment to investment accounts, the difference is charged as a reduction of retained earnings. If the Group's interest in an associate is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(k) Joint arrangements

A joint venture is a joint arrangement whereby the Group has joint control of the arrangement (i.e. joint venturers) in which the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities. The Group recognizes its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 "Investments in Associates and Joint Ventures", unless the Group qualifies for exemption from that Standard. Please refer to note 4(j) for the application of the equity method.

When assessing the classification of a joint arrangement, the Group considers the structure and legal form of the arrangement, the terms in the contractual arrangement, and other facts and circumstances. When the facts and circumstances change, the Group reevaluates whether the classification of the joint arrangement has changed.

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(l) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost on initial recognition. Subsequent to initial recognition, investment property is measured at initial acquisition cost less accumulated depreciation and accumulated impairment losses. The methods for depreciating and determining the useful life and residual value of investment property are the same as those adopted for property, plant and equipment. Cost includes expenditure that is directly attributable to the acquisition of the investment property, bringing the investment property to the condition necessary for it to be available for use, and any borrowing cost that is eligible for capitalization.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

An investment property is reclassified to property, plant and equipment at its carrying amount when the purpose of the investment property has been changed from investment to owner-occupied.

(m) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent costs

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

(iii) Depreciation

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

Land is not depreciated. The estimated useful lives for property, plant and equipment are as follows: buildings: 5 to 56 years; machinery and equipment: 2 to 10 years; furniture and fixtures: 3 years; and other equipment: 3 to 10 years.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

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(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the purpose of the property changes from owner-occupied to investment.

(n) Leases

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

(i) As a lessee

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

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

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

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

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

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or



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- there is a change of the Group's assessment on whether it will exercise an option to purchase the underlying asset; or
- there is a change in the lease term resulting from a change of the Group's assessment on whether it will exercise an extension or termination option; or
- there is any lease modification in lease subject, scope of the lease or other terms.

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

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

The Group presents right-of-use assets that do not meet the definition of investment properties, and lease liabilities as a separate line item respectively in the consolidated balance sheets.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

For operating lease, the Group recognizes rental income on a straight-line basis over the lease term.

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(o) Intangible assets

(i) Goodwill

Goodwill arising from the acquisition of subsidiaries is accounted for as intangible assets. Please refer to note 4(w) for the description of the measurement of goodwill at initial recognition. Goodwill is not amortized but is measured at cost, less accumulated impairment losses.

(ii) Other intangible assets

Other separately acquired intangible assets including acquired software, trademarks, customer relationships and patents are carried at cost or fair value at the acquisition date, less, accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss using the straight-line method over the estimated useful lives: acquired software: 1 to 5 years; trademarks: 7 to 10 years; customer relationship: 5 to 13 years; patents: 5 to 10 years.

The residual value, amortization period, and amortization method are reviewed at least at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

(p) Impairment of non-financial assets

The Group assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets (other than inventories and deferred tax assets) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually or when there are indications of impairment.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from a business combination is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the assets in prior years.

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(q) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision for warranties is recognized when the underlying products or services are sold. This provision reflects the historical warranty claim rate and the weighting of all possible outcomes against their associated probabilities.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or been announced publicly. Provisions are not recognized for future operating losses.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract.

(r) Revenue recognition

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.

(i) Sale of goods

The Group recognizes revenue when control of the goods has been transferred to the customer, being when the goods are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, and either the customer has accepted the goods in accordance with the terms of sales, the risks of obsolescence and loss have been transferred to the customer, and the Group has objective evidence that all criteria for acceptance have been satisfied. Sales discount and rebates are recognized and estimated based on historical experience and each contractual term. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected sales discounts and rebate payables to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term ranging from 30 to 120 days, which is consistent with the market practice.

The Group's obligation to provide a refund for faulty goods sold under the standard warranty terms is recognized as a provision for warranty; please refer to note 6(r).

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.

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(ii) Rendering of services

The Group's revenue from providing medical services is recognized in the accounting period in which services are rendered.

(iii) 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 the 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.

(s) Government grants

A government grant is recognized in profit or loss only when there is reasonable assurance that the Group will comply with the conditions associated with the grant and that the grant will be received.

A government grant is recognized in profit or loss in the period in which it becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group without future related costs.

Loans from financial institutions with a guarantee from the government are recognized at fair value using the market interest rate. The difference between the fair value of the loan and the amount received is recorded as deferred income and recognized in non-operating income-other income on a systematic basis over the period of the loan.

(t) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(ii) Defined benefit plans

The liability recognized in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date, less, the fair value of plan assets. The discount rate for calculating the present value of the defined benefit obligation refers to the interest rate of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the term of the related pension obligation. The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the expense related to the increased obligations resulting from the services rendered by employees in the past years are recognized in profit or loss immediately.

## **QISDA CORPORATION AND SUBSIDIARIES**

### **Notes to the Consolidated Financial Statements**

The remeasurements of the net defined benefit liability (asset) comprise 1) actuarial gains and losses; 2) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and 3) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset). The remeasurements of the net defined benefit liabilities (asset) are recognized in other comprehensive income and then transferred to other equity.

The Group recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets and any change in the present value of the defined benefit obligation.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to make such payments as a result of past service provided by the employees, and the obligation can be estimated reliably.

(u) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, and the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

The grant date of options for employees to subscribe new shares for a cash injection is the date when the Group informs the exercise price and the shares to which employees can subscribe.

(v) Income taxes

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS 37.

The Group has determined that the global minimum top-up tax which it is required to pay under Pillar Two legislation is an income tax in the scope of IAS 12. The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

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

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction 1) affects neither accounting nor taxable profits (losses) and 2) does not give rise to equal taxable and deductible temporary differences;
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) Taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

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

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(w) Business combinations

The Group accounts for business combinations using the acquisition method. Goodwill is measured as the excess of the acquisition-date fair value of the consideration transferred (including any non-controlling interest in the acquiree) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the residual balance is negative, the Group shall re-assess whether it has correctly identified all of the assets acquired and liabilities assumed and recognize any additional assets or liabilities that are identified in that review, and shall recognize a gain on the bargain purchase thereafter.

Acquisition-related costs are expensed as incurred except for the costs related to issuance of debt or equity instruments.

Non-controlling interests in an acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership instruments' proportionate share in the recognized amounts of the acquiree's net identifiable assets. All other non-controlling interest is measured at its acquisition-date fair value or other measurement basis in accordance with Taiwan-IFRSs.

In a business combination achieved in stages, the Group shall re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in profit or loss. The amount previously recognized in other comprehensive income in relation to the changes in the value of the Group's equity interest should be reclassified to profit or loss on the same basis as would be required if the Group had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the provisional amounts for the items for which the accounting is incomplete are reported in the financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

Contingent consideration as part of the consideration transferred is measured at the acquisition date fair value. Any fluctuation of the fair value during the measurement period after acquisition date is retrospectively adjusted to the acquisition cost and goodwill. The adjustments are to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date. For the fair value adjustments of the contingent consideration that occurred not during the measurement period, the accounting treatment will be based on the classification of contingent consideration. Contingent consideration classified as equity cannot be re-measured and has to be adjusted under owner's equity. Other contingent consideration should be subsequently measured at fair value at the end of each reporting period, and recognized in profit or loss.

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(x) Earnings per share (“EPS”)

The basic and diluted EPS attributable to stockholders of the Company are disclosed in the financial statements. Basic EPS is calculated by dividing net income attributable to stockholders of the Company by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to stockholders of the Company and weighted-average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Group’s dilutive potential common shares are profit sharing for employees to be settled in the form of common stock.

(y) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group’s chief operating decision maker to make decisions on the allocation of resources to the segment and to assess its performance for which discrete financial information is available.

**5. Critical accounting judgments and key sources of estimation uncertainty**

The preparation of the consolidated financial statements in conformity with the Regulations and Taiwan-IFRSs 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and the future periods affected.

Information about judgments made in applying the accounting policies that have significant effects on the amounts recognized in the consolidated financial statements is as follows:

- (a) Judgment as to whether the Group has substantial control over its subsidiaries, please refer to note 4(c).
- (b) Judgment as to whether the Group has substantial control over its investees.

The Group owns 25.91% of the voting rights and is the single largest shareholder of Darfon Electronics Corp (“DFN”). Although the remaining 74.09% of DFN’s shares are not concentrated within specific shareholders, the Group is unable to obtain a majority of the board seats or of the voting rights at DFN shareholders’ meeting. Therefore, it is determined that the Group has no control over DFN, but has significant influence over the associate. The equity-method was used to account for the investments in DFN.

The Group owns 28.54% of the voting rights and is the single largest shareholder of Norbel Baby Co., Ltd. (“Norbel”). Although the remaining 71.46% of Norbel’s shares are not concentrated within specific shareholders, the Group is unable to obtain a majority of the board seats or of the voting rights at Norbel shareholders’ meeting. Therefore, it is determined that the Group has no control over Norbel, but has significant influence over it. The equity-method was used to account for the investments in Norbel.



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Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included as follows:

(i) Valuation of inventories

Inventories are measured at the lower of cost and net realizable value. Due to the rapid technological innovations and highly competitive environments in the electronic industry, the life cycle of certain products of the Group are short and their market prices fluctuate rapidly, which could possibly result in a price decline and obsolescence of inventory, wherein the inventory cost may exceed its net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon, which could result in significant adjustments.

(ii) Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify cash-generating units, allocate the goodwill to relevant cash-generating units, and estimate the recoverable amount of relevant cash-generating units. Any changes in these estimates based on changed economic conditions or business strategies could result in significant adjustments in future years.

**6. Significant account disclosures**

(a) Cash and cash equivalents

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Cash on hand	\$ 119,693	117,402
Demand deposits and checking accounts	21,456,940	23,418,112
Time deposits with original maturities less than three months	3,896,266	7,667,105
	<b>\$ 25,472,899</b>	<b>31,202,619</b>

As of December 31, 2023, and 2022, the time deposits with original maturities more than three months amounted to \$1,194,174 and \$215,668, respectively, which were classified as other financial assets.

In accordance with comments on IFRSs updated by the Securities and Futures Bureau, FSC on January 5, 2024, the Group reclassified the balances of repatriated offshore funds of \$517,984 and \$668,202 on December 31 and January 1, 2022, respectively, from other financial assets— non-current to cash and cash equivalents. In addition, the decrease in other financial assets from investing activities in 2022 was reduced by \$150,218.

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(b) Financial assets and liabilities at fair value through profit or loss

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial assets at fair value through profit or loss — current:		
Foreign currency forward contracts	\$ 75,803	44,152
Foreign exchange swaps	123,149	19,062
Listed stocks	5,989	55,764
Privately held equity securities	96,126	-
Open-end mutual funds	<u>24,485</u>	<u>26,071</u>
	<b><u>\$ 325,552</u></b>	<b><u>145,049</u></b>
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial assets at fair value through profit or loss — non-current:		
Privately held equity securities	\$ 751,178	510,844
Call option of bonds payable	55	-
Contingent consideration arising from business combinations	<u>-</u>	<u>5,533</u>
	<b><u>\$ 751,233</u></b>	<b><u>516,377</u></b>
Financial liabilities at fair value through profit or loss — current:		
Foreign currency forward contracts	\$ (77,655)	(67,291)
Foreign exchange swaps	<u>(1,719)</u>	<u>(29,691)</u>
	<b><u>\$ (79,374)</u></b>	<b><u>(96,982)</u></b>
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial liabilities at fair value through profit or loss — non-current:		
Contingent consideration arising from business combinations	<u>\$ -</u>	<u>(63,144)</u>

The above contingent consideration arose from the acquisitions of EASCHK and Corex in the previous year. The discounted cash flow model is used to estimate the contingent consideration based on the future profitability of each subsidiary under the terms of the acquisition agreement.

Please refer to note 6(aa) for the amounts of gain (loss) recognized related to financial assets measured at fair value.

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The Group entered into derivative contracts to manage foreign currency exchange risk resulting from its operating and financing activities. The derivative financial instruments did not conform to the criteria for hedge accounting. At each reporting date, the outstanding derivative contracts consisted of the following:

(i) Foreign currency forward contracts

<b>December 31, 2023</b>				
		<b>Contract amount</b>		<b>Maturity period</b>
		<b>(in thousands)</b>		
USD	Buy / EUR Sell	EUR	30,019	2024/01~2024/03
JPY	Buy / USD Sell	USD	32,020	2024/01~2024/02
USD	Buy / CAD Sell	CAD	5,000	2024/01~2024/03
USD	Buy / INR Sell	USD	24,000	2024/02~2024/03
NTD	Buy / USD Sell	USD	12,861	2024/01~2024/04
NTD	Buy / EUR Sell	EUR	1,700	2024/03
EUR	Buy / GBP Sell	GBP	2,000	2024/03
EUR	Buy / USD Sell	USD	1,322	2024/01
USD	Buy / BRL Sell	USD	16,000	2024/03
USD	Buy / EUR Sell	USD	310	2024/01
USD	Buy / MXN Sell	USD	4,000	2024/01~2024/02
USD	Buy / CNY Sell	USD	8,016	2024/01
CNY	Buy / USD Sell	USD	78,420	2024/01~2024/04
SEK	Buy / EUR Sell	EUR	1,000	2024/03
USD	Buy / THB Sell	USD	3,000	2024/03
USD	Buy / NTD Sell	USD	21,370	2024/01~2024/03
USD	Buy / GBP Sell	GBP	2,145	2024/01
USD	Buy / ZAR Sell	USD	7,463	2024/01~2024/02
USD	Buy / CNY Sell	CNY	110,526	2024/01
JPY	Buy / USD Sell	JPY	1,100,000	2024/02~2024/03
VND	Buy / USD Sell	VND	800	2024/01

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**December 31, 2022**

		<b>Contract amount</b>		<b>Maturity period</b>
		<b>(in thousands)</b>		
USD	Buy / EUR Sell	EUR	50,936	2023/01~2023/03
JPY	Buy / USD Sell	USD	18,916	2023/01~2023/02
USD	Buy / CAD Sell	CAD	7,000	2023/01~2023/03
NTD	Buy / USD Sell	USD	58,177	2023/01~2023/03
NTD	Buy / EUR Sell	EUR	4,770	2023/01~2023/03
EUR	Buy / GBP Sell	GBP	4,000	2023/02~2023/03
EUR	Buy / USD Sell	USD	6,176	2023/01~2023/02
USD	Buy / BRL Sell	USD	16,000	2023/03
USD	Buy / EUR Sell	USD	800	2023/01
USD	Buy / MXN Sell	USD	4,000	2023/02
USD	Buy / CNY Sell	USD	27,450	2023/01
CNY	Buy / USD Sell	USD	34,450	2023/01~2023/03
MYR	Buy / USD Sell	MYR	41,000	2023/01~2023/03
SEK	Buy / EUR Sell	EUR	1,000	2023/03
USD	Buy / THB Sell	USD	3,000	2023/03
USD	Buy / NTD Sell	USD	33,350	2023/01~2023/04
USD	Buy / GBP Sell	GBP	1,305	2023/01
USD	Buy / ZAR Sell	USD	845	2023/01
USD	Buy / CNY Sell	CNY	140,134	2023/01
USD	Buy / AUD Sell	AUD	2,000	2023/01

(ii) Foreign exchange swaps

**December 31, 2023**

		<b>Contract amount</b>		<b>Maturity period</b>
		<b>(in thousands)</b>		
Swap in USD / Swap out AUD		AUD	1,000	2024/03
Swap in CNY / Swap out NTD		CNY	10,000	2024/01
Swap in NTD / Swap out ZAR		ZAR	53,000	2024/01
Swap in NTD / Swap out CNY		CNY	42,000	2024/01
Swap in NTD / Swap out USD		USD	223,240	2024/01~2024/02

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

	<b>December 31, 2022</b>		
	<b>Contract amount</b>		<b>Maturity period</b>
	<b>(in thousands)</b>		
Swap in USD / Swap out CNY	USD	5,000	2023/01
Swap in USD / Swap out AUD	AUD	3,000	2023/03
Swap in NTD / Swap out CNY	CNY	58,000	2023/01
Swap in NTD / Swap out USD	USD	463,450	2023/01~2023/03

(c) Financial assets at fair value through other comprehensive income

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Equity investments at fair value through other comprehensive income:		
Domestic listed stocks	\$ 11,474,724	9,622,987
Domestic emerging stocks	65,061	54,887
Privately held equity securities	640,344	653,364
	<b>\$ 12,180,129</b>	<b>10,331,238</b>
Current	\$ 109,921	100,146
Non-current	12,070,208	10,231,092
	<b>\$ 12,180,129</b>	<b>10,331,238</b>

The Group designated the equity investments shown above as financial assets at fair value through other comprehensive income because these investments are held for strategic purposes and not for trading.

For the years ended December 31, 2023 and 2022, the Group sold part of its equity investments at fair value through other comprehensive income for \$303,198 and \$113,342, respectively. The realized gains accumulated in other comprehensive income of \$254,028 and \$89,701, respectively, have been transferred from other equity to retained earnings.

(d) Notes and accounts receivable

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Notes and accounts receivable	\$ 36,083,532	38,508,359
Notes and accounts receivable from related parties	2,299,192	2,064,033
	38,382,724	40,572,392
Less: loss allowance	(340,567)	(422,466)
	<b>\$ 38,042,157</b>	<b>40,149,926</b>

**QISDA CORPORATION AND SUBSIDIARIES**  
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- (i) 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 (including receivables from related parties). Forward-looking information is taken into consideration as well. Analysis of expected credit losses on notes and accounts receivable (including receivables from related parties) was as follows:

	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 36,317,293	0.04%	16,008
Past due 1-90 days	1,556,286	4.09%	63,701
Past due 91-180 days	247,612	28.07%	69,499
Past due over 181 days	261,533	73.17%	191,359
	<b>\$ 38,382,724</b>		<b>340,567</b>

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 37,241,253	0.04%	14,075
Past due 1-90 days	2,762,527	3.73%	103,176
Past due 91-180 days	272,360	36.46%	99,297
Past due over 181 days	296,252	69.51%	205,918
	<b>\$ 40,572,392</b>		<b>422,466</b>

- (ii) Movements of the loss allowance for notes and accounts receivable (including receivables from related parties) were as follows:

	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 422,466	288,648
Impairment losses (gains on reversal of impairment loss)	(32,708)	85,209
Write-off	(8,507)	(12,432)
Effect of exchange rate changes	2,689	2,327
Acquisition through business combination	2,447	5,412
Reclassified to assets held for sale	-	(10,307)
Transferred to other receivables	(367)	-
(Reversal of) accrual insurance claims for accounts receivable	(45,453)	63,609
Balance at December 31	<b>\$ 340,567</b>	<b>422,466</b>

**QISDA CORPORATION AND SUBSIDIARIES**  
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- (iii) The Group entered into factoring contracts with financial institutions to sell its accounts receivable without recourse. According to these contracts, the Group is not responsible for any risk of uncollectible accounts receivable, but only for the loss due to commercial disputes. The Group derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The receivables from the financial institutions were recognized as “other receivables” upon the derecognition of those accounts receivable. Details of these contracts at each reporting date were as follows:

December 31, 2023						
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
CTBC Bank	\$ 306,666	-	276,000	30,666		None -
Taipei Fubon Bank	247,778	-	223,000	24,778		Promissory note 92,250
Mega International Commercial Bank	12,736	-	-	12,736		Promissory note 50,000
KGI Commercial Bank	196,667	-	177,000	19,667		Promissory note 92,250
Crefo Factoring Nord GmbH	35,190	-	29,027	6,163		None -
	<u>\$ 799,037</u>	<u>-</u>	<u>705,027</u>	<u>94,010</u>	1.90%~6.25%	<u>234,500</u>

December 31, 2022						
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
CTBC Bank	\$ 361,931	-	325,738	36,193		None -
Taishin International Bank	921,910	-	921,910	-		None -
Taipei Fubon Bank	218,941	-	197,047	21,894		None -
Mega International Commercial Bank	522,613	9,401	460,950	61,663		Promissory note 230,000
E.SUN Commercial Bank	225,506	-	202,956	22,550		None -
Crefo Factoring Nord GmbH	30,471	-	24,270	6,201		None -
KGI Commercial Bank	57,962	-	52,166	5,796		Promissory note 921,900
	<u>\$ 2,339,334</u>	<u>9,401</u>	<u>2,185,037</u>	<u>154,297</u>	2.15%~5.73%	<u>1,151,900</u>

Please refer to note 8 for a description of the Group’s notes and accounts receivable pledged as collateral to secure for the bank loans.

- (e) Other receivables

	December 31, 2023	December 31, 2022
The factored accounts receivable, net of advance amount	\$ 94,010	154,297
Receivables arising from disposal of subsidiaries (note 6(i))	-	1,093,665
Other receivables – others	<u>958,088</u>	<u>1,136,498</u>
	1,052,098	2,384,460
Less: loss allowance	<u>(30,692)</u>	<u>(30,674)</u>
	<u>1,021,406</u>	<u>2,353,786</u>
Other receivables from related parties	<u>300,403</u>	<u>304,287</u>
	<u>\$ 1,321,809</u>	<u>2,658,073</u>

(Continued)

**QISDA CORPORATION AND SUBSIDIARIES**  
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As of December 31, 2023 and 2022, except for other receivables whose loss allowances were fully provided, no loss allowance was provided for the remaining receivables after the management's assessment.

(f) Inventories

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Raw materials	\$ 10,171,060	12,074,598
Work in process	2,715,490	3,348,222
Finished goods and merchandise	19,978,798	23,039,106
Inventories in transit	5,065,793	5,408,502
	<b>\$ 37,931,141</b>	<b>43,870,428</b>

For the years ended December 31, 2023 and 2022, the cost of inventories sold amounted to \$163,063,118 and \$198,058,131, respectively, of which the write-downs of inventories to net realizable value amounted to \$255,334, and \$705,094, respectively.

(g) Non-current assets classified as held for sale

- (i) Alpha disposed its entire ownership in D-Link Asia and Alpha DGF based on a resolution approved during its board meeting held on December 28, 2023, which was expected to be settled in June 2024 according to the stock transfer agreement. Thereafter, the assets and liabilities of D-Link Asia and Alpha DGF were reported in non-current assets or disposal groups classified as held for sale. The details of non-current assets held for sale and related liabilities amounting to \$345,201 and \$48,024, respectively, as of December 31, 2023, were as follows:

	<b>December 31, 2023</b>
Cash and cash equivalents	\$ 12,349
Accounts receivable	19,816
Other current assets	52,935
Property, plant and equipment	39,367
Right-of-use assets	218,406
Intangible assets	2,288
Other non-current assets	40
	<b>\$ 345,201</b>
Accrued expenses and other payables	\$ 1,137
Deferred income tax liabilities	46,887
	<b>\$ 48,024</b>

No impairment loss was recognized as the Group assessed that the consideration exceeded the carrying amount of related net assets.



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- (ii) On May 21, 2021, the Board of Directors of ACE approved a resolution to dispose its land and buildings located in Sanchong District of New Taipei City. Part of the abovementioned assets have been sold in January and June 2022, of which the consideration amounted to \$46,401 and the carrying amount of property disposed amounted to \$31,777, resulting in a disposal gain of \$14,624.

In December 2021, the Board of Directors of Tianjin Ace Pillar Co., Ltd. approved a resolution to dispose the factory and land use rights located in China (Tianjin) Pilot Free Trade Zone, which was classified as non-current assets held for sale.

Under the impact of Covid-19 pandemic and the overall economic environment, the management of ACE and Tianjin Ace Pillar Co., Ltd. assessed that the abovementioned assets no longer meet the criteria of classification of assets as held for sale. Therefore, such assets were reclassified to property, plant and equipment and right-of-use assets at the end of 2022.

- (iii) In May 2021, the Board of Directors of SGM approved a resolution to dispose its land, buildings and machinery located in Ruifang District of New Taipei City. The carrying amount of these assets amounting to \$163,909 was reclassified as non-current assets held for sale. The abovementioned assets have been sold in the first quarter of 2022 for a consideration of \$276,494, resulting in a disposal gain of \$112,585.
- (iv) In July 2021, the Board of Directors of BMS approved a resolution to dispose parts of the real estate and related assets located in Suzhou Industrial Park. The above properties were accounted for as right-of-use assets, buildings, machinery and deferred charges, with the carrying amount of \$301,762. In March 2022, BMS entered into an asset sale agreement with the buyer, wherein the abovementioned assets were sold in the third quarter of 2022 for a total consideration of \$1,079,231, resulting in a disposal gain of \$780,563.

- (h) Investments accounted for using the equity method

A summary of the Group's investments accounted for using the equity method at the reporting date were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Associates	\$ 8,313,613	5,444,855
Joint ventures	-	34,293
	<b>\$ 8,313,613</b>	<b>5,479,148</b>

**QISDA CORPORATION AND SUBSIDIARIES**  
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(i) Investments in associates

Name of Associates	Main Business	Location	December 31, 2023		December 31, 2022	
			Percentage of voting rights	Carrying amount	Percentage of voting rights	Carrying amount
Darfon Electronics Corp. (“DFN”)	Manufacture and sale of computer peripheral products, power devices, green energy products and passive components	Taiwan	25.91 %	3,161,489	25.73 %	2,716,577
Norbel Baby Co., Ltd. (“Norbel”)	Retail and wholesale of maternity and infant products, medical care products, dietary supplement, and cosmetics	Taiwan	28.54 %	1,710,470	-	-
Jiangsu Yudi Optical Co., Ltd. (“Yudi”)	Sales and manufacture of optical lens	Mainland China	20.01 %	452,462	20.01 %	488,460
Guigang Donghui Medical Investment Co., Ltd. (Note)	Medical services	Mainland China	14.13 %	364,384	14.13 %	438,846
TCI GENE INC. (“TCI Gene”)	Genetic testing and wholesale of nutritional supplement	Taiwan	23.43 %	700,351	23.43 %	720,341
Topview Optronics Corporation (“Topview”)	Manufacture, sales and import and export of video surveillance cameras	Taiwan	29.93 %	875,376	Note 4(b)	-
Others			-	1,049,081	-	1,080,631
				<u>\$ 8,313,613</u>		<u>5,444,855</u>

Note: The Group acquired 14.13% equity ownership of Guigang Donghui Medical Investment Co., Ltd., and was elected as one of the five directors. As the Group has significant influence over Guigang Donghui Medical Investment Co., Ltd., the equity-method was used to account for the investment.

In the second quarter of 2023, the Group acquired 28.54% equity ownership of Norbel for a cash consideration of \$1,800,000. The equity-method was used to account for the investments as the Group has significant influence over Norbel.

On June 30, 2023, the Group lost control over Topview, wherein the investment in Topview was reclassified as investments accounted for using the equity method. Please refer to note 4(b) and 6(i).

BBM originally held 30% equity ownership of Nanjing Silvertown Health & Development Co., Ltd. (“NSHD”). On March 17, 2021, the Board of Directors of BBM approved a resolution to sell 15% ownership of NSHD, wherein BBM has entered into a share sale agreement for a total selling price of CNY 300,000 thousand. The Group still has significant influence over NSHD. As of December 31, 2022, 15% ownership of NSHD had been sold. For the year ended December 31, 2022, \$66,713 (CNY 15,150 thousand) of considerations was received, resulting in a gain on disposal of investments of \$56,242.

In the second quarter of 2022, the Company and its consolidated subsidiary, APV, jointly invested an amount of \$734,676 in TCI GENE, to acquire 23.43% equity ownership of TCI GENE. The equity-method was used to account for the investments as the Group has significant influence over TCI GENE.

In the fourth quarter of 2022, the Company, APV and Enrich jointly acquired 17.38% equity ownership of Rapidtek Technologies Inc. (“Rapidtek”) for a cash consideration of \$314,650 and was elected as the director of Rapidtek. As the Group has significant influence over Rapidtek, the equity-method was used to account for the investment.

**QISDA CORPORATION AND SUBSIDIARIES**  
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In 2022, the Group assessed that the investment of the associate, The Linden Group Corp., has been impaired, and therefore recognized an impairment loss of \$22,715 under other gains and losses, net.

The fair value of the investment in associates which are publicly traded was as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
DFN	<b><u>\$ 3,903,538</u></b>	<b><u>2,722,394</u></b>

The summarized financial information in respect of each of the Group's material associate is set out below:

- 1) The summarized financial information of DFN:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current assets	\$ 21,637,187	21,691,365
Non-current assets	13,244,407	11,945,822
Current liabilities	(14,592,995)	(14,613,333)
Non-current liabilities	<u>(4,519,500)</u>	<u>(5,121,133)</u>
Equity	<b><u>\$ 15,769,099</u></b>	<b><u>13,902,721</u></b>
Equity attributable to non-controlling interests of DFN	<b><u>\$ 3,564,494</u></b>	<b><u>3,388,170</u></b>
Equity attributable to shareholders of DFN	<b><u>\$ 12,204,605</u></b>	<b><u>10,514,551</u></b>

	<b>2023</b>	<b>2022</b>
Net sales	<b><u>\$ 25,791,522</u></b>	<b><u>29,535,253</u></b>
Net income	\$ 1,897,101	1,453,820
Other comprehensive income	945,051	385,471
Total comprehensive income	<b><u>\$ 2,842,152</u></b>	<b><u>1,839,291</u></b>
Total comprehensive income attributable to non-controlling interests of DFN	<b><u>\$ 289,781</u></b>	<b><u>310,216</u></b>
Total comprehensive income attributable to shareholders of DFN	<b><u>\$ 2,552,371</u></b>	<b><u>1,529,075</u></b>

	<b>2023</b>	<b>2022</b>
The Group's share of equity of associates at January 1	\$ 2,716,577	2,533,438
Net income attributable to the Group	415,306	310,737
Other comprehensive income attributable to the Group	228,781	94,210
Capital surplus and other adjustments attributable to the Group	16,889	(5,744)
Dividends received from associates	<u>(216,064)</u>	<u>(216,064)</u>
The carrying amount of investments in the associates at December 31	<b><u>\$ 3,161,489</u></b>	<b><u>2,716,577</u></b>

(Continued)

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

2) The summarized financial information of Norbel:

	<b>December 31, 2023</b>
Current assets	\$ 2,549,818
Non-current assets	1,967,855
Current liabilities	(716,744)
Non-current liabilities	<u>(840,762)</u>
Equity	<u><u>\$ 2,960,167</u></u>

	<b>From April 26, 2023 to December 31, 2023</b>
Net sales	<u>\$ 2,361,669</u>
Net income	\$ 114,962
Other comprehensive loss	<u>(1,108)</u>
Total comprehensive income	<u><u>\$ 113,854</u></u>

	<b>From April 26, 2023 to December 31, 2023</b>
The Group's share of equity of associates at April 26, 2023	\$ -
Increase in investments	1,800,000
Net income attributable to the Group	10,786
Other comprehensive loss attributable to the Group	(316)
Dividends received from associates	<u>(100,000)</u>
The carrying amount of investments in the associates at December 31, 2023	<u><u>\$ 1,710,470</u></u>

3) Aggregate financial information of associates that were not individually material to the Group was summarized as follows. The financial information was included in the Group's consolidated financial statements.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
The aggregate carrying amount of associates that were not individually material to the Group	<u><u>\$ 3,441,654</u></u>	<u><u>2,728,278</u></u>

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

	<b>2023</b>	<b>2022</b>
Attributable to the Group:		
Net income (loss)	\$ (26,644)	52,390
Other comprehensive loss	(55,333)	(38,905)
Total comprehensive income (loss)	<b>\$ (81,977)</b>	<b>13,485</b>

(ii) Joint venture

Aggregate financial information of joint ventures that were not individually material to the Group was summarized as follows. The financial information was included in the Group's consolidated financial statement:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
The aggregate carrying amount of joint ventures that were not individually material to the Group	\$ -	34,293
	<b>2023</b>	<b>2022</b>
Attributable to the Group:		
Net income	\$ 5,549	3,438
Other comprehensive income	1,772	465
Total comprehensive income	<b>\$ 7,321</b>	<b>3,903</b>

In December 2023, the Group disposed its entire ownership of the joint venture for \$48,275, resulting in a gain on disposal of \$5,129. As of December 31, 2023, the outstanding receivables amounted to \$46,914 were recorded as other receivables.

(i) Business combination

(i) Acquisition of subsidiary by BMC – WEB-PRO Corporation and its subsidiaries

1) Consideration transferred

On January 3, 2023 (the acquisition date), BMC obtained 51% ownership of WEB-PRO Corporation (“WPC”) from WPC’s shareholders for a consideration of \$3,161,999 and obtained control over it. Thereafter, WPC has been included in the Group’s consolidated entities. WPC and its subsidiaries are engaged in the manufacture and trading of spunlace nonwoven and PE films. The acquisition of WPC and its subsidiaries enables the Group to accelerate its business deployment in the medical field, extend the core research & development and manufacturing technology for the related medical materials and acquire WPC’s current customer base and overseas operating sites.

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2) Identifiable net assets acquired in a business combination and goodwill

On January 3, 2023 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as goodwill arising from the acquisition, were as follows:

Consideration transferred (cash)	\$	3,161,999
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of WPC's identifiable net assets)		3,014,592
Less: Identifiable net assets acquired at fair value:		
Cash and cash equivalents	\$	1,380,961
Notes and accounts receivable, net		268,543
Other receivables		6,926
Inventories		262,705
Other current assets		45,959
Property, plant and equipment		4,279,762
Right-of-use assets		329,406
Intangible assets – patents		23,250
Deferred income tax assets		15,282
Other financial assets – non-current		16,638
Other non-current assets		35,041
Notes and accounts payable		(80,201)
Other payables		(183,262)
Lease liabilities – current		(4,112)
Other current liabilities		(2,584)
Deferred income tax liabilities		(234,453)
Lease liabilities – non-current		(7,042)
Other non-current liabilities		(590)
		<u>(6,152,229)</u>
Goodwill	\$	<u><u>24,362</u></u>

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3) Intangible assets

Intangible assets—patents are amortized on a straight-line basis over the estimated future economic useful life of 5 years.

Goodwill arising from the acquisition of WPC is due to the value of assembled workforce, which does not qualify as an identifiable intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

4) Pro forma information

From the acquisition date to December 31, 2023, WPC had contributed the revenue of \$2,282,648 and the net income of \$206,733 to the Group.

(ii) Acquisition of subsidiary by BMTC — Concord Medical Co., Ltd.

1) Consideration transferred

On December 27, 2021, the Board of Directors of BMTC resolved to participate in the private offering of Concord Medical Co., Ltd. (“Concord”), whereby BMTC acquired 25% of Concord’s ownership. In addition, on January 20, 2022, BMTC acquired additional 15% of Concord’s ownership through public tender offer. As mentioned above, BMTC obtained 40% interests in Concord for \$190,000 and became the single largest shareholder. Although BMTC owned less than half of the voting rights of Concord, the remaining ownership was not concentrated within specific shareholders and according to the degree of participation of the other shareholders in the previous shareholders’ meeting, the Group is able to obtain more than half of the voting rights at Concord’s shareholders’ meeting and thus has control over Concord. Thereafter, Concord has been included in the Group’s consolidated entities.

Concord is engaged in the trading of medical products, leasing of medical equipment, and management consulting services. The acquisition of Concord enables the Group to expand the business in medical management and sales channels for medical consumables and equipment, optimize the existing services related to medical care, and enhance the diversification of medical services.

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2) Identifiable net assets acquired in a business combination and gain on bargain purchase

On January 20, 2022 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as gain on bargain purchase arising from the acquisition, were as follows:

Consideration transferred (cash)	\$	190,000
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of Concord's identifiable net assets)		406,633
Less: Identifiable net assets acquired at fair value:		
Cash and cash equivalents	\$	206,843
Notes and accounts receivable, net		312,836
Inventories		13,363
Other receivables		12,474
Other financial assets – current		2,777
Prepayments and other current assets		25,682
Property, plant and equipment		143,993
Right-of-use assets		5,841
Investment property		424,700
Intangible assets – computer software		1,745
Deferred income tax assets		403
Other financial assets – non-current		3,656
Other non-current assets		6,036
Contract liabilities – current		(38)
Current tax liabilities		(5,964)
Notes and accounts payable		(257,718)
Other payables		(14,315)
Lease liabilities (including current and non-current)		(189,200)
Other current liabilities		(1,628)
Other non-current liabilities		(4,800)
Deferred income tax liabilities		(8,964)
Gain on bargain purchase		<u>\$ (81,089)</u>

(iii) Acquisition of subsidiary – CKCARE Co., Ltd.

1) Consideration transferred

BenQ Healthcare Corporation (“BHS”) invested in CKCARE Co., Ltd. (“CKCARE”) for a cash consideration of \$105,300 on January 3, 2022, resulting in BHS to obtain 60% ownership of CKCARE, based on a resolution approved during BHS’s board meeting held on November 24, 2021. As a result, CKCARE has been included in the Group’s consolidated entities since January 3, 2022 (the acquisition date). As a local chain pharmacy, CKCARE is engaged in the sales of over-the-counter medicines, infant formula, paper consumables and medical devices. The acquisition of CKCARE enables the Group to expand its business in sales channels for medical products, optimize the existing service related to medical care, and enhance the diversification of medical services.



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

2) Identifiable net assets acquired in a business combination and goodwill

On January 3, 2022 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as goodwill arising from the acquisition, were as follows:

Consideration transferred (cash)	\$	105,300
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of CKCARE's identifiable net assets)		43,858
Less: Identifiable net assets acquired at fair value:		
Cash and cash equivalents	\$	64,698
Notes and accounts receivable		1,474
Other receivables		18,340
Inventories		37,675
Financial assets at fair value through other comprehensive income		210
Property, plant and equipment		74,802
Right-of-use assets		16,510
Intangible assets – customer relationships		9,648
Intangible assets – others		20,637
Other financial assets – non-current		746
Short-term borrowings		(29,300)
Notes and accounts payable		(27,411)
Other payables		(49,817)
Lease liabilities (including current and non-current)		(16,533)
Other current liabilities		(6,021)
Deferred income tax liabilities		(6,013)
		109,645
Goodwill		<b>\$ 39,513</b>

3) Intangible assets

Intangible assets – customer relationships are amortized on a straight-line basis over the estimated future economic useful life of 12 years.

Goodwill arising from the acquisition of CKCARE is due to the profitability in the retail pharmacy market which is not expected to be deductible for income tax purposes.

**QISDA CORPORATION AND SUBSIDIARIES**  
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(iv) Acquisition of subsidiary – Standard Technology Corp. and its subsidiaries

1) Consideration transferred

On March 1, 2022 (the acquisition date), ACE invested in Standard Technology Corp. (“STC”) for a cash consideration of \$187,000, wherein it obtained 60% ownership of STC and obtained control over it. Thereafter, STC and its subsidiaries have been included in the Group’s consolidated entities. STC and its subsidiaries are engaged in the trading of optoelectronics equipment and consumables of semiconductor segment and equipment repair services. The acquisition of STC enables the Group to optimize its business deployment in the semiconductor industry, expand its business capacity and provide customers with a full range of products and services.

2) Identifiable net assets acquired in a business combination and goodwill

On March 1, 2022 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as goodwill arising from the acquisition, were as follows:

Consideration transferred (cash)	\$	187,000
Add: Non-controlling interests (measured at non-controlling interest’s proportionate share of the fair value of STC’s identifiable net assets)		79,375
Less: Identifiable net assets acquired at fair value:		
Cash and cash equivalents	\$	164,493
Notes and accounts receivable, net		109,518
Notes and accounts receivable from related parties		15,335
Other receivables		1,012
Inventories		112,226
Prepayments and other current assets		5,738
Financial assets at fair value through other comprehensive income – non-current		1,434
Property, plant and equipment		2,841
Right-of-use assets		5,521
Intangible assets – computer software		1,039
Intangible assets – customer relationships		92,585
Deferred income tax assets		2,235
Other non-current assets		237
Other financial assets – non-current		21,589
Short-term borrowings		(122,161)
Accounts payable		(65,200)
Other payables (including dividends payable)		(75,849)
Current income tax liabilities		(5,969)
Contract liabilities – current		(12,069)
Other current liabilities		(176)
Lease liabilities (including current and non-current)		(5,464)
Deferred income tax liabilities		(44,806)
Other non-current liabilities		(5,671)
		198,438
Goodwill	\$	67,937

(Continued)

**QISDA CORPORATION AND SUBSIDIARIES**  
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The Group continuously reviews the fair value of the abovementioned items during the measurement period. In the fourth quarter of 2022, intangible assets— customer relationships, non-controlling interests and other net liabilities decreased by \$18,509, \$5,475 and \$4,822, respectively, resulting in an increase of \$8,212 in goodwill.

3) Intangible assets

Intangible assets— customer relationships are amortized on a straight-line basis over the estimated future economic useful life of 10.84 years.

Goodwill arising from the acquisition of STC is due to the profitability, the synergies of the business combination, future market development and value of assembled workforce. None of the goodwill recognized is expected to be deductible for income tax purposes.

(v) Acquisition of subsidiary— BlueWalker GmbH

1) Consideration transferred

On April 1, 2022 (the acquisition date), ACE invested in BlueWalker GmbH (“BWA”) for a cash consideration of \$127,200 (EUR 4,000 thousand), wherein it obtained 100% ownership of BWA and obtained control over it. Thereafter, BWA has been included in the Group’s consolidated entities. BWA is engaged in sales and service of energy management products. The acquisition of BWA enables the Group to enhance product diversification and expand sales regions, and to improve overall operating efficiency.

2) Identifiable net assets acquired in a business combination and goodwill

On April 1, 2022 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as goodwill arising from the acquisition, were as follows:

Consideration transferred (cash)	\$	127,200
Less: Identifiable net assets acquired at fair value:		
Cash and cash equivalents	\$	34,958
Notes and accounts receivable, net		27,389
Inventories		72,990
Prepayments and other current assets		2,746
Property, plant and equipment		636
Intangible assets— computer software		18
Intangible assets— customer relationships		12,151
Intangible assets— trademarks		12,822
Deferred income tax assets		1,273
Accounts payable		(33,314)
Other payables		(14,545)
Current income tax liabilities		(1,036)
Contract liabilities— current		(624)
Other current liabilities		(311)
Current portion of long-term debt		(249)
Long-term debt		(601)
Deferred income tax liabilities		(4,994)
Other non-current liabilities		(805)
		108,504
Goodwill	\$	<b>18,696</b>

**QISDA CORPORATION AND SUBSIDIARIES**  
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The Group continuously reviews the fair value of the abovementioned items during the measurement period. In the fourth quarter of 2022, intangible assets— customer relationships and deferred income tax liabilities decreased by \$4,285 and \$857, respectively, resulting in an increase of \$3,428 in goodwill.

3) Intangible assets

Intangible assets— customer relationships and intangible assets— trademarks are amortized on a straight-line basis over the estimated future economic useful life of 9.75 years and 10 years, respectively.

Goodwill arising from the acquisition of BWA is due to the profitability, the synergies of the business combination, future market development and value of assembled workforce. None of the goodwill recognized is expected to be deductible for income tax purposes.

(vi) Changes in ownership interests in subsidiaries without losing control

In 2023, the Group acquired additional 24.74% ownership of BBHC from CDH Medical Services Limited for \$6,285,683, including a cash consideration of \$5,656,725 and an investment payable of \$628,958, wherein the difference between the decrease in non-controlling interests amounting to \$1,553,082 and consideration paid amounting to \$4,732,601 was recognized as deductions to capital surplus— difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries and retained earnings. In addition, the Group acquired additional ownership of Ginnet and GJB for a cash consideration of \$5,403 and disposed parts of its ownership in Topview for \$12,129, and IDT's convertible corporate bonds converted into common stock. Please refer to note 4(b) for the related disclosures of changes in the percentage of ownership of subsidiaries resulting from the aforementioned equity transactions.

In 2022, the Group acquired additional ownership of BBHC, CENEFOM, AEG and ESM for total cash consideration of \$61,860. Please refer to note 4(b) for the related disclosures of changes in the percentage of ownership of subsidiaries.

The following table summarizes the effect on the equity attributable to the shareholders of the Company arising from abovementioned changes in ownership interests in subsidiaries:

	<u>2023</u>	<u>2022</u>
Capital surplus— changes in ownership interests in subsidiaries	\$ 28,490	(3,732)
Capital surplus— difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	1	-
Retained earnings	<u>(4,690,491)</u>	<u>(16,719)</u>
	<u>\$ (4,662,000)</u>	<u>(20,451)</u>

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

(vii) Loss of control in subsidiary

1) Topview Optronics Corporation (“Topview”)

In June 2023, the Group disposed parts of its ownership in Topview and thereafter, three of its representative directors resigned, failing to own the majority of the board seats of Topview as of June 30, 2023, resulting in the Group to lose control over Topview and its subsidiaries, who were then excluded from the consolidated financial statements of the Group and were reclassified as investments accounted for using the equity method.

Remaining interest remeasured at fair value and reclassified to investments accounted for using the equity method	\$	977,456
Add: Carrying amount of non-controlling interests		938,783
Accumulated translation differences reclassified from equity to profit or loss arising from loss of control over subsidiary		(122)
Less: Carrying amount of net assets of Topview		
Cash and cash equivalents	\$	318,633
Notes and accounts receivable, net		433,506
Inventories		477,519
Other current assets		15,455
Property, plant and equipment		883,498
Right-of-use assets		8,685
Investment property		122,945
Deferred income tax assets		11,279
Other financial assets – non-current		480
Other non-current assets		14,819
Short-term borrowings		(115,000)
Financial assets at fair value through profit or loss – current		(2,752)
Contract liabilities – current		(53,205)
Notes and accounts payable		(177,137)
Other payables		(258,917)
Current income tax liabilities		(34,540)
Provisions – current		(5,172)
Lease liabilities – current		(3,271)
Other current liabilities		(2,229)
Long-term debt (including current portion)		(168,882)
Provisions – non-current		(10,733)
Deferred income tax liabilities		(1,510)
Lease liabilities – non-current		(5,472)
Other non-current liabilities		(20,243)
Non-controlling interests		(24,761)
Gain on disposal of subsidiary	\$	<u>1,402,995</u> <u>513,122</u>

(Continued)

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

2) Disposal of subsidiary – BenQ (Hong Kong) Limited (“BQHK”)

BenQ disposed its entire ownership in BQHK for \$12,382,991 based on a resolution approved during its board meeting held on April 1, 2022. All disposal related matters had been completed as of September 30, 2022, resulting in the Group to lose control over BQHK. A gain on disposal of \$8,756,655 was recognized in 2022. As of December 31, 2022, the outstanding receivable of CNY 244,318, equivalent to NTD 1,093,665, was recorded as other receivables. As of December 31, 2023, the outstanding receivables were fully received. The Group finally received the actual net price of \$12,628,623 for this share transaction, resulting in an additional gain on disposal of \$243,940 being recognized in 2023. The details of consideration received and gain on disposal of subsidiaries were as follows:

a) Consideration received

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<u>(actual)</u>	<u>(estimated)</u>
Total consideration received	\$ 12,628,623	12,382,991
Expenditure associated with consideration received	<u>(243,125)</u>	<u>(241,433)</u>
Net consideration received	<u><u>\$ 12,385,498</u></u>	<u><u>12,141,558</u></u>

b) Identifiable net assets of BQHK

	<b>December 31, 2022</b>
Cash and cash equivalents	\$ 861,614
Accounts receivable, net	3,396
Other receivables	1,742
Other current assets	60,459
Property, plant and equipment	3,585
Investment property	2,535,158
Intangible assets	78
Contract liabilities	(19,063)
Other payables	(147,187)
Other payables to related parties	(3,535)
Current income tax liabilities	(5,329)
Other current liabilities	(4)
Other non-current liabilities	<u>(146,545)</u>
	<u><u>\$ 3,144,369</u></u>

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

c)	Gain on disposal of subsidiary	
	Net consideration received estimated in 2022	\$ 12,141,558
	Adjustments in 2023	<u>243,940</u>
	Net consideration received after adjustments	12,385,498
	Net assets of BQHK	(3,144,369)
	Accumulated translation differences reclassified from equity to profit or loss arising from loss of control in subsidiary	<u>(240,534)</u>
	Gain on disposal of subsidiary	<u>\$ 9,000,595</u>
	Recognized in 2022	<u>\$ 8,756,655</u>
	Recognized in 2023	<u>\$ 243,940</u>

(viii) Subsidiaries that have material non-controlling interest:

Subsidiaries that have material non-controlling interest were as follows:

Subsidiaries	Principal place of business/ Registration country	The percentage of ownership and voting rights held by non-controlling interests	
		December 31, 2023	December 31, 2022
BMC	Taiwan	56.44 %	56.44 %
DFI	Taiwan	44.91 %	44.91 %
MTG	Taiwan	48.59 %	48.59 %
Alpha	Taiwan	40.02 %	40.02 %

The summarized financial information of subsidiaries were as follows, the information was prepared in accordance with Taiwan-IFRSs. The fair value adjustments made during the acquisition as at the acquisition date were included in these information. Intra-group transactions were not eliminated in this information.

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

- 1) The summarized financial information of BMC:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current assets	\$ 8,409,901	6,856,955
Non-current assets	12,147,877	6,847,613
Current liabilities	(6,513,991)	(5,628,746)
Non-current liabilities	<u>(5,287,734)</u>	<u>(1,825,177)</u>
Net assets	<u>\$ 8,756,053</u>	<u>6,250,645</u>
The carrying amount of non-controlling interests	<u>\$ 6,231,379</u>	<u>3,616,092</u>
	<u>2023</u>	<u>2022</u>
Net sales	<u>\$ 17,127,523</u>	<u>15,540,456</u>
Net income	\$ 503,791	1,284,741
Other comprehensive income (loss)	<u>(26,098)</u>	<u>34,474</u>
Total comprehensive income	<u>\$ 477,693</u>	<u>1,319,215</u>
Net income attributable to non-controlling interests	<u>\$ 323,284</u>	<u>720,373</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 307,574</u>	<u>739,831</u>
	<u>2023</u>	<u>2022</u>
Cash flow from operating activities	\$ 1,094,187	389,264
Cash flow from investing activities	(4,022,991)	82,477
Cash flow from financing activities	2,887,565	(102,983)
Effects of foreign exchange rate changes	<u>7,795</u>	<u>6,249</u>
Net increase (decrease) in cash and cash equivalents	<u>\$ (33,444)</u>	<u>375,007</u>
Cash dividends paid to non-controlling interests	<u>\$ 704,971</u>	<u>271,478</u>



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

2) The summarized financial information of DFI:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current assets	\$ 5,470,258	8,628,410
Non-current assets	5,733,898	6,795,210
Current liabilities	(2,909,498)	(5,190,715)
Non-current liabilities	<u>(1,329,332)</u>	<u>(2,278,969)</u>
Net assets	<u><b>\$ 6,965,326</b></u>	<u><b>7,953,936</b></u>
The carrying amount of non-controlling interests	<u><b>\$ 3,490,985</b></u>	<u><b>4,332,070</b></u>
	<b>2023</b>	<b>2022</b>
Net sales	<u><b>\$ 9,184,172</b></u>	<u><b>16,189,528</b></u>
Net income	\$ 203,742	450,298
Other comprehensive income	<u>49,514</u>	<u>135,819</u>
Total comprehensive income	<u><b>\$ 253,256</b></u>	<u><b>586,117</b></u>
Net income attributable to non-controlling interests	<u><b>\$ 84,943</b></u>	<u><b>236,887</b></u>
Total comprehensive income attributable to non-controlling interests	<u><b>\$ 103,497</b></u>	<u><b>330,988</b></u>
	<b>2023</b>	<b>2022</b>
Cash flow from operating activities	\$ 1,573,894	622,021
Cash flow from investing activities	354,270	(291,028)
Cash flow from financing activities	(2,151,150)	(332,808)
Effects of foreign exchange rate changes	<u>22,797</u>	<u>142,474</u>
Net increase (decrease) in cash and cash equivalents	<u><b>\$ (200,189)</b></u>	<u><b>140,659</b></u>
Cash dividends paid to non-controlling interests	<u><b>\$ 257,785</b></u>	<u><b>254,787</b></u>

**QISDA CORPORATION AND SUBSIDIARIES**  
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3) The summarized financial information of MTG:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current assets	\$ 8,948,416	7,002,085
Non-current assets	3,893,708	3,003,921
Current liabilities	(6,202,513)	(4,264,270)
Non-current liabilities	<u>(593,054)</u>	<u>(577,976)</u>
Net assets	<u><b>\$ 6,046,557</b></u>	<u><b>5,163,760</b></u>
The carrying amount of non-controlling interests	<u><b>\$ 3,295,156</b></u>	<u><b>2,518,491</b></u>
	<b>2023</b>	<b>2022</b>
Net sales	<u><b>\$ 19,813,720</b></u>	<u><b>12,113,925</b></u>
Net income	\$ 570,663	423,686
Other comprehensive income	<u>22,390</u>	<u>13,869</u>
Total comprehensive income	<u><b>\$ 593,053</b></u>	<u><b>437,555</b></u>
Net income attributable to non-controlling interests	<u><b>\$ 274,323</b></u>	<u><b>209,510</b></u>
Total comprehensive income attributable to non-controlling interests	<u><b>\$ 296,790</b></u>	<u><b>216,575</b></u>
	<b>2023</b>	<b>2022</b>
Cash flow from operating activities	\$ (47,019)	495,612
Cash flow from investing activities	(645,776)	(128,645)
Cash flow from financing activities	777,220	(265,305)
Effects of foreign exchange rate changes	<u>(15,734)</u>	<u>8,500</u>
Net increase in cash and cash equivalents	<u><b>\$ 68,691</b></u>	<u><b>110,162</b></u>
Cash dividends paid to non-controlling interests	<u><b>\$ 195,745</b></u>	<u><b>247,331</b></u>

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

4) The summarized financial information of Alpha:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current assets	\$ 16,467,901	20,242,744
Non-current assets	10,426,703	10,182,529
Current liabilities	(8,761,524)	(13,047,095)
Non-current liabilities	<u>(1,942,885)</u>	<u>(851,131)</u>
Net assets	<b><u>\$ 16,190,195</u></b>	<b><u>16,527,047</u></b>
The carrying amount of non-controlling interests	<b><u>\$ 7,834,894</u></b>	<b><u>7,909,437</u></b>
	<b>2023</b>	<b>2022</b>
Net sales	<b><u>\$ 28,272,191</u></b>	<b><u>33,634,197</u></b>
Net income	\$ 482,664	1,000,968
Other comprehensive income (loss)	<u>(30,139)</u>	<u>366,793</u>
Total comprehensive income	<b><u>\$ 452,525</u></b>	<b><u>1,367,761</u></b>
Net income attributable to non-controlling interests	<b><u>\$ 248,099</u></b>	<b><u>545,005</u></b>
Total comprehensive income attributable to non-controlling interests	<b><u>\$ 243,398</u></b>	<b><u>749,617</u></b>
	<b>2023</b>	<b>2022</b>
Cash flow from operating activities	\$ 2,702,352	1,561,164
Cash flow from investing activities	(664,116)	(1,045,667)
Cash flow from financing activities	(2,512,198)	(1,077,925)
Effects of foreign exchange rate changes	<u>(409,647)</u>	<u>148,662</u>
Net decrease in cash and cash equivalents	<b><u>\$ (883,609)</u></b>	<b><u>(413,766)</u></b>
Cash dividends paid to non-controlling interests	<b><u>\$ 662,727</u></b>	<b><u>362,439</u></b>

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

(j) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Other equipment</u>	<u>Construction in progress and equipment to be inspected</u>	<u>Total</u>
Cost:						
Balance at January 1, 2023	\$ 6,738,269	31,867,167	23,803,630	8,159,983	856,183	71,425,232
Additions	152,115	637,894	1,386,399	1,637,598	1,082,769	4,896,775
Acquisition through business combination	2,655,099	1,444,454	1,789,372	486,722	-	6,375,647
Disposals	-	(15,913)	(1,164,512)	(459,103)	(21)	(1,639,549)
Derecognition of subsidiaries	(628,146)	(299,093)	(63,369)	(21,798)	-	(1,012,406)
Reclassification to non-current assets held for sale	-	(711,150)	(413)	-	-	(711,563)
Reclassification to investment property	(91,754)	(42,001)	588	-	(1,298)	(134,465)
Other reclassification and effect of exchange rate changes	27,780	(71,644)	386,355	(695,194)	(45,566)	(398,269)
Balance at December 31, 2023	<u>\$ 8,853,363</u>	<u>32,809,714</u>	<u>26,138,050</u>	<u>9,108,208</u>	<u>1,892,067</u>	<u>78,801,402</u>
Balance at January 1, 2022	\$ 6,412,430	29,447,209	21,057,739	6,480,209	918,703	64,316,290
Additions	228,330	538,223	2,035,083	2,809,181	762,241	6,373,058
Acquisition through business combination	64,368	-	268,540	136,107	-	469,015
Disposals	(4,549)	(49,032)	(1,077,686)	(360,453)	-	(1,491,720)
Other reclassification and effect of exchange rate changes	37,690	1,930,767	1,519,954	(905,061)	(824,761)	1,758,589
Balance at December 31, 2022	<u>\$ 6,738,269</u>	<u>31,867,167</u>	<u>23,803,630</u>	<u>8,159,983</u>	<u>856,183</u>	<u>71,425,232</u>
Accumulated depreciation and impairment loss:						
Balance at January 1, 2023	\$ -	14,386,484	16,119,361	4,412,676	-	34,918,521
Depreciation	-	1,248,382	2,060,406	550,607	-	3,859,395
Acquisition through business combination	-	369,842	1,488,106	237,937	-	2,095,885
Disposals	-	(14,899)	(1,035,598)	(423,014)	-	(1,473,511)
Derecognition of subsidiaries	-	(87,821)	(30,185)	(10,902)	-	(128,908)
Reclassification to non-current assets held for sale	-	(671,801)	(395)	-	-	(672,196)
Reclassification to investment property	-	(17,233)	-	-	-	(17,233)
Other reclassification and effect of exchange rate changes	-	(98,052)	(56,845)	(15,033)	-	(169,930)
Balance at December 31, 2023	<u>\$ -</u>	<u>15,114,902</u>	<u>18,544,850</u>	<u>4,752,271</u>	<u>-</u>	<u>38,412,023</u>
Balance at January 1, 2022	\$ -	12,860,657	14,446,425	3,972,167	-	31,279,249
Depreciation	-	1,110,373	1,820,123	524,078	-	3,454,574
Impairment loss	-	-	2,874	3,448	-	6,322
Acquisition through business combination	-	-	158,671	88,072	-	246,743
Disposals	-	(47,182)	(914,829)	(238,364)	-	(1,200,375)
Other reclassification and effect of exchange rate changes	-	462,636	606,097	63,275	-	1,132,008
Balance at December 31, 2022	<u>\$ -</u>	<u>14,386,484</u>	<u>16,119,361</u>	<u>4,412,676</u>	<u>-</u>	<u>34,918,521</u>
Carrying amounts:						
Balance at December 31, 2023	<u>\$ 8,853,363</u>	<u>17,694,812</u>	<u>7,593,200</u>	<u>4,355,937</u>	<u>1,892,067</u>	<u>40,389,379</u>
Balance at December 31, 2022	<u>\$ 6,738,269</u>	<u>17,480,683</u>	<u>7,684,269</u>	<u>3,747,307</u>	<u>856,183</u>	<u>36,506,711</u>

(Continued)

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

(i) The Group has obtained a parcel of land located at Yilan County for a period of time, at the amount of \$104,324. Because of certain legal restrictions, this land was not registered under the name of the Group. In order to protect the Group's rights to this land, the Group entered into an agreement with the registered owner. The contract specified that the Group retain all rights and obligations of the land.

(ii) Pledge as collateral

Please refer to note 8 for a description of the Group's property, plant and equipment pledged as collateral for long-term debt.

(k) Right-of-use assets

	<u>Land use rights</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:				
Balance at January 1, 2023	\$ 4,545,506	3,037,889	72,681	7,656,076
Additions	163,058	502,323	37,423	702,804
Acquisition through business combination	401,619	1,977	-	403,596
Derecognition of subsidiaries	-	(9,668)	(4,083)	(13,751)
Reclassification to non-current assets held for sale	(246,761)	-	-	(246,761)
Disposals	(11,433)	(262,176)	(21,966)	(295,575)
Reclassification and effect of exchange rate changes	<u>(26,017)</u>	<u>(5,799)</u>	<u>1,581</u>	<u>(30,235)</u>
Balance at December 31, 2023	<u>\$ 4,825,972</u>	<u>3,264,546</u>	<u>85,636</u>	<u>8,176,154</u>
Balance at January 1, 2022	\$ 4,320,257	2,686,407	62,981	7,069,645
Additions	-	867,795	22,629	890,424
Acquisition through business combination	-	31,823	1,658	33,481
Disposals	(9,109)	(644,105)	(17,764)	(670,978)
Reclassification from investment property	109,199	-	-	109,199
Reclassification and effect of exchange rate changes	<u>125,159</u>	<u>95,969</u>	<u>3,177</u>	<u>224,305</u>
Balance at December 31, 2022	<u>\$ 4,545,506</u>	<u>3,037,889</u>	<u>72,681</u>	<u>7,656,076</u>

**QISDA CORPORATION AND SUBSIDIARIES**  
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	<u>Land use rights</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Accumulated depreciation:				
Balance at January 1, 2023	\$ 1,120,418	1,357,497	35,546	2,513,461
Depreciation	125,293	520,231	23,680	669,204
Acquisition through business combination	73,751	439	-	74,190
Derecognition of subsidiaries	-	(3,975)	(1,091)	(5,066)
Reclassification to non-current assets held for sale	(28,355)	-	-	(28,355)
Disposals	(11,433)	(242,164)	(21,000)	(274,597)
Reclassification and effect of exchange rate changes	<u>(10,775)</u>	<u>15,362</u>	<u>500</u>	<u>5,087</u>
Balance at December 31, 2023	<u>\$ 1,268,899</u>	<u>1,647,390</u>	<u>37,635</u>	<u>2,953,924</u>
Balance at January 1, 2022	\$ 964,483	1,461,312	29,967	2,455,762
Depreciation	107,082	474,448	20,950	602,480
Acquisition through business combination	-	4,571	1,038	5,609
Disposals	-	(612,567)	(15,946)	(628,513)
Reclassification from investment property	48,230	-	-	48,230
Reclassification and effect of exchange rate changes	<u>623</u>	<u>29,733</u>	<u>(463)</u>	<u>29,893</u>
Balance at December 31, 2022	<u>\$ 1,120,418</u>	<u>1,357,497</u>	<u>35,546</u>	<u>2,513,461</u>
Carrying amounts:				
Balance at December 31, 2023	<u>\$ 3,557,073</u>	<u>1,617,156</u>	<u>48,001</u>	<u>5,222,230</u>
Balance at December 31, 2022	<u>\$ 3,425,088</u>	<u>1,680,392</u>	<u>37,135</u>	<u>5,142,615</u>

(l) Investment property

	<u>Buildings</u>	<u>Land use rights</u>	<u>Total</u>
Cost:			
Balance at January 1, 2023	\$ 1,023,644	393,500	1,417,144
Additions	13,093	-	13,093
Reclassification from property, plant and equipment	42,711	91,754	134,465
Disposals	(6,077)	-	(6,077)
Derecognition of subsidiaries	(34,493)	(107,028)	(141,521)
Other reclassification and effect of exchange rate changes	<u>(21,564)</u>	<u>(2,848)</u>	<u>(24,412)</u>
Balance at December 31, 2023	<u>\$ 1,017,314</u>	<u>375,378</u>	<u>1,392,692</u>

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

	<u>Buildings</u>	<u>Land use rights</u>	<u>Total</u>
Balance at January 1, 2022	\$ 4,111,134	939,878	5,051,012
Acquisition through business combination	304,901	193,261	498,162
Additions	8,628	-	8,628
Reclassification to non-current assets held for sale	(3,387,657)	(763,726)	(4,151,383)
Reclassification to right-of-use assets	(109,199)	-	(109,199)
Disposals	(3,818)	-	(3,818)
Effect of exchange rate changes	99,655	24,087	123,742
Balance at December 31, 2022	<u>\$ 1,023,644</u>	<u>393,500</u>	<u>1,417,144</u>
Accumulated depreciation:			
Balance at January 1, 2023	\$ 475,400	20,320	495,720
Depreciation	69,122	1,271	70,393
Reclassification from property, plant and equipment	17,233	-	17,233
Disposals	(6,077)	-	(6,077)
Derecognition of subsidiaries	(18,576)	-	(18,576)
Other reclassification and effect of exchange rate changes	(10,071)	(612)	(10,683)
Balance at December 31, 2023	<u>\$ 527,031</u>	<u>20,979</u>	<u>548,010</u>
Balance at January 1, 2022	\$ 1,403,888	238,839	1,642,727
Depreciation	133,128	13,348	146,476
Acquisition through business combination	73,462	-	73,462
Reclassification to non-current assets held for sale	(1,070,036)	(230,817)	(1,300,853)
Reclassification to right-of-use assets	(48,230)	-	(48,230)
Disposals	(3,818)	-	(3,818)
Effect of exchange rate changes	(12,994)	(1,050)	(14,044)
Balance at December 31, 2022	<u>\$ 475,400</u>	<u>20,320</u>	<u>495,720</u>
Carrying amounts:			
Balance at December 31, 2023	<u>\$ 490,283</u>	<u>354,399</u>	<u>844,682</u>
Balance at December 31, 2022	<u>\$ 548,244</u>	<u>373,180</u>	<u>921,424</u>
Fair value:			
Balance at December 31, 2023			<u>\$ 1,160,348</u>
Balance at December 31, 2022			<u>\$ 1,506,806</u>

Investment property comprises a number of commercial properties, land use rights and factories that the Group leased to third parties under operating lease. The fair value of the investment property is determined by referring to the market price of similar real estate transaction in the same area by management or considering the discounted value of the cash flow that the Group expects to receive the sub-lease rent. The inputs, which are used in the fair value measurement, were classified to Level 3.

Please refer to note 8 for a description of the Group's investment property pledged as collateral for bank loans.

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

(m) Intangible assets

	<u>Goodwill</u>	<u>Computer software</u>	<u>Patents</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Others</u>	<u>Total</u>
Costs:							
Balance at January 1, 2023	\$ 5,906,162	1,815,191	923,558	2,101,186	2,333,158	1,313,651	14,392,906
Additions	-	213,852	-	-	-	73,747	287,599
Acquisition through business combination	24,362	-	23,250	-	-	-	47,612
Reclassification to non-current assets held for sale	-	1,016	-	-	-	(9,713)	(8,697)
Disposals	-	(40,911)	-	-	(5,944)	(79,794)	(126,649)
Derecognition of subsidiaries	-	-	-	-	-	(13,734)	(13,734)
Reclassification and effect of exchange rate changes	<u>653</u>	<u>(11,316)</u>	<u>-</u>	<u>193</u>	<u>1,953</u>	<u>54,600</u>	<u>46,083</u>
Balance at December 31, 2023	<u>\$ 5,931,177</u>	<u>1,977,832</u>	<u>946,808</u>	<u>2,101,379</u>	<u>2,329,167</u>	<u>1,338,757</u>	<u>14,625,120</u>
Balance at January 1, 2022	\$ 5,761,776	1,502,377	970,047	2,081,069	2,233,900	1,182,680	13,731,849
Additions	-	336,225	-	-	-	129,844	466,069
Acquisition through business combination	126,146	6,369	-	12,822	114,384	20,732	280,453
Adjustment of business combination during the measurement period	9,829	-	(123)	6,577	(22,794)	-	(6,511)
Disposals	-	(80,887)	-	-	-	(58,358)	(139,245)
Reclassification and effect of exchange rate changes	<u>8,411</u>	<u>51,107</u>	<u>(46,366)</u>	<u>718</u>	<u>7,668</u>	<u>38,753</u>	<u>60,291</u>
Balance at December 31, 2022	<u>\$ 5,906,162</u>	<u>1,815,191</u>	<u>923,558</u>	<u>2,101,186</u>	<u>2,333,158</u>	<u>1,313,651</u>	<u>14,392,906</u>
Accumulated amortization and impairment loss:							
Balance at January 1, 2023	\$ 10,377	1,217,509	432,979	848,926	1,033,784	621,675	4,165,250
Amortization	-	292,000	178,870	207,071	209,817	206,344	1,094,102
Disposals	-	(40,911)	-	-	(5,944)	(79,794)	(126,649)
Reclassification to non-current assets held for sale	-	(912)	-	-	-	(5,497)	(6,409)
Derecognition of subsidiaries	-	-	-	-	-	(13,734)	(13,734)
Reclassification and effect of exchange rate changes	<u>-</u>	<u>(3,220)</u>	<u>(1)</u>	<u>152</u>	<u>1,469</u>	<u>1,307</u>	<u>(293)</u>
Balance at December 31, 2023	<u>\$ 10,377</u>	<u>1,464,466</u>	<u>611,848</u>	<u>1,056,149</u>	<u>1,239,126</u>	<u>730,301</u>	<u>5,112,267</u>
Balance at January 1, 2022	\$ 10,144	1,010,415	297,103	641,517	801,155	432,728	3,193,062
Amortization	-	275,561	175,279	207,271	225,213	221,596	1,104,920
Disposals	-	(80,887)	-	-	-	(58,358)	(139,245)
Acquisition through business combination	-	3,567	-	-	-	95	3,662
Impairment loss	-	-	1,377	-	-	-	1,377
Reclassification and effect of exchange rate changes	<u>233</u>	<u>8,853</u>	<u>(40,780)</u>	<u>138</u>	<u>7,416</u>	<u>25,614</u>	<u>1,474</u>
Balance at December 31, 2022	<u>\$ 10,377</u>	<u>1,217,509</u>	<u>432,979</u>	<u>848,926</u>	<u>1,033,784</u>	<u>621,675</u>	<u>4,165,250</u>
Carrying amounts:							
Balance at December 31, 2023	<u>\$ 5,920,800</u>	<u>513,366</u>	<u>334,960</u>	<u>1,045,230</u>	<u>1,090,041</u>	<u>608,456</u>	<u>9,512,853</u>
Balance at December 31, 2022	<u>\$ 5,895,785</u>	<u>597,682</u>	<u>490,579</u>	<u>1,252,260</u>	<u>1,299,374</u>	<u>691,976</u>	<u>10,227,656</u>

(Continued)



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

(i) Amortization

The amortization of intangible assets is included in the following line items of the statement of comprehensive income:

	<u>2023</u>	<u>2022</u>
Cost of sales	\$ 132,998	114,207
Operating expenses	<u>961,104</u>	<u>990,713</u>
	<u>\$ 1,094,102</u>	<u>1,104,920</u>

(ii) Impairment test on goodwill

The carrying amounts of goodwill arising from business combinations and the respective CGUs to which the goodwill was allocated for impairment test purpose as of December 31, 2023 and 2022 were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Alpha	\$ 1,730,813	1,730,813
DFI	1,427,555	1,427,555
PTT	810,579	810,579
Other CGUs without significant goodwill	<u>1,926,838</u>	<u>1,926,838</u>
	<u>\$ 5,895,785</u>	<u>5,895,785</u>

Each CGU or group of CGUs to which the goodwill is allocated represents the lowest level within the group, at which the goodwill is monitored for internal management purpose. Based on the results of impairment tests conducted by the Group, no impairment loss was recognized as of December 31, 2023 and 2022. The recoverable amount of a CGU was determined based on the value in use, and the related key assumptions were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Alpha :		
Revenue growth rate	13%~15%	11%
Discount rates	18.44%	18.11%
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
DFI :		
Revenue growth rate	7%~17%	7%~15%
Discount rates	16.80%	14.00%
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
PTT :		
Revenue growth rate	6%	7%~13%
Discount rates	15.65%	16.20%

(Continued)

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

- 1) The cash flow projections were based on future financial budgets, covering a period of 5 years, approved by management. Cash flows beyond that 5-year period have been extrapolated using 0% to 2.28% growth rate.
- 2) The estimation of discount rate is based on the weighted average cost of capital.

(n) Short-term borrowings and short-term notes and bills payable

- (i) The details of short-term borrowings were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Unsecured bank loans	\$ 29,807,428	25,673,412
Secured bank loans	112,211	296,324
	<b>\$ 29,919,639</b>	<b>25,969,736</b>
Unused credit facilities	<b>\$ 87,575,817</b>	<b>85,287,579</b>
Interest rate interval	<b>0.48%~6.70%</b>	<b>0.64%~5.99%</b>

- (ii) As of December 31, 2022, the short-term notes and bills payable were summarized as follows:

	<b>December 31, 2022</b>			
	<b>Guarantee or acceptance institution</b>	<b>Contract term</b>	<b>Range of interest rates</b>	<b>Amount</b>
Commercial papers payable	Dah Chung Bills Finance Corp.	2022/12~2023/02	1.79%	\$ 200,000
Less: discount on short-term notes and bills payable				(381)
				<b>\$ 199,619</b>

There was no balance of short-term notes and bills payable as of December 31, 2023.

- (iii) Please refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(o) Long-term debt

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Unsecured bank loans	\$ 29,126,667	31,338,053
Secured bank loans	2,214,258	2,384,230
Less: current portion of long-term debt	(1,556,119)	(1,635,671)
Long-term debt	<b>\$ 29,784,806</b>	<b>32,086,612</b>
Unused credit facilities	<b>\$ 35,648,273</b>	<b>23,778,303</b>
Interest rate interval	<b>1.3%~3.76%</b>	<b>1.1%~3.76%</b>
Maturity year	<b>2024~2040</b>	<b>2023~2040</b>

(Continued)

**QISDA CORPORATION AND SUBSIDIARIES**  
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(i) Collateral for bank borrowings

Please refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(ii) Low interest rate loan from government assistance

In early 2020, the Group obtained the low interest rate loans from the bank in accordance with "Guidelines of Project Loans for Returning Overseas Taiwanese Businesses". The preferential interest rate ranged from 1.25% to 1.60%. The difference between the related loan amount and the estimated fair value of the loan using the prevailing market interest rate ranged from 1.65% to 1.90% was recognized as deferred government grant. The deferred income was transferred to other income when the loan was paid off.

(iii) Compliance with loan agreement

According to the syndicated loan agreement signed between the Company and its subsidiary (QLLB), and the banks, the Company and QLLB have promised to maintain certain financial ratios based on the Group's semi-annual reviewed consolidated financial statements and annual audited consolidated financial statements. If the Group violates any of the related financial ratios, the Group should mend it in a specific period, and then the failure to maintain the required financial ratios during the amendment period would not be considered a default.

Furthermore, according to the syndicated loan agreement signed between BMC and the banks, BMC has promised to maintain certain financial ratios, including current ratio, debt ratio and minimum tangible net worth, based on BMC's annual audited consolidated financial statements. If BMC violates any of the related financial ratios, according to the syndicated loan agreement, BMC shall file an application for waiver and financial improvement plan to the managing bank. Failure to maintain the required financial ratios would not be considered a default unless a resolution is made by a majority of the banks to refuse to grant a waiver to BMC.

For the years ended December 31, 2023 and 2022, the Company's, QLLB's and BMC's financial ratios were in compliance with the syndicated loan agreement.

(p) Bonds payable

(i) The details of the Company's secured corporate bonds were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Total secured corporate bonds issued	\$ 3,000,000	3,000,000
Less: unamortized bond issuance cost	(3,910)	(4,985)
Bonds payable — non-current	<b>\$ 2,996,090</b>	<b>2,995,015</b>

On June 28, 2022, the Company issued \$3,000,000 of secured corporate bonds at par value. The bonds have 5-year term and are repayable on maturity, with a fixed interest rate of 1.80% per annum, with simple interest and interest payable annually.

**QISDA CORPORATION AND SUBSIDIARIES**  
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- (ii) The details of IDT's unsecured convertible corporate bonds were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Total convertible corporate bonds issued	\$ 600,000	600,000
Unamortized bond discount	(9,988)	-
Cumulative converted amount	(325,400)	(227,700)
Repayment of bonds at maturity	-	(372,300)
Bonds payable – non-current	<b>\$ 264,612</b>	<b>-</b>

In response to working capital needs, IDT's Board of Directors resolved to issue the 2nd domestic secured convertible bonds on October 24, 2022, with the approval of the Financial Supervisory Commission of the Republic of China on December 19, 2022. Starting January 11, 2023, IDT issued \$600,000 of secured convertible bonds, with a 3-year term, without interest, upon maturity on January 11, 2026.

The related terms and conditions of the issuance of convertible bonds are as follows:

- 1) Redemption at maturity

Other than converting the bonds to IDT's ordinary shares or early redeeming or repurchasing the bonds from securities dealers to write off in accordance with Article 10 and 18 of the terms of issuance, respectively, IDT will repay the convertible bond in cash at par value after 10 trading days upon maturity.

- 2) Redemption at the option of IDT

- a) If the closing price of IDT's ordinary share exceeds 30% of the conversion price for 30 consecutive trading days from 3 months after the issuance of the bonds to 40th day before maturity, IDT shall redeem the outstanding bonds at par value.
- b) If the balance of the outstanding bonds is less than \$60,000 from 3 months after the issuance of the bonds to 40th day before maturity, IDT shall redeem the outstanding bonds at par value.

- 3) Conversion period

The bondholder may request the stock agency of IDT to convert the bond to ordinary shares from the 3 months after issuance to maturity date, except during the period in which the transfer is suspended by laws.

- 4) Conversion price and conversion options exercised

The conversion price was set at \$ 60.7 (New Taiwan Dollars) at the time of IDT's 2nd issuance of secured convertible bonds on January 11, 2023. Starting July 23, 2023, the conversion price had been adjusted to \$56.7 (New Taiwan Dollars). As of December 31, 2023, the convertible bonds have been converted into 5,646 thousand shares of IDT's common stock.

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Moreover, IDT's 1st issuance of unsecured convertible bonds on November 22, 2019 had reached the maturity on November 22, 2022. The conversion price was set at NTD 78.5 at the time of issuance, and had been adjusted to \$61.2 (New Taiwan Dollars) starting July 4, 2022. As of December 31, 2022, the convertible bonds have been converted into 3,309 thousand shares of IDT's common stock.

(q) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current	<u>\$ 564,317</u>	<u>531,390</u>
Non-current	<u>\$ 1,863,813</u>	<u>1,986,764</u>

For the maturity analysis, please refer to note 6(ac) for the financial risk management.

The amounts recognized in profit or loss were as follows:

	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	<u>\$ 153,563</u>	<u>145,644</u>
Income from sub-leasing right-of-use assets	<u>\$ 36,910</u>	<u>34,882</u>
Interest expense on lease liabilities	<u>\$ 55,219</u>	<u>41,789</u>

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

	<b>2023</b>	<b>2022</b>
Total cash outflow for leases	<u>\$ 996,136</u>	<u>728,044</u>

(i) Real estate leases

The Group leases buildings for its office, store and factory. The leases for land use rights, which are usually prepaid and run for a period of 50 years. The leases for buildings typically run for a period of 3 to 10 years. The Group has to negotiate the new lease term and recognize relevant right-of-use assets and lease liabilities when the lease expires. Some of the leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases transportation equipment, with lease terms of 1 to 5 years. In addition, the Group leases some plants, dormitory, and transportation equipment with contract terms within one year. These leases are short-term and the Group has elected to apply exemption and not to recognize right-of-use assets and lease liabilities.

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(r) Provisions

	<u>Warranties</u>	<u>Restructuring</u>	<u>Onerous contracts</u>	<u>Litigation</u>	<u>Total</u>
Balance at January 1, 2023	\$ 1,696,792	-	23,225	89,501	1,809,518
Provisions made	756,703	-	-	46,870	803,573
Amount utilized	(760,256)	-	(11,993)	-	(772,249)
Effect of exchange rate changes	7,822	-	-	1,679	9,501
Balance at December 31, 2023	<u>\$ 1,701,061</u>	<u>-</u>	<u>11,232</u>	<u>138,050</u>	<u>1,850,343</u>
Current	<u>\$ 925,472</u>	<u>-</u>	<u>11,232</u>	<u>138,050</u>	<u>1,074,754</u>
Non-current	<u>\$ 775,589</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>775,589</u>
Balance at January 1, 2022	\$ 1,562,058	216	-	87,559	1,649,833
Provisions made	791,103	-	26,314	1,843	819,260
Amount utilized	(674,786)	(216)	(3,089)	(11,391)	(689,482)
Amount reversed	(28,300)	-	-	3,434	(24,866)
Effect of exchange rate changes	46,717	-	-	8,056	54,773
Balance at December 31, 2022	<u>\$ 1,696,792</u>	<u>-</u>	<u>23,225</u>	<u>89,501</u>	<u>1,809,518</u>
Current	<u>\$ 933,244</u>	<u>-</u>	<u>23,225</u>	<u>89,501</u>	<u>1,045,970</u>
Non-current	<u>\$ 763,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>763,548</u>

Warranty provision is estimated based on historical warranty data associated with similar products and services. The Group expects to settle most of the warranty liability within three years from the date of the sale of the product.

Litigation provision is recorded for pending litigation when it is determined that an unfavorable outcome is probable, and the amount of loss can be reasonably estimated.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

(s) Operating lease—the Group acts as a lessor

(i) The Group leased its property, plant and equipment and investment property under operating leases. Please refer to note 6(l). The future minimum lease payments under operating leases are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Not later than 1 year	\$ 225,871	222,081
Later than 1 year but not later than 5 years	433,347	554,903
Later than 5 years	34,739	44,505
	<u>\$ 693,957</u>	<u>821,489</u>

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In 2023 and 2022, the rental income from property, plant and equipment and investment property (classified under net sales) amounted to \$131,241 and \$249,413, respectively. Related operating expenses (classified under cost of sales and operating expense) were as follows:

	<b>2023</b>	<b>2022</b>
Arising from property, plant and equipment and investment property that generated rental income	\$ 75,533	78,469
Arising from property, plant and equipment and investment property that did not generate rental income	6,787	6,603
	<b>\$ 82,320</b>	<b>85,072</b>

The Group also leased its land and buildings to others under operating leases. In 2023 and 2022, the resulting rental income from land and buildings amounted to \$143,149 and \$151,710, respectively, and was recognized under non-operating income and loss— other gains and losses, net.

(t) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the net defined benefit liabilities (assets) for defined benefit plans was as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Present value of defined benefit obligations	\$ 1,075,094	1,200,648
Fair value of plan assets	(650,537)	(702,208)
Net defined benefit liabilities (reported under other non-current liabilities)	<b>\$ 424,557</b>	<b>498,440</b>

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Present value of defined benefit obligations	\$ 226,048	230,032
Fair value of plan assets	(301,221)	(303,804)
Net defined benefit assets (reported under other non-current assets)	<b>\$ (75,173)</b>	<b>(73,772)</b>

The Company and its domestic subsidiaries make defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pension benefits for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive a payment based on years of service and average salary for the six months prior to the employee's retirement.

**QISDA CORPORATION AND SUBSIDIARIES**  
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1) Composition of plan assets

The pension fund (the “Fund”) contributed by the Company and its domestic subsidiaries is managed and administered by the Bureau of Labor Funds of the Ministry of Labor (the Bureau of Labor Funds). According to the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, with regard to the utilization of the Fund, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

As of December 31, 2023 and 2022, the Group’s labor pension fund account balance at Bank of Taiwan amounted to \$951,758 and \$1,006,012, respectively. Please refer to the website of the Bureau of Labor Funds for information on the labor pension fund assets including the asset portfolio and yield of the fund.

2) Movements in present value of defined benefit obligations

	<u>2023</u>	<u>2022</u>
Defined benefit obligations at January 1	\$ 1,430,680	1,655,990
Current service costs and interest expense	22,669	16,319
Liabilities assumed in a business combination	-	29,692
Derecognition of subsidiaries	(33,901)	-
Gains on settlement	-	(26,814)
Remeasurement on the net defined benefit liabilities (assets):		
– Actuarial gains arising from experience adjustments	(16,070)	(5,055)
– Actuarial losses (gains) arising from changes in financial assumptions	8,834	(140,326)
Benefits paid by the plan and employer	(111,070)	(99,126)
Defined benefit obligations at December 31	<u>\$ 1,301,142</u>	<u>1,430,680</u>

3) Movements of fair value of plan assets

	<u>2023</u>	<u>2022</u>
Fair value of plan assets at January 1	\$ 1,006,012	976,222
Interest income	14,736	6,561
Assets acquired through business combination	-	24,021
Derecognition of subsidiaries	(31,201)	-
Remeasurement on the net defined benefit liabilities (assets)		
– Actuarial gains	6,054	75,459
Contributions by the employer	64,777	43,998
Benefits paid by the plan	(108,620)	(96,117)
Gains on settlement	-	(24,132)
Fair value of plan assets at December 31	<u>\$ 951,758</u>	<u>1,006,012</u>

(Continued)



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4) Changes in the effect of the asset ceiling

In 2023 and 2022, there was no effect of the asset ceiling.

5) Expenses recognized in profit or loss

	<u>2023</u>	<u>2022</u>
Current service costs	\$ 1,220	5,027
Net interest expense on the net defined benefit liabilities (assets)	6,713	4,731
Gains on settlement	-	(2,682)
	<u>\$ 7,933</u>	<u>7,076</u>
Cost of sales	\$ 2,285	5,117
Selling expenses	305	1,359
Administrative expenses	948	273
Research and development expenses	4,395	3,009
Other income	-	(2,682)
	<u>\$ 7,933</u>	<u>7,076</u>

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.2%~2.6%	1.3%~2%
Future salary increases rate	2%~3.25%	1.625%~4.00%

The Group expects to make contribution of \$41,279 to the defined benefit plans in the year following December 31, 2023.

The weighted average duration of the defined benefit plans is ranged from 5.96 years to 16.99 years.

7) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2023 and 2022.

	<u>Increase (decrease) in present value of defined benefit obligations</u>	
	<u>0.25% Increase</u>	<u>0.25% Decrease</u>
December 31, 2023		
Discount rate	(33,721)	34,900
Future salary change	34,164	(33,137)

(Continued)

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	<b>Increase (decrease) in present value of defined benefit obligations</b>	
	<b>0.25% Increase</b>	<b>0.25% Decrease</b>
	December 31, 2022	
Discount rate	(38,680)	39,914
Future salary change	45,110	(44,019)

Each sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. This approach shows the isolated effect of changing one individual assumption but does not take into account that some assumptions are related. The method used to carry out the sensitivity analysis is the same as the calculation of the net defined benefit liabilities recognized in the balance sheets.

(ii) Defined contribution plans

The Company and its domestic subsidiaries contribute monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Foreign subsidiaries make contributions in compliance with their respective local regulations.

For the years ended December 31, 2023 and 2022, the Group recognized pension expenses of \$1,219,257 and \$1,157,131, respectively, in relation to the defined contribution plans.

(u) Income taxes

(i) The components of income tax expense were as follows:

	<b>2023</b>	<b>2022</b>
Current income tax expense	\$ <u>1,678,329</u>	<u>6,218,936</u>
Deferred income tax (benefit)		
Origination and reversal of temporary differences	(849,732)	(525,416)
Changes in unrecognized deductible temporary differences	922,028	(252,960)
Changes in unrecognized tax losses	<u>53,036</u>	<u>103,672</u>
Deferred tax expense (benefit)	<u>125,332</u>	<u>(674,704)</u>
Income tax expense	<u><b>\$ 1,803,661</b></u>	<u><b>5,544,232</b></u>

The components of income tax expense recognized in other comprehensive income were as follows:

	<b>2023</b>	<b>2022</b>
Items that will not be reclassified subsequently to profit or loss:		
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u><b>\$ 14,293</b></u>	<u><b>(61,906)</b></u>

(Continued)

**QISDA CORPORATION AND SUBSIDIARIES**  
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Reconciliation of income tax expense and income before income tax for 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Income before income tax	<u>\$ 6,319,740</u>	<u>16,623,301</u>
Income tax using the Company's statutory tax rate	\$ 1,263,948	3,324,660
Effect of different tax rates in foreign jurisdictions	164,341	369,748
Investment income recorded under equity method	(95,268)	(73,313)
Tax effect of expenses that are not deductible for tax purposes	96,744	44,940
Land value increment tax	-	99,414
Income tax relating to transfer of equity in a foreign country	8,411	1,061,718
Changes in unrecognized temporary differences	922,028	(252,960)
Changes in unrecognized tax losses	53,036	103,672
Surtax on undistributed earnings	32,294	178,212
Investment tax credits and tax incentives	(81,200)	(60,127)
Others	<u>(560,673)</u>	<u>748,268</u>
Income tax expense	<u>\$ 1,803,661</u>	<u>5,544,232</u>

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets and liabilities

As the Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2023 and 2022, and management considers that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences are not recognized as deferred income tax liabilities. In addition, as the Company and certain subsidiaries determined that it is not probable that future taxable profits will be available against which the temporary differences and operating loss carryforwards can be utilized, these items were not recognized as deferred income tax assets.

Unrecognized deferred income tax assets:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Aggregate amount of temporary differences related to investments in subsidiaries	\$ 1,268,550	291,714
Deductible temporary differences	2,159,863	2,103,948
Tax losses	<u>547,995</u>	<u>494,959</u>
	<u>\$ 3,976,408</u>	<u>2,890,621</u>

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Unrecognized deferred income tax liabilities:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Aggregate amount of temporary differences related to investments in subsidiaries	<b>\$ 2,612,307</b>	<b>2,501,584</b>

As of December 31, 2023, the unrecognized tax losses and the respective expiry years were as follows:

<b>Unrecognized tax losses</b>	<b>Tax effects of tax losses</b>	<b>Year of expiry</b>
\$ 213,057	50,747	2024
220,846	60,027	2025
302,286	72,286	2026
554,426	134,163	2027
336,286	77,962	2028
203,763	45,837	2029
77,850	17,243	2030
59,199	12,327	2031
61,681	12,658	2032
296,563	64,745	2033
<b>\$ 2,325,957</b>	<b>547,995</b>	

2) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred income tax assets and liabilities for 2023 and 2022 were as follows:

Deferred income tax assets:

	<b>Balance at January 1, 2023</b>	<b>Recognized in profit or loss</b>	<b>Acquisition through business combination</b>	<b>Derecognition of subsidiaries</b>	<b>Balance at December 31, 2023</b>
In 2023					
Provision for inventory obsolescence	\$ 347,417	(22,941)	4,637	-	329,113
Unrealized accrued expenses	350,675	32,961	-	-	383,636
Unrealized inter-company profits	178,662	(27,483)	-	-	151,179
Allowance for sales discounts	339,371	(37,523)	-	-	301,848
Depreciation adjustments for tax purposes	76,100	4,487	-	-	80,587
Warranty provision	92,048	29,528	-	-	121,576
Operating loss carryforwards	98,285	148,089	-	-	246,374
Others	602,964	(11,110)	10,645	(11,279)	591,220
	<b>\$ 2,085,522</b>	<b>116,008</b>	<b>15,282</b>	<b>(11,279)</b>	<b>2,205,533</b>

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	<b>Balance at January 1, 2022</b>	<b>Recognized in profit or loss</b>	<b>Acquisition through business combination</b>	<b>Derecognition of subsidiaries</b>	<b>Balance at December 31, 2022</b>
In 2022					
Provision for inventory obsolescence	\$ 270,577	75,984	856	-	347,417
Unrealized accrued expenses	236,521	114,154	-	-	350,675
Unrealized inter-company profits	80,099	98,563	-	-	178,662
Allowance for sales discounts	364,626	(25,255)	-	-	339,371
Depreciation adjustments for tax purposes	87,699	(11,599)	-	-	76,100
Warranty provision	90,087	1,961	-	-	92,048
Operating loss carryforwards	111,036	(12,751)	-	-	98,285
Others	520,586	79,323	3,055	-	602,964
	<b>\$ 1,761,231</b>	<b>320,380</b>	<b>3,911</b>	<b>-</b>	<b>2,085,522</b>

Deferred income tax liabilities:

	<b>Balance at January 1, 2023</b>	<b>Recognized in profit or loss</b>	<b>Assumed in business combination</b>	<b>Recognized in other comprehensive income or loss</b>	<b>Derecognition of subsidiaries</b>	<b>Balance at December 31, 2023</b>
In 2023						
Unrealized foreign exchange gains	\$ (6,795)	(12,059)	-	-	-	(18,854)
Intangible assets acquired through business combination	(842,674)	300,327	(175,084)	-	-	(717,431)
Earnings from subsidiaries not distributed	(1,032,420)	(563,904)	-	-	-	(1,596,324)
Others	(149,761)	34,296	(59,369)	(14,293)	1,510	(187,617)
	<b>\$ (2,031,650)</b>	<b>(241,340)</b>	<b>(234,453)</b>	<b>(14,293)</b>	<b>1,510</b>	<b>(2,520,226)</b>

	<b>Balance at January 1, 2022</b>	<b>Recognized in profit or loss</b>	<b>Assumed in business combination</b>	<b>Recognized in other comprehensive income or loss</b>	<b>Derecognition of subsidiaries</b>	<b>Balance at December 31, 2022</b>
In 2022						
Unrealized foreign exchange gains	\$ (29,971)	23,176	-	-	-	(6,795)
Intangible assets acquired through business combination	(947,015)	141,264	(36,923)	-	-	(842,674)
Earnings from subsidiaries not distributed	(1,193,094)	160,674	-	-	-	(1,032,420)
Others	(213,023)	29,210	(27,854)	61,906	-	(149,761)
	<b>\$ (2,383,103)</b>	<b>354,324</b>	<b>(64,777)</b>	<b>61,906</b>	<b>-</b>	<b>(2,031,650)</b>

- (iii) The Company's income tax returns for the years through 2021 have been assessed by the R.O.C. tax authorities.

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(iv) Global minimum top-up tax

The Group operates in some countries which have enacted new legislations to implement the global minimum top-up tax. However, since the newly enacted tax legislations are effective from January 1, 2024, there is no current tax impact for the year ended December 31, 2023.

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. Please refer to note 4.

(v) Capital and other equity

(i) Common stock

As of December 31, 2023 and 2022, the Company's authorized shares of common stock consisted of 5,000,000 thousand shares, of which 1,966,782 thousand shares were issued and outstanding. The par value of the Company's common stock is \$10 (Dollars) per share.

As of December 31, 2023 and 2022, the Company had issued 285 thousand units of global depository receipts (GDRs). The GDRs were listed on the Luxemburg Stock Exchange, and each GDR represents five common shares.

(ii) Capital surplus

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Share of changes in equity of associates	\$ 161,235	159,487
Changes in ownership interests in subsidiaries	1,815,016	1,786,526
Proceeds from disposal of forfeited employee stock managed by an employee stock ownership trust	7,648	3,396
Claim for the disgorgement right	75	-
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	1	-
	<b>\$ 1,983,975</b>	<b>1,949,409</b>

Pursuant to the Company Act, any realized capital surplus is initially used to cover an accumulated deficit, and the balance, if any, could be transferred to common stock as stock dividends based on the original shareholding ratio or distributed as cash dividends based on a resolution approved by the stockholders. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations from stockholders received by the Company. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

**QISDA CORPORATION AND SUBSIDIARIES**  
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(iii) Unappropriated earnings and dividend policy

The Company's Articles of incorporation stipulate that at least 10% of annual earnings after deducting an accumulated deficit, if any, must be retained as a legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve should be set aside or reversed in accordance with applicable laws and regulations. The remaining balance of the annual net income, together with unappropriated earnings from previous years, if any, can be distributed as dividends after the earnings distribution plan proposed by the Board of Directors and approved during the stockholders' meeting. The abovementioned distribution of earnings by way of cash dividends could be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

The Company may distribute its legal reserve or capital surplus to shareholders by issuing new shares or by distributing cash, according to article 241 of the Company Act. The abovementioned distribution of earnings by way of cash dividends could be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

As the Company is a technology- and capital-intensive enterprise in its growing phase, the Company has adopted a remaining earnings appropriation method as its dividend policy in order to meet long-term capital needs and cash requirements of stockholders, and thereby maintain continuous development and steady growth.

The Company's requirements for future expansion and cash flow are the primary factors that the Company considers when appropriating its earnings. The distribution ratio for cash dividends shall not be less than 10% of the total distribution.

1) Legal reserve

If a company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve to shareholders by issuing new shares or by distributing cash for the portion in excess of 25% of the paid-in capital.

2) Special reserve

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. The Company shall make allocation of special reserve for the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of the undistributed prior-period earnings shall be reclassified to special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to the net reduction of 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.

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3) Earnings distribution

The appropriations of cash dividends of 2022 and 2021 earnings were approved by the Company's Board of Directors on March 6, 2023 and March 17, 2022, respectively. Other appropriations of 2022 and 2021 earnings were approved by the shareholders during their meetings on May 29, 2023 and May 31, 2022, respectively. The resolved appropriations were as follows:

	2022 earnings		2021 earnings	
	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)	Amount
Legal reserve		\$ <u>832,491</u>		<u>798,486</u>
Appropriation (reversal) of special reserve		\$ <u>4,243,165</u>		<u>(431,423)</u>
Dividends per share:				
Cash dividends	\$ 2.00	<u>3,933,564</u>	2.50	<u>4,916,955</u>

On March 5, 2024, the appropriation of cash dividends of 2023 earnings was approved by the Company's Board of Directors were as follows:

	2023 earnings	
	Dividends per share (in dollars)	Amount
Dividends per share:		
Cash dividends	\$ 1.20	<u>2,360,138</u>

(iv) Other equity items (net after tax)

1) Foreign currency translation differences

	2023	2022
Balance at January 1	\$ 875,030	(1,723,237)
Foreign exchange differences arising from translation of foreign operations	(122,265)	2,378,243
Shares of foreign currency translation differences of associates and joint ventures	(76,241)	215,240
Disposal of subsidiaries	<u>122</u>	<u>4,784</u>
Balance at December 31	<u>\$ 676,646</u>	<u>875,030</u>



**QISDA CORPORATION AND SUBSIDIARIES**  
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- 2) Unrealized gains (losses) on financial assets at fair value through other comprehensive income

	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ (5,663,889)	1,378,567
Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	1,887,046	(6,787,585)
Disposal of financial assets at fair value through other comprehensive income	(256,167)	(89,701)
Share of other comprehensive income (loss) of associates	251,750	(165,170)
Balance at December 31	<u>\$ (3,781,260)</u>	<u>(5,663,889)</u>

- 3) Remeasurement of defined benefit plans

	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ (287,528)	(488,552)
Remeasurement of the defined benefit plans	4,993	195,324
Shares of remeasurement of the defined benefit plans of associates accounted for using the equity method	(605)	5,700
Balance at December 31	<u>\$ (283,140)</u>	<u>(287,528)</u>

- (v) Non-controlling interests (net after tax)

	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 27,211,117	24,706,340
Equity attributable to non-controlling interests		
Net income	1,540,346	2,827,139
Acquisition or disposal of shares of subsidiaries	(1,588,467)	(45,141)
Stock option compensation cost of subsidiary	1,273	3,370
Changes in ownership interest in subsidiaries	(28,490)	3,732
Foreign currency translation differences	(23,149)	380,516
Capital surplus — share of changes in equity of associates and joint ventures	5	118,683
Remeasurement of the defined benefit plans	8,297	25,516
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	47,958	(13,558)
Distribution of cash dividend by subsidiaries	(2,559,152)	(1,525,512)
Capital injection from non-controlling interests	79,307	75,045
Changes in non-controlling interests	<u>2,347,169</u>	<u>654,987</u>
Balance at December 31	<u>\$ 27,036,214</u>	<u>27,211,117</u>

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(w) Share-based payment

(i) The Group had the following employee stock option plans (“ESOPs”):

	<b>Equity-settled</b>	
	<b>BBHC</b>	<b>BBHC</b>
	<b>ESOP</b>	<b>ESOP</b>
Grant date	2019/7/31	2013/12/30
Number of shares granted	4,000,000 units, each unit eligible to subscribe for 1 common shares	1,000,000 units, each unit eligible to subscribe for 1 common share
Contract term	5 years	10 years
Qualified employees	Eligible employees of BBHC	Eligible employees of BBHC
Vesting conditions	listing and 2 years of service subsequent to grant date	3~6 years of service subsequent to grant date

(ii) Movements in the number of options outstanding:

	<b>2023</b>		<b>2022</b>	
	<b>Weighted- average exercise price (in US dollars)</b>	<b>Number of options (in thousands)</b>	<b>Weighted- average exercise price (in US dollars)</b>	<b>Number of options (in thousands)</b>
<b>BBHC’s ESOPs</b>				
Outstanding, beginning of year (end of year)	1	<u><u>4,000</u></u>	1	<u><u>4,000</u></u>
Exercisable, end of year	1	<u><u>-</u></u>	1	<u><u>-</u></u>

Information on outstanding ESOPs for each reporting date was as follows:

	<b>December 31, 2023</b>		<b>December 31, 2022</b>	
	<b>Weighted- average remaining contractual years</b>	<b>Weighted- average exercise price (in dollars)</b>	<b>Weighted- average remaining contractual years</b>	<b>Weighted- average exercise price (in dollars)</b>
BBHC (2019/7/31)	0.75	1 (US dollar)	1.75	1 (US dollar)
BBHC (2013/12/30)	0	1 (US dollar)	1	1 (US dollar)

(iii) The compensation costs recognized for the ESOPs in 2023 and 2022 were \$1,273 and \$3,370, respectively.

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

(x) Earnings per share (“EPS”)

(i) Basic earnings per share

The basic earnings per share were calculated as the profit attributable to shareholders of the Company divided by the weighted-average number of common shares outstanding as follows:

	<u>2023</u>	<u>2022</u>
Profit attributable to shareholders of the Company	\$ <u>2,975,733</u>	<u>8,251,930</u>
Weighted-average number of common shares outstanding (in thousands)	<u>1,966,782</u>	<u>1,966,782</u>
Basic earnings per share (in New Taiwan Dollars)	\$ <u>1.51</u>	<u>4.20</u>

(ii) Diluted earnings per share

	<u>2023</u>	<u>2022</u>
Profit attributable to shareholders of the Company	\$ <u>2,975,733</u>	<u>8,251,930</u>
Weighted-average number of common shares outstanding (in thousands)	1,966,782	1,966,782
Effect of dilutive potential common shares (in thousands):		
Remuneration to employee	<u>9,059</u>	<u>28,003</u>
Weighted-average number of common shares outstanding (including effect of dilutive potential common shares) (in thousands)	\$ <u>1,975,841</u>	<u>1,994,785</u>
Diluted earnings per share (in New Taiwan Dollars)	\$ <u>1.51</u>	<u>4.14</u>

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2023</u>					
	<u>DMS</u>	<u>Brand</u>	<u>Material</u>	<u>Networks</u>	<u>Medical</u>	<u>Total</u>
Primary geographical markets:						
Asia	\$ 48,165,447	40,558,051	16,070,880	8,498,738	11,676,461	124,969,577
Europe	9,215,855	8,747,260	74,038	2,085,235	-	20,122,388
Americas	27,133,792	11,969,698	809,749	17,687,741	-	57,600,980
Others	<u>325,464</u>	<u>416,180</u>	<u>160,192</u>	<u>-</u>	<u>-</u>	<u>901,836</u>
	<u>\$ 84,840,558</u>	<u>61,691,189</u>	<u>17,114,859</u>	<u>28,271,714</u>	<u>11,676,461</u>	<u>203,594,781</u>
Major products/services lines:						
Electronic products	\$ 83,816,939	59,862,199	17,114,067	27,906,643	-	188,699,848
Medical services	-	-	-	-	11,676,461	11,676,461
Others	<u>1,023,619</u>	<u>1,828,990</u>	<u>792</u>	<u>365,071</u>	<u>-</u>	<u>3,218,472</u>
	<u>\$ 84,840,558</u>	<u>61,691,189</u>	<u>17,114,859</u>	<u>28,271,714</u>	<u>11,676,461</u>	<u>203,594,781</u>

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

	<b>2022</b>					
	<u>DMS</u>	<u>Brand</u>	<u>Material</u>	<u>Networks</u>	<u>Medical</u>	<u>Total</u>
Primary geographical markets:						
Asia	\$ 64,014,117	38,103,886	15,331,341	7,880,810	10,175,456	135,505,610
Europe	12,000,973	10,578,753	56,529	3,026,952	-	25,663,207
Americas	39,765,983	14,584,060	115,940	22,726,423	-	77,192,406
Others	<u>578,590</u>	<u>872,951</u>	<u>24,520</u>	<u>12</u>	<u>-</u>	<u>1,476,073</u>
	<u><b>\$ 116,359,663</b></u>	<u><b>64,139,650</b></u>	<u><b>15,528,330</b></u>	<u><b>33,634,197</b></u>	<u><b>10,175,456</b></u>	<u><b>239,837,296</b></u>
Major products/services lines:						
Electronic products	\$ 114,662,569	62,262,684	15,526,985	33,272,510	-	225,724,748
Medical services	-	-	-	-	10,175,456	10,175,456
Others	<u>1,697,094</u>	<u>1,876,966</u>	<u>1,345</u>	<u>361,687</u>	<u>-</u>	<u>3,937,092</u>
	<u><b>\$ 116,359,663</b></u>	<u><b>64,139,650</b></u>	<u><b>15,528,330</b></u>	<u><b>33,634,197</b></u>	<u><b>10,175,456</b></u>	<u><b>239,837,296</b></u>

(ii) Contract balances

	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Notes and accounts receivable (including related parties)	\$ 38,382,724	40,572,392	33,295,745
Less: loss allowance	<u>(340,567)</u>	<u>(422,466)</u>	<u>(288,648)</u>
	<u><b>\$ 38,042,157</b></u>	<u><b>40,149,926</b></u>	<u><b>33,007,097</b></u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	<u>January 1, 2022</u>
Contract liabilities	<u><b>\$ 3,035,848</b></u>	<u><b>2,798,320</b></u>	<u><b>2,431,400</b></u>

For details on notes and accounts receivable and related loss allowance, please refer to note 6(d).

The amounts of revenue recognized for the years ended December 31, 2023 and 2022 that were included in the contract liability balances at January 1, 2023 and 2022, were \$1,816,947 and \$2,037,883, respectively.

(z) Remuneration to employees and directors

The Company's Article of Incorporation requires that earnings shall first to be offset against any deficit, then, a range from 5% to 20% will be distributed as remuneration to its employees and no more than 1% to its directors. Employees who are entitled to receive the abovementioned employee remuneration, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirement.

For the years ended December 31, 2023 and 2022, the Company estimated its remuneration to employees amounting to \$245,716 and \$681,239, respectively, and the remuneration to directors amounting to \$6,800 and \$18,672, respectively. The abovementioned estimated amounts are calculated based on the net profits before tax of each period (excluding the remuneration to employees and directors), multiplied by a certain percentage of the remuneration to employees and directors. The estimations are recognized as cost of sales or operating expenses. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in next year.

**QISDA CORPORATION AND SUBSIDIARIES**  
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The estimated remuneration to employees and directors for 2023 and 2022 were the same as the amount approved by the Company's Board of Directors on March 5, 2024 and March 6, 2023, respectively, and were paid in cash. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(aa) Non-operating income and loss

(i) Interest income

	<b>2023</b>	<b>2022</b>
Interest income from bank deposits	<b>\$ 901,749</b>	<b>413,906</b>

(ii) Other income

	<b>2023</b>	<b>2022</b>
Government grants income	\$ 278,478	190,204
Dividend income	621,566	905,068
	<b>\$ 900,044</b>	<b>1,095,272</b>

(iii) Other gains and losses, net

	<b>2023</b>	<b>2022</b>
Gains (losses) on disposal of property, plant and equipment	\$ 11	(5,434)
Gains on disposal and liquidation of subsidiaries (note 6(i))	745,466	8,756,264
Gains (losses) on disposal of investments accounted for using the equity method (note 6(h))	(23,589)	120,326
Foreign currency exchange gains	93,506	53,703
Losses on financial instruments at fair value through profit or loss	(243,102)	(126,709)
Impairment loss on investments accounted for using the equity method (note 6(h))	-	(22,715)
Gains on disposal of non-current assets held for sale (note 6(g))	-	907,772
Rental income (notes 6(s))	143,149	151,710
Gains on bargain purchase (note 6(i))	-	81,089
Impairment loss on non-financial assets	-	(7,699)
Others	194,615	183,693
	<b>\$ 910,056</b>	<b>10,092,000</b>

(iv) Finance costs

	<b>2023</b>	<b>2022</b>
Interest expense of bank loans	\$ 1,753,059	1,155,010
Interest expense on lease liabilities	55,219	41,789
	<b>\$ 1,808,278</b>	<b>1,196,799</b>

(Continued)

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

(ab) Financial instruments

(i) Categories of financial instruments

1) Financial assets

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial assets at fair value through profit or loss (including current and non-current)	\$ <u>1,076,785</u>	<u>661,426</u>
Financial assets at fair value through other comprehensive income (including current and non-current)	<u>12,180,129</u>	<u>10,331,238</u>
Financial assets measured at amortized cost:		
Cash and cash equivalents	25,472,899	31,202,619
Notes and accounts receivable and other receivables (including related parties)	39,363,966	42,807,999
Other financial assets (including current and non-current)	<u>2,027,353</u>	<u>937,942</u>
Subtotal	<u>66,864,218</u>	<u>74,948,560</u>
Total	<b>\$ <u>80,121,132</u></b>	<b><u>85,941,224</u></b>

2) Financial liabilities

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial liabilities at fair value through profit or loss:		
Held-for-trading	\$ 79,374	96,982
Contingent consideration arising from business combinations	<u>-</u>	<u>63,144</u>
Subtotal	<u>79,374</u>	<u>160,126</u>
Financial liabilities measured at amortized cost:		
Short-term borrowings	29,919,639	25,969,736
Short-term notes and bills payable	-	199,619
Notes and accounts payable and other payables (including related parties)	43,697,502	44,292,786
Lease liabilities (including current portion and related parties)	2,428,130	2,518,154
Long-term debt (including current portion)	31,340,925	33,722,283
Bonds payable (including current portion)	3,260,702	2,995,015
Other non-current liabilities — guarantee deposits	<u>98,741</u>	<u>111,665</u>
Subtotal	<u>110,745,639</u>	<u>109,809,258</u>
Total	<b>\$ <u>110,825,013</u></b>	<b><u>109,969,384</u></b>

(Continued)

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

(ii) Fair value information – financial instruments not measured at fair value

The Group considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

(iii) Fair value information – financial instruments measured at fair value

1) Fair value hierarchy

The financial department of the Group evaluates the fair value of financial instruments and utilizes the assistance from external experts or financial institutions for the evaluation of fair value when necessary, and regularly revises the inputs and makes essential adjustments on the fair value to confirm the evaluation results are reasonable.

The financial instruments at fair value through profit and loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The lease liabilities are not required to disclose the fair value. The table below analyzes financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identified 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 liabilities that are not based on observable market data (unobservable inputs).

	<b>December 31, 2023</b>			
	<b>Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit and loss:				
Derivative instruments – foreign currency forward contracts	\$ -	75,803	-	75,803
Derivative instruments – foreign exchange swaps	-	123,149	-	123,149
Open-end mutual funds	24,485	-	-	24,485
Listed stocks	5,989	-	-	5,989
Privately held equity securities	-	-	847,304	847,304
Call option of bonds payable	-	-	55	55
Subtotal	<u>30,474</u>	<u>198,952</u>	<u>847,359</u>	<u>1,076,785</u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	11,474,724	-	-	11,474,724
Domestic emerging stocks	-	65,061	-	65,061
Privately held equity securities	-	-	640,344	640,344
Subtotal	<u>11,474,724</u>	<u>65,061</u>	<u>640,344</u>	<u>12,180,129</u>
<b>Total</b>	<b><u>\$11,505,198</u></b>	<b><u>264,013</u></b>	<b><u>1,487,703</u></b>	<b><u>13,256,914</u></b>

(Continued)

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

	<b>December 31, 2023</b>			
	<b>Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial liabilities at fair value through profit and loss:				
Derivative instruments – foreign currency forward contracts	\$ -	77,655	-	77,655
Derivative instruments – foreign exchange swaps	-	1,719	-	1,719
<b>Total</b>	<b>\$ -</b>	<b>79,374</b>	<b>-</b>	<b>79,374</b>
	<b>December 31, 2022</b>			
	<b>Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit and loss:				
Derivative instruments – foreign currency forward contracts	\$ -	44,152	-	44,152
Derivative instruments – foreign exchange swaps	-	19,062	-	19,062
Open-end mutual funds	26,071	-	-	26,071
Listed stocks	55,764	-	-	55,764
Privately held equity securities	-	-	510,844	510,844
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	81,835	63,214	516,377	661,426
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	9,622,987	-	-	9,622,987
Domestic emerging stocks	-	54,887	-	54,887
Privately held equity securities	-	-	653,364	653,364
Subtotal	9,622,987	54,887	653,364	10,331,238
<b>Total</b>	<b>\$ 9,704,822</b>	<b>118,101</b>	<b>1,169,741</b>	<b>10,992,664</b>
Financial liabilities at fair value through profit and loss:				
Derivative instruments – foreign currency forward contracts	\$ -	67,291	-	67,291
Derivative instruments – foreign exchange swaps	-	29,691	-	29,691
Contingent consideration arising from business combinations	-	-	63,144	63,144
<b>Total</b>	<b>\$ -</b>	<b>96,982</b>	<b>63,144</b>	<b>160,126</b>



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

2) Valuation techniques and assumptions used in fair value measurement

a) Non-derivative financial instruments

The fair value of financial instruments traded in active liquid markets is determined with reference to quoted market prices.

For listed stock and open-end mutual funds with standard terms and conditions and traded in active markets. The fair value is based on quoted market prices.

Except for the abovementioned financial instruments traded in an active market, the fair value of other financial instruments are based on the valuation techniques or the quotation from counterparty. The fair value using valuation techniques refers to the current fair value of other financial instruments with similar conditions and characteristics, or using a discounted cash flow method, or other valuation techniques which include model calculating with observable market data at the reporting date.

For the Group's financial instruments that are not traded in active markets, the fair values are determined as follows:

- The fair value of the Group's domestic emerging stocks is determined based on the average stock price on the emerging market at the reporting date.
- Discounted cash flow model is used to estimate the fair value of contingent consideration arising from business combination. The contingent consideration is estimated based on the possibility of occurrence of amount to be paid and discounted to the present value.
- The fair value of privately held equity securities is estimated by using the market approach and is determined by reference to valuations of similar companies, net worth and recent operating activities. The significant unobservable inputs are primarily the liquidity discounts. No quantitative information is disclosed due to that the possible changes in liquidity discounts would not cause significant potential financial impact.

b) Derivative financial instruments

The fair value of derivative financial instruments is determined using the valuation techniques generally accepted by market participants. The fair value of foreign currency forward contracts and foreign exchange swaps contracts is usually determined by the forward exchange rate. Call and put options are measured based on appropriate option pricing model.

**QISDA CORPORATION AND SUBSIDIARIES**  
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3) Transfer between levels of the fair value hierarchy

There was no transfer among fair value hierarchies for the year ended December 31, 2023.

In 2022, the equity securities of Visco Vision Inc. (“Visco Vision”) classified in financial assets measured at fair value through other comprehensive income were transferred from Level 2 to Level 1 because Visco Vision became a listed company on Taipei Exchange starting from December 28, 2022.

4) Movement in financial assets included in Level 3 fair value hierarchy

Financial assets at fair value through profit or loss:

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 516,377	354,333
Additions	173,557	130,856
Recognized in changes in profit or loss	<u>157,425</u>	<u>31,188</u>
Balance at December 31	<u><u>\$ 847,359</u></u>	<u><u>516,377</u></u>

Financial assets at fair value through other comprehensive income:

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 653,364	288,852
Acquisition through business combination	-	1,644
Additions	195,358	398,309
Disposals	-	(88)
Proceeds from capital reduction	(2,833)	(11,042)
Recognized in other comprehensive income	<u>(205,545)</u>	<u>(24,311)</u>
Balance at December 31	<u><u>\$ 640,344</u></u>	<u><u>653,364</u></u>

Financial liabilities at fair value through profit or loss:

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 63,144	103,222
Decrease in contingent consideration	-	(7,408)
Recognized in changes in profit or loss	<u>(63,144)</u>	<u>(32,670)</u>
Balance at December 31	<u><u>\$ -</u></u>	<u><u>63,144</u></u>

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

The above-mentioned total gains or losses were included in “other gains and losses, net” and “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”. The gains or losses attributable to the assets and liabilities held on December 31, 2023 and 2022 were as follows:

	<b>2023</b>	<b>2022</b>
Total gains or losses:		
Recognized in profit or loss (included in other gains and losses, net)	\$ 220,569	63,858
Recognized in other comprehensive income (loss) (included in “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”)	(205,545)	(24,311)

(ac) Financial risk management

The Group is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Group has disclosed the information on exposure to the aforementioned risks and the Group’s policies and procedures to measure and manage those risks as well as the quantitative information below.

The Company’s Board of Directors is responsible for developing and monitoring the Group’s risk management policies. The Group’s risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s operations.

The Group’s management monitors and reviews financial activities in accordance with procedures required by relevant regulations and internal controls. Internal auditors undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Company’s Board of Directors.

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s cash and cash equivalents, derivative instruments, receivables from customers, and other receivables. The maximum exposure to credit risk is equal to the carrying amount of the Group’s financial assets.

The Group maintains cash and enters into derivative transactions with various reputable financial institutions; therefore, the exposure related to potential default by those counterparties is not considered significant.

The majority of the Group’s customers are well-known international companies with high financial transparency in the electronics industry. In order to reduce credit risk of accounts receivable, the Group has established a credit policy under which each customer is analyzed individually for creditworthiness for the purpose of setting the credit limit. Additionally, the Group continuously evaluates the credit quality of customers and utilizes insurance to minimize the credit risk.

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

(ii) 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 regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2023 and 2022, the Group had unused credit facilities of \$123,224,090 and \$109,065,882, respectively.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principal and interest.

	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
<b>December 31, 2023</b>						
Non-derivative financial liabilities:						
Short-term borrowings with floating interest rates	\$ 30,088,313	28,341,907	1,746,406	-	-	-
Lease liabilities	2,601,790	330,000	312,206	474,860	993,242	491,482
Long-term debt with floating interest rates	33,581,238	1,064,503	1,121,627	6,273,041	23,949,724	1,172,343
Bonds payable with fixed interest rates	3,463,600	27,000	27,000	54,000	3,355,600	-
Notes and accounts payable	30,468,078	30,468,078	-	-	-	-
Other payables	13,229,424	13,229,424	-	-	-	-
Guarantee deposits	98,741	-	-	-	98,741	-
	<u>\$ 113,531,184</u>	<u>73,460,912</u>	<u>3,207,239</u>	<u>6,801,901</u>	<u>28,397,307</u>	<u>1,663,825</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 8,575,629	8,575,629	-	-	-	-
Inflow	(8,573,777)	(8,573,777)	-	-	-	-
Foreign exchange swaps:						
Outflow	7,077,513	7,077,513	-	-	-	-
Inflow	(7,198,943)	(7,198,943)	-	-	-	-
	<u>\$ (119,578)</u>	<u>(119,578)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>December 31, 2022</b>						
Non-derivative financial liabilities:						
Short-term borrowings with floating interest rates	\$ 26,291,618	24,554,192	1,737,426	-	-	-
Financial liabilities at fair value through profit or loss — contingent consideration	91,660	-	-	16,593	75,067	-
Short-term notes and bills payable	200,000	200,000	-	-	-	-
Lease liabilities	2,779,305	302,400	409,497	402,629	1,258,091	406,688
Long-term debt with floating interest rates	34,383,805	917,924	1,025,919	15,282,175	16,543,798	613,989
Bonds payable with fixed interest rates	3,243,000	27,000	27,000	54,000	3,135,000	-
Notes and accounts payable	29,037,962	29,037,962	-	-	-	-
Other payables	15,254,824	15,254,824	-	-	-	-
Guarantee deposits	111,665	-	-	-	111,665	-
	<u>\$ 111,393,839</u>	<u>70,294,302</u>	<u>3,199,842</u>	<u>15,755,397</u>	<u>21,123,621</u>	<u>1,020,677</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 9,428,340	9,428,340	-	-	-	-
Inflow	(9,405,201)	(9,405,201)	-	-	-	-
Foreign exchange swaps:						
Outflow	14,724,170	14,724,170	-	-	-	-
Inflow	(14,713,541)	(14,713,541)	-	-	-	-
	<u>\$ 33,768</u>	<u>33,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

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(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group utilizes derivative financial instruments to manage market risk and the volatility of profit or loss. All such transactions are carried out within the guidelines set by the Company's Board of Directors.

1) Foreign currency risk

The Group utilizes foreign currency forward contracts and foreign exchange swaps to hedge its foreign currency exposure with respect to its sales and purchases. These financial instruments help to reduce, but do not eliminate, the impact of foreign currency exchange rate movements.

The maturity dates of derivative financial instruments the Group entered into were less than six months and did not conform to the criteria for hedge accounting.

The Group's exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable (including related-party transactions), notes and accounts payable (including related-party transactions), other receivables (including related-party transactions), other payables (including related-party transactions), and loans and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. At the reporting date, the carrying amounts of the Group's significant monetary assets and liabilities denominated in a currency other than the respective functional currencies of Group entities and their respective sensitivity analysis were as follows (including the monetary items that have been eliminated in the accompanying consolidated financial statements):

	<b>December 31, 2023</b>				
	<b>Foreign currency (in thousands)</b>	<b>Exchange rate</b>	<b>NTD (in thousands)</b>	<b>Change in magnitude</b>	<b>Pre-tax effect on profit or loss</b>
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 1,613,382	30.7500	49,611,497	1 %	496,115
EUR	28,414	34.0340	967,042	1 %	9,670
CNY	2,230,074	4.3364	9,670,493	1 %	96,705
JPY	2,621,014	0.2175	570,071	1 %	5,701
<u>Non-monetary items</u>					
CNY	9,558	4.3364	41,447	1 %	414
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,533,736	30.7500	47,162,382	1 %	471,624
EUR	7,420	34.0340	252,532	1 %	2,525
CNY	2,292,438	4.3364	9,940,928	1 %	99,409
JPY	9,636,556	0.2175	2,095,951	1 %	20,960

(Continued)

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December 31, 2022					
	Foreign currency (in thousands)	Exchange rate	NTD (in thousands)	Change in magnitude	Pre-tax effect on profit or loss
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 1,743,465	30.7300	53,576,679	1 %	535,767
EUR	47,816	32.8200	1,569,321	1 %	15,693
CNY	3,216,324	4.4057	14,170,159	1 %	141,702
JPY	3,685,610	0.2330	858,747	1 %	8,587
<u>Non-monetary items</u>					
CNY	10,049	4.4057	44,273	1 %	443
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,259,713	30.7300	38,710,980	1 %	387,110
EUR	9,708	32.8200	318,617	1 %	3,186
CNY	2,419,549	4.4057	10,659,807	1 %	106,598
JPY	8,592,235	0.2330	2,001,991	1 %	20,020

As the Group deals in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. Please refer to note 6(aa) for the aggregate of realized and unrealized foreign exchange gain (loss) for the years ended December 31, 2023 and 2022.

2) Interest rate risk

The Group's short-term borrowings and long-term debt carried floating interest rates. To manage the interest rate risk, the Group periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Group also strengthens the management of working capital to reduce the dependence on bank loans as well as the risk arising from fluctuation of interest rates.

The following sensitivity analysis is based on the risk exposure to floating-interest-rate liabilities on the reporting date. The sensitivity analysis assumes the liabilities recorded at the reporting date had been outstanding for the entire period.

If interest rates had been 100 basis points (1%) higher/lower, with all other variables held constant, pre-tax income for the years ended December 31, 2023 and 2022 would have been \$612,606 and \$596,920, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

3) Other market price risk

The Group is exposed to the risk of price fluctuation in the securities market due to the equity investment. The Group supervises the equity price risk actively and manages the risk based on fair value. The Group also has strategic investments in privately held stocks, which the Group does not actively participate in trading.

**QISDA CORPORATION AND SUBSIDIARIES**  
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The investment target of open-end mutual funds held by the Group are mostly monetary funds or bond funds (accounted for as financial assets at fair value through profit or loss – current). The Group anticipates that there is no significant market risk related to the funds.

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments (accounted for as financial assets at fair value through profit or loss) at each reporting date, the profit before tax for the years ended December 31, 2023 and 2022, would have increased or decreased by \$42,665 and \$28,330, respectively.

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments (accounted for as financial assets at fair value through other comprehensive income) at each reporting date, the other comprehensive income for the years ended December 31, 2023 and 2022, would have increased or decreased by \$609,006 and \$516,562, respectively.

(ad) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Group maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital expenditures, repayment of debts, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders. The Group monitors its capital through reviewing the liability-to-equity ratio periodically.

The Group’s liability-to-equity ratio at the end of each reporting period was as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Total liabilities	<u>\$ 124,330,065</u>	<u>125,478,361</u>
Total equity	<u>\$ 64,093,572</u>	<u>67,937,431</u>
Liability-to-equity ratio	<u>193.98 %</u>	<u>184.70 %</u>

(ae) Investing and financing activities not affecting current cash flow

(i) Please refer to note 6(k) for a description of acquisition of right-of-use assets under lease in 2023 and 2022.

(ii) Investing activities partially received and paid in cash were as follows:

Acquisition of subsidiaries:

	<b>2023</b>	<b>2022</b>
Net consideration paid for acquisition of subsidiaries	<u>\$ 3,161,999</u>	<u>609,500</u>
Cash and cash equivalents of subsidiaries at the acquisition date	<u>(1,380,961)</u>	<u>(470,992)</u>
Cash paid for acquisition of subsidiaries	<u>\$ 1,781,038</u>	<u>138,508</u>

**QISDA CORPORATION AND SUBSIDIARIES**  
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Disposal of subsidiaries:

	<u>2023</u>	<u>2022</u>
Net consideration received from disposal of subsidiaries	\$ 245,632	12,141,558
Add: other receivables at January 1	1,093,665	-
Less: other receivables at December 31	-	(1,093,665)
Add: other payables at December 31	-	230,962
Decrease in cash for derecognition of subsidiaries	-	(861,614)
Cash received from disposal of subsidiaries	<u>\$ 1,339,297</u>	<u>10,417,241</u>

Disposal of non-current assets held for sale:

	<u>2023</u>	<u>2022</u>
Net consideration received from disposal of non-current assets held for sale	\$ -	1,402,126
Less: collection in advance at January 1	-	(84,000)
Cash received from disposal of non-current assets held for sale	<u>\$ -</u>	<u>1,318,126</u>

(iii) Reconciliation of liabilities arising from financing activities was as follows:

	<u>January 1, 2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u>			<u>Effect of foreign exchange rate and others</u>	<u>December 31, 2023</u>
			<u>Acquisition through business combination</u>	<u>Derecognition of subsidiaries</u>	<u>Additions</u>		
Short-term borrowings	\$ 25,969,736	4,097,297	-	(115,000)	-	(32,394)	29,919,639
Short-term notes and bills payable	199,619	(199,619)	-	-	-	-	-
Long-term debt (including current portion)	33,722,283	(2,189,846)	-	(168,882)	-	(22,630)	31,340,925
Bonds payable (including current portion)	2,995,015	631,884	-	-	-	(366,197)	3,260,702
Lease liabilities	2,518,154	(787,354)	11,154	(8,743)	715,897	(20,978)	2,428,130
Guarantee deposits	111,665	(11,303)	-	(1,621)	-	-	98,741
	<u>\$ 65,516,472</u>	<u>1,541,059</u>	<u>11,154</u>	<u>(294,246)</u>	<u>715,897</u>	<u>(442,199)</u>	<u>67,048,137</u>

	<u>January 1, 2022</u>	<u>Cash flows</u>	<u>Non-cash changes</u>			<u>Effect of foreign exchange rate</u>	<u>December 31, 2022</u>
			<u>Acquisition through business combination</u>	<u>Additions</u>			
Short-term borrowings	\$ 24,295,022	1,485,105	151,461	-	38,148	25,969,736	
Short-term notes and bills payable	-	199,619	-	-	-	199,619	
Long-term debt (including current portion)	27,417,210	6,016,873	850	-	287,350	33,722,283	
Bonds payable (including current portion)	461,471	2,622,173	-	-	(88,629)	2,995,015	
Lease liabilities	1,990,981	(540,611)	211,197	890,424	(33,837)	2,518,154	
Guarantee deposits	279,354	(21,144)	-	-	(146,545)	111,665	
	<u>\$ 54,444,038</u>	<u>9,762,015</u>	<u>363,508</u>	<u>890,424</u>	<u>56,487</u>	<u>65,516,472</u>	

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

**7. Related-party transactions**

(a) Name and relationship with related parties

The followings are the entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
AU Optronics Corp. (“AU”)	AU accounted for its shareholder in the Company using the equity method.
Darfon Electronics Corp. (“DFN”)	The Group’s associates
Visco Vision Inc. (“Visco Vision”)	The Group’s associates
Topview Optronics Corporation (“Topview”)	Prior to June 30, 2023, Topview was a subsidiary of the Group. Starting June 30, 2023, Topview became an associate of the Group.
MLK Bioscience Co., Ltd.	The Group’s associates
Q.S.Control Corp.	The Group’s associates
TDX Medical Technology (Jiangsu) Co., Ltd. (“TDX”)	Prior to December 21, 2023, TDX was a joint venture of the Group. Starting December 21, 2023, TDX was no longer a related party of the Group.
Nanjing Silvertown Health & Development Co., Ltd. (“NSHD”)	The Group’s associates
Jiangsu Yudi Optical Co., Ltd.	The Group’s associates
DMC Components International, LLC. (“DMC”)	The Group’s associates
The Linden Group Corp.	The Group’s associates
Qubyx Limited	The Group’s associates
Grandsys Inc. (“Grandsys”)	The Group’s associates
Rapidtek Technologies Inc. (“Rapidtek”)	The Group’s associates
Norbel Baby Co., Ltd. (“Norbel”)	The Group’s associates
Darwin Precisions Corporation (“Darwin Precisions”)	AU’s subsidiaries
AUO (L) Corp. (“AUOLB”)	AU’s subsidiaries
AFPD Pte., Ltd. (“AUST”)	AU’s subsidiaries
AUO (Suzhou) Co., Ltd. (“AUOSZ”)	AU’s subsidiaries
AUO (Kunshan) Co., Ltd. (“AUOKS”)	AU’s subsidiaries
a.u. Vista Inc. (“AUVI”)	AU’s subsidiaries
AUO (Xiamen) Co., Ltd. (“AUOXM”)	AU’s subsidiaries

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Name of related party	Relationship with the Group
AUO Manufacturing (Shanghai) Co., Ltd. (“AUOSJ”)	AU’s subsidiaries
AUO (Slovakia) s.r.o. (“AUOSK”)	AU’s subsidiaries
AUO Care Information Tech. (Suzhou) Co., Ltd. (“ACTSZ”)	AU’s subsidiaries
BriView (Xiamen) Corp. (“BVXM”)	AU’s subsidiaries
Darwin Precisions (Xiamen) Corp. (“DPXM”)	AU’s subsidiaries
Darwin Precisions (Suzhou) Corp. (“DPSZ”)	AU’s subsidiaries
Fortech Electronics (Suzhou) Co., Ltd. (“FTWJ”)	AU’s subsidiaries
AUO MegaInsight (Xiamen) Co., Ltd. (“AMIXM”)	AU’s subsidiaries
Aedgetech Data Technologies (Suzhou) Co., Ltd. (“ATISZ”)	AU’s subsidiaries
AUO Envirotech (Suzhou) Co., Ltd. (“AETSZ”)	AU’s subsidiaries
AUO Display Plus Corporation	AU’s subsidiaries
AUO Digitech (Suzhou) Co., Ltd. (“ADTSZ”)	AU’s subsidiaries
AUO Crystal Corp. (“ACTW”)	AU’s subsidiaries
AUO Education Service Corp.	AU’s subsidiaries
Space Money Inc.	AU’s subsidiaries
Unictron Technologies Corporation	DFN’s subsidiaries
Darfon America Corp. (“DFA”)	DFN’s subsidiaries
Darfon Electronics Czech s.r.o (“DFC”)	DFN’s subsidiaries
Darfon Electronics (Suzhou) Co., Ltd. (“DFS”)	DFN’s subsidiaries
Huaian Darfon Electronics Co., Ltd. (“DFH”)	DFN’s subsidiaries
Darfon Electronics (Chongqing) Co., Ltd. (“DFQ”)	DFN’s subsidiaries
Darad Innovation Corporation	DFN’s subsidiaries
Darfon Energy Technology Corp. (“DET”)	DFN’s subsidiaries
Astro Tech Co., Ltd.	DFN’s subsidiaries
Visco Technology Sdn. Bhd. (“VVM”)	Visco Vision’s subsidiaries
Suzhou Trident Original Medical Technology (Jiangsu) Co., Ltd. (“Trident”)	Prior to December 21, 2023, Trident was TDX’s subsidiaries. Starting December 21, 2023, Trident was no longer a related party of the Group.
BenQ Foundation	Substantive related party
Suzhou BenQ Foundation	Substantive related party

**QISDA CORPORATION AND SUBSIDIARIES**  
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(b) Significant related-party transactions

(i) Revenue

	<u>2023</u>	<u>2022</u>
Associates	\$ 1,262,249	987,306
Joint ventures	18,536	13,393
The entity who has significant influence over the Group:		
AU	5,720,921	7,262,406
AUOSZ	2,254,189	2,184,863
Other	<u>1,600,050</u>	<u>1,220,771</u>
	<u>9,575,160</u>	<u>10,668,040</u>
	<u>\$ 10,855,945</u>	<u>11,668,739</u>

The sales prices for some of the abovementioned transactions were not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transactions, there were no significant differences between the sales prices for related parties and those for third-party customers. The payment terms of 30~120 days showed no significant difference between related parties and third-party customers.

(ii) Purchases

	<u>2023</u>	<u>2022</u>
Associates	\$ 625,901	616,015
Joint ventures	48,998	57,518
The entity who has significant influence over the Group:		
AU	4,910,962	6,653,609
Other	<u>107,220</u>	<u>198,247</u>
	<u>5,018,182</u>	<u>6,851,856</u>
	<u>\$ 5,693,081</u>	<u>7,525,389</u>

There were no significant differences between the purchase prices for related parties and those for third-party vendors. The payment terms of 30~120 days showed no significant difference between related parties and third-party vendors.

(iii) Equipment transactions

During the years ended December 31, 2023, the Group purchased machinery and other equipment from associates at a price of \$2,579. As of December 31, 2023, the related payables have been fully paid.

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(iv) Lease

The Group leased factory and office from AU, and the rent is paid monthly with reference to the nearby office rental rates. Additions to right-of-use assets amounted to \$9,901 and \$474,749, respectively in 2023 and 2022. For the years ended December 31, 2023 and 2022, the related interest expenses on lease liabilities amounted to \$8,135 and \$983, respectively. As of December 31, 2023 and 2022, the balances of the lease liabilities amounted to \$394,286, \$481,380, respectively.

The Group leased its plant and office to associates. For the years ended December 31, 2023 and 2022, the rental income was as follows:

	<b>2023</b>	<b>2022</b>
Associates	<b>\$ 15,280</b>	<b>13,960</b>

(v) Donation

For the years ended December 31, 2023 and 2022, the Group made a donation to substantive related party, BenQ Foundation, amounting to \$25,000 and \$34,000, respectively.

(vi) Acquisition of additional ownership of subsidiaries

The Group's subsidiary, ACE, acquired 17% ownership of AEG from AU for a cash consideration of \$5,440 on July 1, 2022. The related consideration has been fully paid for the year ended December 31, 2022.

(vii) Receivables from related parties

The receivables from related parties due to the abovementioned sales, disposal of assets due to business spin-off and payment made on behalf of associates were as follows:

<b>Account</b>	<b>Related-party categories</b>	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Accounts receivable from related parties	The entity who has significant influence over the Group:		
	AU	\$ 965,026	908,213
	AUOSZ	638,369	564,726
	Other	457,018	332,500
		2,060,413	1,805,439
	Joint ventures	-	29,309
	Associates	238,779	229,285
		<b>\$ 2,299,192</b>	<b>2,064,033</b>
Other receivables from related parties	Associates:		
	NSHD	\$ 293,142	296,945
	Other	7,261	7,342
		<b>\$ 300,403</b>	<b>304,287</b>

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**QISDA CORPORATION AND SUBSIDIARIES**  
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(viii) Payables to related parties

The payables to related parties due to the abovementioned purchases and advance payments made by associates on behalf of the Group were as follows:

<u>Account</u>	<u>Related party categories</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable to related parties	The entity who has significant influence over the Group:		
	AU	\$ 407,551	551,906
	Other	<u>10,491</u>	<u>21,865</u>
		<u>418,042</u>	<u>573,771</u>
	Joint ventures	<u>-</u>	<u>1,500</u>
	Associates	<u>158,997</u>	<u>172,229</u>
		<u>\$ 577,039</u>	<u>747,500</u>
Other payables to related parties		<u>\$ 26,117</u>	<u>24,835</u>

(c) Compensation for key management personnel

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 332,176	372,161
Post-employment benefits	<u>1,080</u>	<u>1,152</u>
	<u>\$ 333,256</u>	<u>373,313</u>

**8. Pledged assets**

The carrying amounts of the assets pledged as collateral are detailed below:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other financial assets — current (time deposits)	Credit lines of bank loans and guarantee for tax clearance certificate and performance guarantee	\$ 67,899	79,407
Other financial assets — non-current	Guarantees for construction project, lawsuits, and land lease	395,303	270,416
Land and buildings	Credit lines of bank loans	3,481,740	4,606,192
Investment property	Credit lines of bank loans	243,092	400,822
Other equipment	Credit lines of bank loans	1,827	199
Notes and accounts receivable	Credit lines of bank loans	<u>80,903</u>	<u>11,802</u>
		<u>\$ 4,270,764</u>	<u>5,368,838</u>

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**QISDA CORPORATION AND SUBSIDIARIES**  
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**9. Significant commitments and contingencies**

(a) Significant unrecognized commitments

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Unused letters of credit	<b>\$ 1,205,317</b>	<b>1,614,382</b>

(b) Significant contingent liabilities

In January 2012, some direct and indirect Canadian purchasers of optical disk drive products filed class actions against the Company and BQA, among other co-defendants. In the complaints, the plaintiffs claimed monetary damages from an alleged antitrust conspiracy. The Company has reached a settlement agreement with the plaintiff, and the settlement had been approved by the Court; therefore, the case was closed.

**10. Significant loss from disaster: None.**

**11. Significant subsequent events: None.**

**12. Others**

(a) Employee benefits, depreciation, and amortization categorized by function were as follows:

	2023			2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits:						
Salaries	9,304,060	12,884,021	22,188,081	10,910,645	13,721,302	24,631,947
Insurance	962,747	1,192,897	2,155,644	908,203	1,129,415	2,037,618
Pension	634,363	592,827	1,227,190	615,624	551,265	1,166,889
Others	591,330	833,872	1,425,202	818,133	875,661	1,693,794
Depreciation	3,017,614	1,581,378	4,598,992	2,679,360	1,524,170	4,203,530
Amortization	133,859	967,330	1,101,189	114,857	996,355	1,111,212

**QISDA CORPORATION AND SUBSIDIARIES**  
**Notes to Consolidated Financial Statements**

**13. Additional disclosures**

- (a) Information on significant transactions:
  - (i) Financing provided to other parties: Table 1 (attached)
  - (ii) Guarantees and endorsements provided to other parties: Table 2 (attached)
  - (iii) Marketable securities held at the reporting date (excluding investments in subsidiaries, associates, and joint ventures): Table 3 (attached)
  - (iv) Marketable securities for which the accumulated purchase or sale amounts for the period exceed \$300 million or 20% of the paid-in capital: Table 4 (attached)
  - (v) Acquisition of real estate which exceeds \$300 million or 20% of the paid-in capital: Table 5 (attached)
  - (vi) Disposal of real estate which exceeds \$300 million or 20% of the paid-in capital: None.
  - (vii) Total purchases from and sales to related parties which exceed \$100 million or 20% of the paid-in capital: Table 6 (attached)
  - (viii) Receivables from related parties which exceed \$100 million or 20% of the paid-in capital: Table 7 (attached)
  - (ix) Transactions about derivative instruments: Please refer to note 6(b)
  - (x) Business relationships and significant intercompany transactions: Table 8 (attached)
- (b) Information on investees: Table 9 (attached)
- (c) Information on investment in Mainland China: Table 10 (attached)
- (d) Major shareholders:

Shareholder's Name	Shares	Percentage
AU Optronics Corp.	335,230,510	17.04 %

**QISDA CORPORATION AND SUBSIDIARIES**  
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**14. Segment information**

(a) General information

The Group had five reportable segments. These segments are the Group's strategic divisions. The Group's strategic divisions provide different products and services, and are managed separately because they require different technology and marketing strategies. Operating results of the strategic divisions are quarterly reviewed by the Group's chief operating decision maker. The five reportable segments are described as follows:

- (i) DMS: Engaging in the design, research, manufacturing, and sale of electronic products
- (ii) Brand: Engaging in the design, research, marketing and sale of brand-name products
- (iii) Material: Engaging in the research, manufacturing, and sale of optoelectronics film
- (iv) Medical: Offering medical services
- (v) Networks: Engaging in the design, research, manufacturing, and sale of broadband products, wireless network products and computer network system equipment

(b) Reportable segments, profit or loss, segment assets, basis of measurement, and reconciliation

There was no material inconsistency between the accounting policies adopted for the operating segments and the accounting policies described in note 4. The Group uses operating profit as the measurement for segment profit and the basis of resource allocation and performance assessment.

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

	<b>2023</b>							
	<b>DMS</b>	<b>Brand</b>	<b>Material</b>	<b>Medical</b>	<b>Networks</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
External revenue	\$ 84,840,558	61,691,189	17,114,859	11,676,461	28,271,714	-	-	203,594,781
Intra-group revenue	7,853,838	462,926	12,664	7,713	476	-	(8,337,617)	-
Total segment revenue	<b>\$ 92,694,396</b>	<b>62,154,115</b>	<b>17,127,523</b>	<b>11,684,174</b>	<b>28,272,190</b>	<b>-</b>	<b>(8,337,617)</b>	<b>203,594,781</b>
Segment profit (loss)	<b>\$ 409,416</b>	<b>2,158,410</b>	<b>591,705</b>	<b>1,088,215</b>	<b>632,773</b>	<b>(715)</b>	<b>131,368</b>	<b>5,011,172</b>
	<b>2022</b>							
	<b>DMS</b>	<b>Brand</b>	<b>Material</b>	<b>Medical</b>	<b>Networks</b>	<b>Others</b>	<b>Eliminations</b>	<b>Total</b>
External revenue	\$ 116,359,663	64,139,650	15,528,330	10,175,456	33,634,197	-	-	239,837,296
Intra-group revenue	10,668,133	688,697	12,135	10,941	-	-	(11,379,906)	-
Total segment revenue	<b>\$ 127,027,796</b>	<b>64,828,347</b>	<b>15,540,465</b>	<b>10,186,397</b>	<b>33,634,197</b>	<b>-</b>	<b>(11,379,906)</b>	<b>239,837,296</b>
Segment profit (loss)	<b>\$ 717,133</b>	<b>2,209,117</b>	<b>696,807</b>	<b>569,620</b>	<b>1,518,034</b>	<b>(570)</b>	<b>142,216</b>	<b>5,852,357</b>



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

(c) Product information

Revenues from external customers are detailed below:

<u>Products and services</u>	<u>2023</u>	<u>2022</u>
Sales of electronic products	\$ 188,699,848	225,724,748
Medical services	11,676,461	10,175,456
Others	<u>3,218,472</u>	<u>3,937,092</u>
	<u>\$ 203,594,781</u>	<u>239,837,296</u>

(d) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

Revenues from external customers are detailed below:

<u>Region</u>	<u>2023</u>	<u>2022</u>
Taiwan	\$ 46,770,824	47,809,518
Americas	53,836,131	70,163,035
Mainland China	42,357,167	43,497,254
Japan	12,132,833	14,488,290
Others	<u>48,497,826</u>	<u>63,879,199</u>
	<u>\$ 203,594,781</u>	<u>239,837,296</u>

Non-current assets:

<u>Region</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Taiwan	\$ 31,981,560	28,585,298
Mainland China	14,346,720	14,370,267
Others	<u>9,940,559</u>	<u>10,080,166</u>
	<u>\$ 56,268,839</u>	<u>53,035,731</u>

Non-current assets include property, plant and equipment, right-of-use assets, investment property, intangible assets, and other assets, but do not include financial instruments, deferred income tax assets, and pension fund assets.

(e) Major customer information

Sales to individual customers accounting for more than 10% of the consolidated revenues in 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Customer A	<u>\$ 37,490,465</u>	<u>52,964,826</u>

**QISDA CORPORATION AND SUBSIDIARIES**  
**Financing provided to other parties**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars and other currencies)**

Table 1

No.	Name of Lender	Name of Borrower	Financial Statement Account	Is a Related Party	Highest Balance of Financing to Other Parties During the Period	Ending Balance	Actual Usage Amount During the Period	Range of Interest Rates During the Period	Purpose of Fund Financing for the Borrower	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amounts Limits
													Item	Value		
1	BenQ	BQL	Other receivables from related parties	Yes	562,590	276,750	276,750	0%-4.55%	2	-	Operating requirements	-	-	-	3,618,314	3,618,314
1	BenQ	Darly Venture (L) Ltd	Other receivables from related parties	Yes	312,550	153,750	153,750	0.75%	2	-	Operating requirements	-	-	-	3,618,314	3,618,314
1	BenQ	APV	Other receivables from related parties	Yes	300,000	-	-	0.50%	2	-	Operating requirements	-	-	-	3,618,314	3,618,314
1	BenQ	QLLB	Other receivables from related parties	Yes	1,257,760	-	-	1.00%	2	-	Operating requirements	-	-	-	3,618,314	3,618,314
2	Darly 2	APV	Other receivables from related parties	Yes	100,000	100,000	100,000	0.50%	2	-	Operating requirements	-	-	-	1,754,868	1,754,868
3	QLLB	Qisda (Shanghai) Co., Ltd.("QCSH")	Other receivables from related parties	Yes	1,880,650	1,783,500	1,783,500	-	2	-	Operating requirements	-	-	-	6,653,776	6,653,776
4	QLPG	QLLB	Other receivables from related parties	Yes	21,233	-	-	3.20%	2	-	Operating requirements	-	-	-	7,411,472	14,822,943
5	BBM	Nanjing BenQ Hospital Co., Ltd.("NMH")	Other receivables from related parties	Yes	822,960	215,250	215,250	-	2	-	Operating requirements	-	-	-	2,544,782	2,544,782
6	BIC	Suzhou BenQ Hospital Co., Ltd. ("SMH")	Other receivables from related parties	Yes	22,265	21,682	21,682	1.00%	2	-	Operating requirements	-	-	-	335,275	335,275
7	NMHC	Nanjing BenQ Hospital Co., Ltd.("NMH")	Other receivables from related parties	Yes	21,820	20,381	20,381	1.00%	2	-	Operating requirements	-	-	-	21,927	21,927
8	QCOS	Qisda (Shanghai) Co., Ltd.("QCSH")	Other receivables from related parties	Yes	89,060	86,728	86,728	2.00%	2	-	Operating requirements	-	-	-	3,705,736	37,057,358
8	QCOS	BenQ Guru Software Co., Ltd.("GSS")	Other receivables from related parties	Yes	22,265	-	-	3.30%	2	-	Operating requirements	-	-	-	3,705,736	37,057,358
8	QCOS	BenQ Medical (Shanghai) Co., Ltd.("BMSH")	Other receivables from related parties	Yes	44,313	21,682	21,682	3.30%	2	-	Operating requirements	-	-	-	3,705,736	37,057,358
9	BMS	BenQ Materials (Wuhu) Co., Ltd.	Other receivables from related parties	Yes	1,180,045	1,149,146	881,590	1.30%	2	-	Operating requirements	-	-	-	1,907,217	1,907,217
9	BMS	BenQ Materials Medical Supplies (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	444,170	433,640	86,294	1.30%	2	-	Operating requirements	-	-	-	1,907,217	1,907,217
10	WPC	Web-Pro(Vietnam)Co.,Ltd	Other receivables from related parties	Yes	860,000	215,250	123,000	1.00%-2.87%	2	-	Operating requirements	-	-	-	630,668	1,261,337
11	ACE	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	354,504	195,138	151,774	-	2	-	Operating requirements	-	-	-	393,775	787,550
11	ACE	Suzhou Super Pillar Automation Equipment Co., Ltd.	Other receivables from related parties	Yes	173,212	86,728	30,355	-	2	-	Operating requirements	-	-	-	393,775	787,550
12	AEWIN	Aewin Beijing Technologies Co., Ltd.	Other receivables from related parties	Yes	249,699	200,885	200,885	-	1	286,858	Business transaction	-	-	-	251,205	502,411
13	Alpha HK	Alpha CSF	Other receivables from related parties	Yes	1,098,962	1,075,427	1,075,427	-	2	-	Operating requirements	-	-	-	2,273,145	2,273,145
14	Alpha CD	Alpha CSF	Other receivables from related parties	Yes	267,180	260,184	260,184	1.75%	2	-	Operating requirements	-	-	-	463,192	463,192
15	Hitron	HVN	Other receivables from related parties	Yes	933,000	-	-	1.00%	2	-	Operating requirements	-	-	-	983,900	1,967,801
16	Alpha	Alpha VN	Other receivables from related parties	Yes	622,000	307,500	-	3.00%-5.50%	2	-	Operating requirements	-	-	-	2,002,544	4,005,088
17	Cyber South	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	22,698	21,525	21,525	-	2	-	Operating requirements	-	-	-	537,147	537,147
18	Proton	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	12,970	12,300	12,300	-	2	-	Operating requirements	-	-	-	417,001	417,001
19	Darshin Materials Medical Supplies (Suzhou) Co., Ltd.	BenQ Materials Medical Supplies (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	22,209	21,682	16,045	1.30%	2	-	Operating requirements	-	-	-	37,864	37,864
20	K2 International Medical Inc	K2 Medical (Thailand) Co. Ltd	Other receivables from related parties	Yes	81,063	76,875	61,500	3.00%	2	-	Operating requirements	-	-	-	126,898	253,796
21	Enrich	Transnet Corporation	Other receivables from related parties	Yes	15,000	15,000	15,000	1.65%	2	-	Operating requirements	-	-	-	62,591	125,183
22	MTG	Corex (Pty) Ltd.	Other receivables from related parties	Yes	156,275	153,750	87,821	6.30%	2	-	Operating requirements	-	-	-	890,197	1,780,394

(Note 1)The aggregate financing amount and the individual financing amount of BenQ to subsidiaries shall not exceed 40% of the most recent net worth of BenQ.

(Note 2)The aggregate financing amount and the individual financing amount of Daryl 2 to subsidiaries shall not exceed 40% of the most recent net worth of Daryl 2.

(Note 3)The aggregate financing amount and the individual financing amount of QLLB to subsidiaries shall not exceed 40% of the most recent net worth of QLLB.

(Note 4)The aggregate financing amount and the individual financing amount of QLPG to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent audited and reviewed net worth of the Company.

(Note 5)The aggregate financing amount and the individual financing amount of BBM to subsidiaries shall not exceed 40% of the most recent net worth of BBM.

(Note 6)The aggregate financing amount and the individual financing amount of BIC to subsidiaries shall not exceed 40% of the most recent net worth of BIC.

(Note 7)The aggregate financing amount and the individual financing amount of NMHC to subsidiaries shall not exceed 100% of the most recent net worth of NMHC.

(Note 8)The aggregate financing amount to subsidiaries wholly owned by the Company and the individual financing amount of QCOS shall not exceed 100% and 10%, respectively, of the most recent net worth of the Company.

The financing amount to the subsidiaries not wholly owned by the Company and the individual financing amount of QCOS shall not exceed 40% of the most recent net worth of QCOS.

(Note 9)The aggregate financing amount to subsidiaries wholly owned by BMC and the individual financing amount of BMS shall not exceed 100% of the most recent audited and reviewed net worth of BMS.

(Note 10)The aggregate financing amount and the individual financing amount of WPC to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of WPC.

(Note 11)The aggregate financing amount and the individual financing amount of ACE to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of ACE.

(Note 12)The aggregate financing amount and the individual financing amount of AEWIN to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of AEWIN.

(Note 13)The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Alpha HK shall not exceed 100% of the most recent net worth of Alpha HK.

(Note 14)The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Alpha CD shall not exceed 100% of the most recent net worth of Alpha CD.

(Note 15)The aggregate financing amount of Hitron and its subsidiaries to subsidiaries shall not exceed 40% of the the most recent audited or reviewed net worth of both parties. The financing reason and limit for each type of party is stated as below.

- a.For entities who have business transactions with Hitron, the individual financing amount shall not exceed 20% of the most recent net worth of Hitron in the nearest 12 months. The transaction referring to the higher of sales or purchase amount.
- b.For entities who have a need in short-term financing, the individual financing amount shall not exceed 20% of the most recent audited and reviewed net worth of Hitron Technologies.
- c.Financing among foreign subsidiaries which Hitron has 100% of direct or indirect voting rights, or foreign subsidiaries which Hitron has 100% of direct or indirect voting rights financing to Hitron, there is no limit to the financing amount and period of lending, but should state the financing limit and term of lending.

(Note 16)The aggregate financing amount and the individual financing amount of Alpha to other parties shall not exceed 40% and 20%, respectively, of the most recent net worth of Alpha.

(Note 17)The aggregate financing amount and the individual financing amount of Cyber South to subsidiaries shall not exceed 10% and 5%, respectively, of the most recent net worth of Cyber South.

For financing among foreign subsidiaries wholly owned by ACE because of financing purpose,the aggregate financing amount and the individual financing amount shall not exceed 100% of most recent net worth of Cyber South.

(Note 18)The aggregate financing amount and the individual financing amount of Proton to subsidiaries shall not exceed 10% and 5%, respectively, of the most recent net worth of Proton.

For financing among foreign subsidiaries wholly owned by ACE because of financing purpose,the aggregate financing amount and the individual financing amount shall not exceed 100% of most recent net worth of Proton.

(Note 19)The aggregate financing amount to subsidiaries wholly owned by BMC and the individual financing amount of DTB shall not exceed 100% of the most recent audited and reviewed net worth of DTB.

(Note 20)The aggregate financing amount and the individual financing amount of K2 to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of K2.

(Note 21)The aggregate financing amount and the individual financing amount of Enrich to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of Enrich.

(Note 22)The aggregate financing amount and the individual financing amount of MTG to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of MTG.

(Note 23)Purpose of Fund Financing: 1.Business transaction purpose. 2. Short-term financing purpose.

(Note 24)The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

**QISDA CORPORATION AND SUBSIDIARIES**  
**Guarantees and endorsements provided to other parties**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars and other currencies)**

Table 2

No.	Endorsements / Guarantee Provider	Counter-party of Guarantee and Endorsement		Limits on Amount of Guarantees and Endorsements Provided to Each Guaranteed Party	Highest Balance of Guarantees and Endorsements During the Period	Balance of Guarantees and Endorsements as of Reporting Date	Actual Usage Amount During the Period	Property Pledged for Guarantees and Endorsements	Ratio of Accumulated Amounts of Guarantees and Endorsements to Net Worth of the Latest Financial Statements	Maximum Amounts for Guarantees and Endorsements	Gaurantee Provided by Parent Company	Gaurantee Provided by A Subsidiary	Endorsements / Guarantees Provided to Subsidiaries in Mainland China
		Name	Relationship with the Company										
0	The Company	QLLB	Parent/Subsidiary	7,411,472	5,109,480	3,751,500	2,337,000	-	10.12%	18,528,679	Y	-	-
1	BenQ	MaxGen	Parent/Subsidiary	1,809,157	114,647	101,184	101,184	-	1.12%	9,045,786	N	-	-
2	PTT	Partner Tech Middle East FZCO	Parent/Subsidiary	231,987	188,664	92,250	92,250	-	7.95%	579,969	N	-	-
2	PTT	Partner-Tech Europe GmbH	Parent/Subsidiary	231,987	123,000	61,500	61,500	-	5.30%	579,969	N	-	-
2	PTT	Partner Tech USA Inc.	Parent/Subsidiary	231,987	61,500	30,750	30,750	-	2.65%	579,969	N	-	-
2	PTT	Partner Tech (Shanghai) CO., Ltd.	Parent/Subsidiary	231,987	32,425	30,750	-	-	2.65%	579,969	N	-	-
2	PTT	Webest Solution Corporation	Parent/Subsidiary	231,987	10,000	10,000	10,000	-	0.86%	579,969	N	-	-
3	DIC	Data Image (Suzhou) Corporation	Parent/Subsidiary	296,702	62,510	30,750	6,174	-	2.07%	741,756	N	-	Y
4	Alpha	Alpha DGF	Parent/Subsidiary	5,006,361	64,850	61,500	-	-	0.61%	10,012,721	N	-	Y
4	Alpha	Alpha CSF	Parent/Subsidiary	5,006,361	226,975	215,250	16	-	2.15%	10,012,721	N	-	Y
5	Hitron	HBV	Parent/Subsidiary	4,919,502	631,113	-	-	-	-	7,379,253	N	-	-
5	Hitron	HUS	Parent/Subsidiary	4,919,502	615,600	-	-	-	-	7,379,253	N	-	-
5	Hitron	HVN	Parent/Subsidiary	4,919,502	2,554,740	-	-	-	-	7,379,253	N	-	-
6	MTG	Corex (Pty) Ltd.	Parent/Subsidiary	890,197	618,825	611,250	297,595	-	13.73%	2,225,493	N	-	-

(Note 1)The aggregate endorsement/guarantee amount provided by the Company to QLLB and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the most recent audited or reviewed net worth of the Company.

(Note 2)The aggregate endorsement/guarantee amount provided by BenQ to MaxGen and the endorsement/guarantee amount provided to individual party shall not exceed 100% and 20%, respectively, of the net worth of BenQ.

(Note 3)The aggregate endorsement/guarantee amount provided by PTT to PTT 's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the net worth of PTT.

(Note 4)The aggregate endorsement/guarantee amount provided by DIC to Data Image (Suzhou) Corporation and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the net worth of DIC.

(Note 5)The aggregate endorsement/guarantee amount provided by Alpha to Alpha's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 100% and 50%, respectively, of the net worth of Alpha.

(Note 6)The aggregate endorsement/guarantee amount provided by Hitron to Hitrons'subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 150% and 20%, respectively, of the net worth of Hitron.

However, there is no restriction for those directly or indirectly held subsidiaries with more than 50% of the voting shares and for those directly and indirectly hold 100% of the voting shares are indirectly endorsed and guaranteed, but it shall not exceed Hitron 100% of net worth of the most recent financial statements.

(Note 7)The aggregate endorsement/guarantee amount provided by MTG to Corex and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the most recent audited or reviewed net worth of MTG.

**QISDA CORPORATION AND SUBSIDIARIES**  
**Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures)**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars, unless specified otherwise)**

Table 3

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2023				Maximum percentage of ownership during 2023		Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Shares/Units	Percentage of Ownership	
The Company	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,388	72,150	3.74%	72,150	1,388	3.94%	-
The Company	Stock: AU	-	Financial assets at fair value through other comprehensive income-non-current	530,879	9,635,452	6.90%	9,635,452	530,879	6.90%	-
The Company	Stock: TXOne Networks Inc.	-	Financial assets at fair value through other comprehensive income-non-current	909	(Note 1)	1.75%	-	909	1.75%	-
The Company	Stock: SCT Holdings, Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	800	2,134	2.44%	2,134	800	2.44%	-
The Company	Stock: ITH Corp.	-	Financial assets at fair value through profit or loss-current	3,000	96,126	0.66%	96,126	3,000	0.66%	-
QLLB	CPEC Huachuang Private Equity Fund (Fujian) Co., Ltd. Fund	-	Financial assets at fair value through other comprehensive income-non-current	-	41,448	2.50%	41,448	-	2.50%	-
BMC	Stock: Lagis Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	1,680	63,840	5.25%	63,840	1,680	5.25%	-
BMC	Stock: YiLeLaFa Corporation	-	Financial assets at fair value through other comprehensive income-non-current	300	1,929	2.73%	1,929	300	2.73%	-
BMC	Stock: Biodenta Corporation	-	Financial assets at fair value through profit or loss-non-current	225	(Note 1)	2.50%	-	225	2.50%	-
BMC	Stock: CUUMed Catheter Medical Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	3,429	94,078	8.76%	94,078	3,429	11.27%	-
APV	Stock: Hi-Clearance Inc.	-	Financial assets at fair value through other comprehensive income-current	340	46,081	0.76%	46,081	340	0.78%	-
APV	Stock: Joymaster Inc.	-	Financial assets at fair value through other comprehensive income-non-current	619	(Note 1)	6.19%	-	619	6.19%	-
APV	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	706	61,176	2.77%	61,176	706	2.77%	-
APV	Stock: Gigastone Corporation	-	Financial assets at fair value through other comprehensive income-non-current	31	1,221	0.06%	1,221	31	0.06%	-
APV	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	2,000	10,885	6.17%	10,885	2,000	6.17%	-
APV	Stock: CDIB Capital Innovation Advisors Corporation	-	Financial assets at fair value through other comprehensive income-non-current	2,717	12,197	3.33%	12,197	3,000	3.33%	-
APV	Stock: D8AI, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	19,500	3,032	10.76%	3,032	19,500	10.76%	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2023				Maximum percentage of ownership during 2023		Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Shares/Units	Percentage of Ownership	
APV	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	2,144	111,512	5.78%	111,512	2,144	6.09%	-
APV	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	2,300	921,055	3.03%	921,055	2,309	3.04%	-
APV	Stock: PlayNitride Inc.	-	Financial assets at fair value through other comprehensive income-non-current	453	44,756	0.42%	44,756	470	0.44%	-
Darly 2	Affinity Health Fund Two, L.P.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	28,121	1.45%	28,121	(Note 2)	1.45%	-
Darly 2	Stock: InnoFund V Co., Ltd.	-	Financial assets at fair value through profit or loss-non-current	3,000	30,000	7.03%	30,000	3,000	7.03%	-
Darly 2	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	494	42,786	1.94%	42,786	494	1.94%	-
Darly 2	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	993	397,515	1.31%	397,515	1,361	1.79%	-
Darly 2	Stock: Fong Huang Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	6,000	71,132	18.75%	71,132	6,000	18.75%	-
Darly 2	Stock: Fong Huang 2 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	34,658	7.01%	34,658	3,000	7.01%	-
Darly 2	Stock: Fong Huang 3 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	33,960	13.04%	33,960	3,000	13.04%	-
Darly 2	Stock: Fong Huang 4 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	37,253	12.77%	37,253	3,000	12.77%	-
Darly 2	Affinity Health Fund One, L.P.	-	Financial assets at fair value through other comprehensive income-non-current	(Note 2&3)	20,536	2.00%	20,536	(Note 2&3)	2.00%	-
Darly 2	JAFCO Taiwan II Venture Capital Limited Partnership	-	Financial assets at fair value through other comprehensive income-non-current	(Note 2&3)	26,503	4.81%	26,503	(Note 2&3)	13.81%	-
Darly C	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	36	3,095	0.14%	3,095	36	0.14%	-
Darly C	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	1,000	5,442	3.09%	5,442	1,000	3.09%	-
Darly C	Stock: Anqing Innovation	-	Financial assets at fair value through other comprehensive income-non-current	1,033	5,474	2.24%	5,474	1,033	2.24%	-
Darly C	Stock: Visco Vision Inc.	-	Financial assets at fair value through other comprehensive income-non-current	285	61,832	0.45%	61,832	285	0.45%	-
BenQ	Stock: GT Booster Corp.	-	Financial assets at fair value through other comprehensive income-non-current	63	15,651	8.00%	15,651	63	8.00%	-
PTT	Stock: D8AI , Inc.	-	Financial assets at fair value through other comprehensive income-non-current	4,200	2,309	2.32%	2,309	4,200	2.32%	-
DFI	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,487	77,314	4.01%	77,314	1,487	4.01%	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2023				Maximum percentage of ownership during 2023		Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Shares/Units	Percentage of Ownership	
DFI	Fund: Cathay No 1 REIT	-	Financial assets at fair value through profit or loss-current	1,442	24,485	-	24,485	1,442	-	-
AEWIN	Stock: Aewin Korea Technologies Co., Ltd.	Substantive related party	Financial assets at fair value through other comprehensive income-non-current	10	745	16.67%	745	10	16.67%	-
AEWIN	Stock: AuthenTrend Technology Inc.	-	Financial assets at fair value through profit or loss-non-current	300	(Note 1)	1.42%	-	300	1.42%	-
STC	Stock: Intelligent fluids GmbH	-	Financial assets at fair value through other comprehensive income-non-current	27	(Note 1)	1.71%	-	27	1.71%	-
STC	Stock: COMPITEK CORP PTE LTD. (CPL)	-	Financial assets at fair value through other comprehensive income-non-current	36	8,655	6.28%	8,655	36	6.28%	-
MTG	Stock: CDS Holdings Limited	-	Financial assets at fair value through profit or loss-non-current	600	(Note 1)	1.11%	-	600	1.11%	-
MTG	Stock: Yobon Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	3	(Note 1)	0.42%	-	3	0.42%	-
MTG	Stock: Dynasafe Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	4,404	453,931	19.15%	453,931	4,404	19.15%	-
MTG	Stock: Touch Cloud, Inc.	-	Financial assets at fair value through profit or loss-non-current	200	(Note 1)	1.50%	-	200	1.50%	-
MTG	Stock: Gemini Data, Inc.	-	Financial assets at fair value through profit or loss-non-current	2,706	(Note 1)	1.12%	-	2,706	1.23%	-
MTG	Stock: Kingtel Corporation	-	Financial assets at fair value through profit or loss-non-current	443	(Note 1)	18.09%	-	443	18.09%	-
MTG	Limited Partnership Equity: Taiwania Capital Buffalo Fund V ,LP.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	197,658	12.78%	197,658	(Note 2)	12.78%	-
MTG	Limited Partnership Equity: New Economy Ventures L.P.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	41,468	7.36%	41,468	(Note 2)	7.36%	-
MTG	Stock: High Performance Information Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,138	118,189	8.36%	118,189	2,138	8.88%	-
Simula	Stock: Optomedia Technology Inc.	-	Financial assets at fair value through other comprehensive income-non-current	265	2,411	3.26%	2,411	265	3.26%	-
Simula	Stock: Taiwan Competition Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	500	1,447	16.67%	1,447	500	16.67%	-
Simula	Stock: Mcurich Inc.	-	Financial assets at fair value through other comprehensive income-non-current	645	(Note 1)	15.12%	-	645	15.12%	-
GSC	Stock: New Image Medical Co.,Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	200	2,960	0.74%	2,960	200	0.74%	-
Alpha	Stock: TGC, Inc.	-	Financial assets at fair value through profit or loss-non-current	500	(Note 1)	1.83%	-	500	1.83%	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2023				Maximum percentage of ownership during 2023		Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Shares/Units	Percentage of Ownership	
Alpha	Ignition Ventures Limited Partnership	-	Financial assets at fair value through other comprehensive income-non-current	(Note 2&3)	31,429	-	31,429	(Note 2&3)	-	-
Hitron	Stock: Senao International Co., Ltd.	-	Financial assets at fair value through profit or loss-current	152	5,989	0.06%	5,989	152	0.06%	-
Hitron	Stock: Chao Long Motor Parts Corp.	-	Financial assets at fair value through other comprehensive income-non-current	668	51,152	1.79%	51,152	668	1.79%	-
Hitron	Stock: Imagetech Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	120	(Note 1)	1.20%	-	120	1.20%	-
Hitron	Stock: Tsunami Visual Technologies, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,220	(Note 1)	9.34%	-	1,220	9.34%	-
Hitron	Stock: Pivot Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	198	(Note 1)	10.94%	-	198	10.94%	-
Hitron	Stock: Cardtek Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,000	(Note 1)	6.45%	-	1,000	6.45%	-
Hitron	Stock: Yesmobile Holdings Company Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	294	(Note 1)	0.75%	-	294	0.75%	-
Hitron	Preferred Stock: Codent Networks (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,570	(Note 1)	-	-	1,570	-	-
DIVA	Stock: Insight Genomics Inc.	-	Financial assets at fair value through other comprehensive income-non-current	600	2,778	6.40%	2,778	600	8.00%	-
DIVA	Stock: Renown Information Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	240	1,834	4.80%	1,834	240	4.80%	-
DIVA	Stock: Pharmally International Holding Co. Ltd.	-	Financial assets at fair value through profit or loss-non-current	150	(Note 1)	-	-	150	-	-
CKCARE	Stock: Pchain Biotechnology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	9	123	0.10%	123	9	0.10%	-

(Note 1)The impairment loss was fully recognized.

(Note 2)There was no shares as the company is a limited partnership.

(Note 3)In accordance with the Q&A of the FSC , the accounting treatment need not be applied retroactively to investments in limited partnerships prior to June 30, 2023 in accordance with the IFRS Q&A released by Accounting Research and Development Foundation on June 15, 2023. Therefore, the Group continues to measure its investments in limited partnerships as financial assets at fair value through other comprehensive income.



**QISDA CORPORATION AND SUBSIDIARIES**  
**Marketable securities for which the accumulated purchase or sale amount for the year exceed NT\$300 million or 20% of the paid-in capital**  
**For the year ended December 31, 2023**  
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 4

Company name	Marketable Securities Type and Name	Financial Statement Account	Counter-Party	Name of Relationship	Beginning Balance		Purchase		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Shares	Amount (Note1)
The Company	Norbel	Investment accounted for using equity method	-	-	-	-	10,000	1,800,000	-	-	-	-	10,000	1,710,470
The Company	K2	Investment accounted for using equity method	BMTC	Parent/Subsidiary	6,997	240,793	-	-	6,997	349,853	231,331	-	-	-
The Company	BBHC	Investment accounted for using equity method	CDH Medical Services Limited	-	47,970	1,112,972	60,585	6,285,683	-	-	-	-	108,555	2,816,442
Alpha	Alpha VN	Investment accounted for using equity method	-	Parent/Subsidiary	-	613,700	-	492,368	-	-	-	-	-	929,750
Alpha	Alpha CD	Investment accounted for using equity method	-	Parent/Subsidiary	-	-	-	453,169	-	-	-	-	-	463,192
BMC	WPC	Investment accounted for using equity method	-	-	-	-	35,700	3,161,999	-	-	-	-	35,700	2,908,093
WPC	WPSG	Investment accounted for using equity method	-	Parent/Subsidiary	15,000	393,845	15,000	444,425	-	-	-	-	30,000	765,713
WPSG	WPVN	Investment accounted for using equity method	-	Parent/Subsidiary	-	367,385	-	465,103	-	-	-	-	-	758,203
BMTC	K2	Investment accounted for using equity method	The Company and Darly 2	Parent/Subsidiary	-	-	7,800	390,000	-	-	-	-	7,800	284,704
DFI	Brainstorm	Investment accounted for using equity method	MTG	Other related party	233	533,367	-	-	233	530,075	540,240	-	-	-
MTG	Brainstorm	Investment accounted for using equity method	DFI	Other related party	-	-	233	530,075	-	-	(6,869)	-	233	523,206

(Note 1) The ending balance includes shares of profits/losses of investees and other related adjustment.

**QISDA CORPORATION AND SUBSIDIARIES**  
**Acquisition of real estate which exceeds NT\$300 million or 20% of the paid-in capital**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars, unless specified otherwise)**

Table 5

Company Name	Property Name	Transaction Date	Transaction amount	Status of Payment	Counter Party	Relationship with the Counter Party	If the Counter Party is a Related Party, Disclose the Previous Transfer Information				Price Reference	Purpose of Acquisition and Current Condition	Notes
							Owner	Relationship with the Company	Date of Transfer	Amount			
BMC	Buildings	Contract date: July 31, 2023	669,900 (Tax included)	Not yet paid	GO-IN Engineering Co., Ltd.	Not applicable	-	-	-	-	Inquiry and bargaining	Additional constructions in Yunlin factory for production and operation	-

**QISDA CORPORATION AND SUBSIDIARIES**  
**Total purchases from and sales to related parties which exceed NTS100 million or 20% of the paid-in capital**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars, unless specified otherwise)**

Table 6

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/Accounts Receivable or (Payable)	
The Company	BenQ	Parent/Subsidiary	(Sales)	(4,053,493)	(5)	OA90	-	-	1,469,264	6	-
The Company	QJTO	Parent/Subsidiary	(Sales)	(2,733,421)	(4)	OA120	-	-	1,103,506	5	-
The Company	QALA	Parent/Subsidiary	(Sales)	(18,995,649)	(25)	OA90	-	-	10,528,447	46	-
The Company	AU	The entity who has significant influence over the Group	(Sales)	(2,259,226)	(3)	OA120	-	-	176,694	1	-
The Company	AUOSZ	The entity who has significant influence over the Group	(Sales)	(1,305,361)	(2)	OA120	-	-	556,578	2	-
The Company	AUOKS	The entity who has significant influence over the Group	(Sales)	(322,442)	-	OA120	-	-	181,972	1	-
The Company	DFI	Parent/Subsidiary	(Sales)	(187,561)	-	60-90 Days	-	-	10,296	-	-
The Company	QCSZ	Parent/Subsidiary	Purchases	50,122,958	70	OA120	-	-	(16,925,223)	(64)	-
The Company	QCOS	Parent/Subsidiary	Purchases	11,684,637	16	OA120	-	-	(5,535,436)	(21)	-
The Company	QVH	Parent/Subsidiary	Purchases	1,017,172	1	OA60	-	-	(49,580)	-	-
The Company	AU	The entity who has significant influence over the Group	Purchases	131,906	-	OA45	-	-	-	-	-
QCSZ	The Company	Parent/Subsidiary	(Sales)	(50,122,958)	(85)	OA120	-	-	16,925,223	91	-
QCSZ	BQC_RO	Affiliates	(Sales)	(1,476,501)	(2)	OA120	-	-	73,311	-	-
QCSZ	QCPS	Affiliates	Purchases	1,171,120	2	OA60	-	-	(219,938)	(2)	-
QCSZ	AU	The entity who has significant influence over the Group	Purchases	3,182,072	6	EOM55	-	-	(265,761)	(2)	-
QCES	QCOS	Affiliates	(Sales)	(587,495)	(7)	OA60	-	-	43,942	2	-
QCOS	The Company	Parent/Subsidiary	(Sales)	(11,684,637)	(86)	OA120	-	-	5,535,436	94	-
QCOS	BQC_RO	Affiliates	(Sales)	(516,386)	(4)	OA120	-	-	5,126	-	-
QCOS	AUOXM	The entity who has significant influence over the Group	(Sales)	(452,389)	(3)	OA120	-	-	213,553	4	-
QCOS	QCES	Affiliates	Purchases	587,495	4	OA60	-	-	(43,942)	(2)	-
QCOS	QCPS	Affiliates	Purchases	196,004	1	OA60	-	-	(32,515)	(1)	-
QCOS	AU	The entity who has significant influence over the Group	Purchases	332,666	3	OA60	-	-	(4,368)	-	-
QCPS	QCSZ	Affiliates	(Sales)	(1,171,120)	(80)	OA60	-	-	219,938	81	-
QCPS	QCOS	Affiliates	(Sales)	(196,004)	(13)	OA60	-	-	32,515	12	-
QALA	The Company	Parent/Subsidiary	Purchases	18,995,649	100	OA90	-	-	(10,528,447)	(100)	-
QJTO	The Company	Parent/Subsidiary	Purchases	2,733,421	100	OA120	-	-	(1,103,506)	(99)	-
QVH	The Company	Parent/Subsidiary	(Sales)	(1,017,172)	(92)	OA60	-	-	49,580	81	-
BenQ	BQA	Affiliates	(Sales)	(2,085,110)	(17)	OA90	-	-	67,177	2	-
BenQ	BQC_RO	Affiliates	(Sales)	(228,884)	(2)	OA60	-	-	27,243	1	-
BenQ	BQHK_HLD	Affiliates	(Sales)	(120,875)	(1)	OA60	-	-	8,084	-	-
BenQ	BQE	Affiliates	(Sales)	(3,283,470)	(27)	OA90	-	-	539,821	18	-
BenQ	BQL	Affiliates	(Sales)	(644,117)	(5)	OA90	-	-	181,636	6	-
BenQ	BQP	Affiliates	(Sales)	(5,862,392)	(48)	OA60	-	-	1,835,994	63	-
BenQ	The Company	Parent/Subsidiary	Purchases	4,053,493	36	OA90	-	-	(1,469,264)	(61)	-
BenQ	AU	The entity who has significant influence over the Group	Purchases	1,227,387	11	EOM55	-	-	(114,648)	(5)	-
BQA	BQCA	Affiliates	(Sales)	(600,765)	(13)	OA60	-	-	121,676	17	-
BQA	ZGC	Affiliates	(Sales)	(609,322)	(13)	OA60	-	-	249,315	34	-
BQA	BenQ	Affiliates	Purchases	2,085,110	58	OA90	-	-	(67,177)	(100)	-
BQC_RO	BQsha_EC2	Affiliates	(Sales)	(191,538)	(4)	OA60	-	-	18,934	9	-
BQC_RO	QCOS	Affiliates	Purchases	516,386	17	OA120	-	-	(5,126)	(1)	-
BQC_RO	QCSZ	Affiliates	Purchases	1,476,501	50	OA120	-	-	(73,311)	(21)	-
BQC_RO	BenQ	Affiliates	Purchases	228,884	8	OA60	-	-	(27,243)	(8)	-
BQE	BQDE	Affiliates	(Sales)	(904,208)	(20)	OA30	-	-	26,748	7	-
BQE	BQFR	Affiliates	(Sales)	(491,267)	(11)	OA30	-	-	230,044	60	-
BQE	BQIT	Affiliates	(Sales)	(172,134)	(4)	OA30	-	-	12,899	3	-
BQE	BQUK	Affiliates	(Sales)	(775,795)	(17)	OA30	-	-	19,118	5	-
BQE	BQAT	Affiliates	(Sales)	(685,928)	(15)	OA45	-	-	28,982	8	-
BQE	BQSE	Affiliates	(Sales)	(231,445)	(5)	OA30	-	-	270	-	-
BQE	BQIB	Affiliates	(Sales)	(222,704)	(5)	OA30	-	-	2,393	1	-

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/Accounts Receivable or (Payable)	
BQE	BQNL	Affiliates	(Sales)	(711,331)	(16)	OA30	-	-	54,804	14	-
BQE	BQCH	Affiliates	(Sales)	(129,831)	(3)	OA30	-	-	6,463	2	-
BQE	BenQ	Affiliates	Purchases	3,283,470	82	OA90	-	-	(539,821)	(91)	-
BQL	BQMX	Affiliates	(Sales)	(440,967)	(56)	OA90	-	-	95,605	16	-
BQL	MaxGen	Affiliates	(Sales)	(152,880)	(19)	OA90	-	-	472,987	81	-
BQL	BenQ	Affiliates	Purchases	644,117	88	OA90	-	-	(181,636)	(92)	-
BQP	BQAU	Affiliates	(Sales)	(198,197)	(3)	OA60	-	-	18,981	1	-
BQP	BQIN	Affiliates	(Sales)	(1,232,923)	(19)	OA60	-	-	815,589	41	-
BQP	BQJP	Affiliates	(Sales)	(1,642,032)	(25)	OA60	-	-	354,882	18	-
BQP	BQKR	Affiliates	(Sales)	(237,752)	(4)	OA60	-	-	116,732	6	-
BQP	BQME	Affiliates	(Sales)	(1,132,160)	(17)	OA60	-	-	198,840	10	-
BQP	BQID	Affiliates	(Sales)	(134,928)	(2)	OA60	-	-	50,267	3	-
BQP	BenQ	Affiliates	Purchases	5,862,392	100	OA60	-	-	(1,835,994)	(100)	-
BQAT	BQE	Affiliates	Purchases	685,928	100	OA45	-	-	(28,982)	(100)	-
BQAU	BQP	Affiliates	Purchases	198,197	81	OA60	-	-	(18,981)	(92)	-
BQCA	BQA	Affiliates	Purchases	600,765	100	OA60	-	-	(121,676)	(99)	-
BQCH	BQE	Affiliates	Purchases	129,831	100	OA30	-	-	(6,463)	(61)	-
BQDE	BQE	Affiliates	Purchases	904,208	96	OA30	-	-	(26,748)	(100)	-
BQFR	BQE	Affiliates	Purchases	491,267	99	OA30	-	-	(230,044)	(98)	-
BQHK_HLD	BenQ	Affiliates	Purchases	120,875	86	OA60	-	-	(8,084)	(84)	-
BQIB	BQE	Affiliates	Purchases	222,704	99	OA30	-	-	(2,393)	(83)	-
BQID	BQP	Affiliates	Purchases	134,928	100	OA60	-	-	(50,267)	(99)	-
BQIN	BQP	Affiliates	Purchases	1,232,923	69	OA60	-	-	(815,589)	(100)	-
BQIT	BQE	Affiliates	Purchases	172,134	93	OA30	-	-	(12,899)	-	-
BQJP	BQP	Affiliates	Purchases	1,642,032	100	OA60	-	-	(354,882)	(96)	-
BQKR	BQP	Affiliates	Purchases	237,752	100	OA60	-	-	(116,732)	(100)	-
BQME	BQP	Affiliates	Purchases	1,132,160	95	OA60	-	-	(198,840)	(90)	-
BQMX	BQL	Affiliates	Purchases	440,967	92	OA90	-	-	(95,605)	(89)	-
BQNL	BQE	Affiliates	Purchases	711,331	100	OA30	-	-	(54,804)	(98)	-
BQSE	BQE	Affiliates	Purchases	231,445	100	OA30	-	-	(270)	(24)	-
BQsha_EC2	BQC_RO	Affiliates	Purchases	191,538	99	OA60	-	-	(18,934)	(100)	-
BQUK	BQE	Affiliates	Purchases	775,795	100	OA30	-	-	(19,118)	(94)	-
MaxGen	BQL	Affiliates	Purchases	152,880	83	OA90	-	-	(472,987)	(95)	-
ZGC	BQA	Affiliates	Purchases	609,322	100	OA60	-	-	(249,315)	(99)	-
ESM	GSC	Affiliates	(Sales)	(274,487)	(100)	OA60	-	-	45,989	100	-
GSC	ESM	Affiliates	Purchases	274,487	57	OA60	-	-	(45,989)	(67)	-
GSC	BMB	Affiliates	Purchases	138,127	29	OA60	-	-	(22,144)	(32)	-
BMB	GSC	Affiliates	(Sales)	(138,127)	(29)	OA60	-	-	22,144	32	-
K2	K2SH	Affiliates	(Sales)	(324,204)	(30)	OA90	-	-	40,175	24	-
K2SH	K2	Affiliates	Purchases	324,204	100	OA90	-	-	(40,175)	(100)	-
DIC	Data Image (Suzhou) Corporation	Affiliates	Processing cost	1,134,344	55	Depends on its working capital status	-	-	(294,000)	(76)	-
Data Image (Suzhou) Corporation	DIC	Affiliates	Processing Revenue	(1,134,344)	(29)	Depends on its working capital status	-	-	294,000	54	-
DFI	The Company	Parent/Subsidiary	Purchases	187,561	8	60-90 Days	-	-	(10,296)	(3)	-
DFI	DFI AMERICA, LLC.	Affiliates	(Sales)	(614,226)	(15)	60-90 Days	-	-	-	-	-
DFI AMERICA, LLC.	DFI	Affiliates	Purchases	614,226	96	60-90 Days	-	-	(24,883)	(100)	-
DFI	Diamond Flower Information (NL) B.V.	Affiliates	(Sales)	(496,642)	(12)	60-90 Days	-	-	16,905	4	-
Diamond Flower Information (NL) B.V.	DFI	Affiliates	Purchases	496,642	100	60-90 Days	-	-	(16,905)	(100)	-
DFI	DFI Co., Ltd.	Affiliates	(Sales)	(324,308)	(8)	60-90 Days	-	-	6,736	2	-
DFI Co., Ltd.	DFI	Affiliates	Purchases	324,308	100	60-90 Days	-	-	(6,736)	(88)	-
DFI	AEWIN	Affiliates	(Sales)	(320,249)	(8)	EOM90	-	-	33,315	8	-
AEWIN	DFI	Affiliates	Purchases	320,249	26	EOM90	-	-	(33,315)	(12)	-
AEWIN	AEWIN Beijing	Affiliates	(Sales)	(286,858)	(21)	150 Days After Shipment	-	-	275,316	61	-
AEWIN Beijing	AEWIN	Affiliates	Purchases	286,858	47	150 Days After Shipment	-	-	(275,316)	(47)	-
AEWIN	Aewin Tech Inc.	Affiliates	(Sales)	(187,442)	(14)	120 Days After Shipment	-	-	92,440	21	-
Aewin Tech Inc.	AEWIN	Affiliates	Purchases	187,442	100	120 Days After Shipment	-	-	(92,440)	(100)	-
Alpha	Alpha USA	Affiliates	(Sales)	(7,460,063)	(41)	90 Days	-	-	1,373,313	36	-

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/Accounts Receivable or (Payable)	
Alpha	D-Link Asia	Affiliates	Purchases	892,562	6	90 Days	-	-	-	-	-
Alpha	Alpha CSF	Affiliates	Purchases	8,042,314	58	90 Days	-	-	(640,969)	(28)	-
Alpha CSF	Mirac	Affiliates	(Sales)	(310,788)	(3)	90 Days	-	-	36,611	3	-
Alpha HK	Alpha VN	Affiliates	(Sales)	(1,487,305)	(17)	90 Days	-	-	916,049	49	-
Alpha HK	Alpha CSF	Affiliates	(Sales)	(6,191,412)	(72)	90 Days	-	-	709,582	38	-
D-Link Asia	Alpha DGF	Affiliates	Purchases	892,562	68	90 Days	-	-	-	-	-
Hitron	HUS	Affiliates	(Sales)	(4,134,320)	(67)	90 Days	-	-	1,518,943	74	-
Hitron	HBV	Affiliates	(Sales)	(355,687)	(6)	90 Days	-	-	69,433	3	-
HVN	Hitron	Affiliates	(Sales)	(6,243,767)	(99)	60 Days	-	-	1,701,574	100	-
Alpha USA	Alpha	Affiliates	Purchases	7,460,063	100	90 Days	-	-	(1,373,313)	(100)	-
D-Link Asia	Alpha	Affiliates	(Sales)	(892,562)	(68)	90 Days	-	-	-	-	-
Alpha CSF	Alpha	Affiliates	(Sales)	(8,042,314)	(89)	90 Days	-	-	640,969	83	-
Mirac	Alpha CSF	Affiliates	Purchases	310,788	90	90 Days	-	-	(36,611)	(100)	-
Alpha VN	Alpha HK	Affiliates	Purchases	1,487,305	100	90 Days	-	-	(916,049)	(100)	-
Alpha CSF	Alpha HK	Affiliates	Purchases	6,191,412	70	90 Days	-	-	(709,582)	(62)	-
Alpha DGF	D-Link Asia	Affiliates	(Sales)	(892,562)	(100)	90 Days	-	-	-	-	-
HUS	Hitron	Affiliates	Purchases	4,134,320	97	90 Days	-	-	(1,518,943)	(100)	-
HBV	Hitron	Affiliates	Purchases	355,687	100	90 Days	-	-	(69,433)	(100)	-
Hitron	HVN	Affiliates	Purchases	6,243,767	89	60 Days	-	-	(1,701,574)	(86)	-
BMC	AU	The entity who has significant influence over the Group	(Sales)	(3,387,870)	(24)	OA90	(Note 1)	-	770,725	27	-
BMC	AUOSZ	The entity who has significant influence over the Group	(Sales)	(925,859)	(7)	OA90	(Note 1)	-	69,998	2	-
BMC	AUOXM	The entity who has significant influence over the Group	(Sales)	(801,710)	(6)	OA90	(Note 1)	-	51,067	2	-
BMC	BMM	Affiliates	(Sales)	(437,210)	(3)	OA180	(Note 1)	-	235,738	8	-
BMC	VVM	Associate	(Sales)	(164,588)	(1)	OA90	(Note 1)	-	29,811	1	-
BMC	SMS	Affiliates	(Sales)	(267,973)	(2)	OA180	(Note 1)	-	51,015	2	-
BMC	BMS	Affiliates	Purchases	964,131	9	OA180	(Note 2)	-	(509,510)	(16)	-
BMC	Visco Vision	Associate	Purchases	386,076	4	OA60	(Note 2)	-	(54,473)	(2)	-
BMM	BMC	Affiliates	Purchases	437,210	65	OA180	(Note 2)	-	(235,738)	(93)	-
SMS	BMC	Affiliates	Purchases	267,973	100	OA180	(Note 2)	-	(51,015)	(84)	-
BMS	BMC	Affiliates	(Sales)	(964,131)	(94)	OA180	(Note 2)	-	509,510	98	-
Simula	Simula Technology (ShenZhen) Co., Ltd.	Affiliates	Purchases	415,453	87	EOM60	(Note 4)	-	(34,327)	(54)	-
Simula Technology (ShenZhen) Co., Ltd.	Simula	Affiliates	(Sales)	(415,453)	(74)	EOM60	(Note 4)	-	34,327	59	-
Action Star Technology Co., Ltd.	The Company	Affiliates	(Sales)	(110,477)	(9)	EOM60	-	-	16,348	8	-
The Company	Action Star Technology Co., Ltd.	Affiliates	Purchases	110,477	1	EOM60	-	-	(16,348)	-	-
PTT	PTE	Affiliates	(Sales)	(226,964)	(21)	OA90	(Note 3)	-	131,366	28	-
PTT	PTU	Affiliates	(Sales)	(314,171)	(29)	OA90	(Note 3)	-	86,070	19	-
PTT	PTUK	Affiliates	(Sales)	(143,624)	(13)	OA90	(Note 3)	-	86,283	19	-
PTE	PTT	Affiliates	Purchases	226,964	34	OA90	(Note 3)	-	(131,366)	(61)	-
PTU	PTT	Affiliates	Purchases	314,171	95	OA90	(Note 3)	-	(86,070)	(100)	-
PTUK	PTT	Affiliates	Purchases	143,624	83	OA90	(Note 3)	-	(86,283)	(94)	-
MTG	Ginnet	Affiliates	(Sales)	(111,424)	(1)	EOM60	-	-	17,394	1	-
Ginnet	MTG	Affiliates	Purchases	111,424	13	EOM60	-	-	(17,394)	(19)	-

(Note 1)The selling prices of BMC to related parties are not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transaction, there were no significant differences between the sales for related parties and those for third-party customers.

(Note 2)The purchase prices to related parties are not comparable to the purchase prices for third-party vendors as the specifications of products were different, and it is conducted under the agreed purchase price and conditions.

(Note 3)The selling prices of PTT to related parties are not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transaction, there were no significant differences between the sales for related parties and those for third-party customers.

(Note 4)Simula seldom purchases the same products from other vendors. Therefore, the purchase prices are not reasonably comparable.

(Note 5)The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

**QISDA CORPORATION AND SUBSIDIARIES**  
**Receivables from related parties which exceed NT\$100 million or 20% of the paid-in capital**  
**December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars, unless specified otherwise)**

Table 7

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Company	BenQ	Parent/Subsidiary	1,469,264	3.90	65,629	-	700,911	-
The Company	QJTO	Parent/Subsidiary	1,103,506	2.61	211,981	-	256,472	-
The Company	QALA	Parent/Subsidiary	10,528,447	1.96	4,518,522	-	3,446,134	-
The Company	AU	The entity who has significant influence over the Group	176,694	7.89	-	-	162,488	-
The Company	AUOSZ	The entity who has significant influence over the Group	556,578	2.71	-	-	151,328	-
The Company	AUOKS	The entity who has significant influence over the Group	181,972	2.13	-	-	52,301	-
QCSZ	The Company	Parent/Subsidiary	16,925,223	3.37	4,371,978	-	6,818,130	-
QCOS	The Company	Parent/Subsidiary	5,535,436	2.52	3,036,786	-	1,032,170	-
QCOS	AUOXM	The entity who has significant influence over the Group	213,553	3.50	-	-	-	-
QCPS	QCSZ	Affiliates	219,938	7.72	-	-	-	-
QCES	The Company	Parent/Subsidiary	1,973,219	(Note 1)	782,533	-	1,101,835	-
BenQ	BQE	Affiliates	539,821	4.17	62	-	221,644	-
BenQ	BQL	Affiliates	181,636	2.40	20,462	-	109,725	-
BenQ	BQP	Affiliates	1,835,994	3.46	773,560	-	524,229	-
BenQ	QCSZ	Affiliates	163,457	(Note 1)	-	-	97,593	-
BQA	BQCA	Affiliates	121,676	4.18	74,326	-	74,486	-
BQA	ZGC	Affiliates	249,315	4.42	52,122	-	52,953	-
BQE	BQFR	Affiliates	230,044	2.26	-	-	-	-
BQL	MaxGen	Affiliates	472,987	0.30	-	-	-	-
BQP	BQIN	Affiliates	815,589	1.62	527,182	-	71,317	-
BQP	BQJP	Affiliates	354,882	5.28	147,043	-	269,242	-
BQP	BQME	Affiliates	198,840	4.37	-	-	53,123	-
BQP	BQKR	Affiliates	116,732	3.39	35,794	-	56,567	-
PTT	PTE	Affiliates	131,366	1.57	64,648	-	26,185	-
Data Image (Suzhou) Corporation	DIC	Affiliates	294,000	4.17	-	-	168,960	-
AEWIN	Aewin Beijing	Affiliates	275,316	0.72	101,493	-	34,164	-
ACE	Tianjin Ace Pillar Co., Ltd.	Affiliates	151,774	(Note 1)	-	-	-	-
Alpha	Alpha USA	Affiliates	1,373,313	7.37	-	-	540,208	-
Alpha	Alpha HK	Affiliates	175,006	(Note 1)	-	-	-	-
Alpha	Hitron	Affiliates	302,103	(Note 3)	-	-	-	-
D-Link Asia	Alpha	Affiliates	400,269	2.34	-	-	-	-
Alpha CSF	Alpha	Affiliates	640,969	11.94	-	-	358,256	-
Alpha HK	Alpha CSF	Affiliates	709,582	6.69	31,482	-	286,941	-
Alpha HK	Alpha VN	Affiliates	916,049	2.98	55,926	-	120,917	-
Hitron	HUS	Affiliates	1,518,943	2.17	-	-	536,841	-
HVN	Hitron	Affiliates	1,701,574	2.73	-	-	10,274	-

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
BMC	AU	The entity who has significant influence over the Group	770,725	3.81 (Note 2)	-	-	-	-
BMC	BMM	Affiliates	235,738	3.01 (Note 2)	-	-	-	-
BMS	BMC	Affiliates	509,510	1.55 (Note 2)	20,059	-	50,342	-

(Note 1)The sales from repurchasing after processing have been eliminated; therefore, calculation of turnover rate is not applicable.

(Note 2)The calculation of turnover rate includes the account receivable sold to financial institutions.

(Note 3)The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

**QISDA CORPORATION AND SUBSIDIARIES**  
**Business relationships and significant intercompany transactions**  
**For the year ended December 31, 2023**  
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 8

Number (Note 1)	Company Name	Related Party	Name of Relationship (Note 2)	Transaction Details			
				Financial Statements Account	Amount	Payment Terms	Percentage of Consolidated Operating Revenue and Total Assets (Note 4)
0	The Company	BenQ	1	(Sales)	(4,053,493)	OA90	(2%)
0	The Company	QJTO	1	(Sales)	(2,733,421)	OA120	(1%)
0	The Company	QALA	1	(Sales)	(18,995,649)	OA90	(9%)
1	QCSZ	The Company	2	(Sales)	(50,122,958)	OA120	(25%)
2	QCOS	The Company	2	(Sales)	(11,684,637)	OA120	(6%)
3	BenQ	BQA	3	(Sales)	(2,085,110)	OA90	(1%)
3	BenQ	BQE	3	(Sales)	(3,283,470)	OA90	(2%)
3	BenQ	BQP	3	(Sales)	(5,862,392)	OA60	(3%)
4	Alpha	Alpha USA	3	(Sales)	(7,460,063)	90 days	(4%)
5	Alpha HK	Alpha CSF	3	(Sales)	(6,191,412)	90 days	(3%)
6	Hitron	HUS	3	(Sales)	(4,134,320)	90 days	(2%)
7	HVN	Hitron	3	(Sales)	(6,243,767)	60 days	(3%)
8	Alpha CSF	Alpha	3	(Sales)	(8,042,314)	90 days	(4%)
0	The Company	QALA	1	Accounts receivable	10,528,447	OA90	6%
1	QCSZ	The Company	2	Accounts receivable	16,925,223	OA120	9%
2	QCOS	The Company	2	Accounts receivable	5,535,436	OA120	3%
3	QCES	The Company	2	Accounts receivable	1,973,219	OA120	1%

(Note1) Parties to the intercompany transactions are identified and numbered as follows:

1. "0" represents the Company.
2. Subsidiaries are numbered from "1".

(Note2) The relationships with counter party are as follows:

- No. "1" represents the transactions from the Company to subsidiary.
- No. "2" represents the transactions from subsidiary to the Company.
- No. "3" represents the transactions between subsidiaries.

(Note3) Intercompany relationships and significant intercompany transactions are disclosed only for the amounts that exceed 1% of consolidated operating revenue or total assets.

The corresponding purchases and accounts payables are not disclosed.

(Note4) Based on the transaction amount divided by consolidated operating revenues or consolidated total assets.

(Note5) The above intercompany transactions have been eliminated when preparing the consolidated financial statements.



**QISDA CORPORATION AND SUBSIDIARIES**  
**Information of Investees (Excluding Information on investments in Mainland China)**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars / shares, unless specified otherwise)**

Table 9

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Maximum percentage of ownership during 2023		Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value	Shares	Percentage of Ownership			
The Company	DFN	Taiwan	Manufacture and sale of computer peripherals, power devices, green energy products and passive components	662,195	662,195	58,005	20.87%	2,546,239	58,005	20.87%	1,650,873	334,479	Associate
The Company	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	507,883	507,883	43,659	13.61%	715,694	43,659	13.61%	414,352	59,168	Parent/Subsidiary
The Company	BenQ	Taiwan	Sales of brand-name electronic products	4,963,435	4,963,435	320,000	100.00%	9,074,526	320,000	100.00%	1,451,193	1,446,624	Parent/Subsidiary
The Company	QALA	USA	Sales of electronic products	32,800	32,800	1,000	100.00%	70,580	1,000	100.00%	7,800	7,800	Parent/Subsidiary
The Company	QJTO	Japan	Sales and maintenance of electronic products in Japanese market	2,701	2,701	-	100.00%	40,250	-	100.00%	(2,839)	(2,839)	Parent/Subsidiary
The Company	QLPG	Malaysia	Leasing and management services	578,128	578,128	50,000	100.00%	366,535	50,000	100.00%	(11,938)	(11,938)	Parent/Subsidiary
The Company	QLLB	Malaysia	Investment and holding activity	3,687,539	3,687,539	114,250	100.00%	16,325,539	114,250	100.00%	752,768	534,692	Parent/Subsidiary
The Company	APV	Taiwan	Investment and holding activity	570,016	570,016	201,181	100.00%	3,804,909	201,181	100.00%	315,069	315,069	Parent/Subsidiary
The Company	Darly	Malaysia	Investment and holding activity	165,000	165,000	6,000	100.00%	275,239	6,000	100.00%	44,410	44,410	Parent/Subsidiary
The Company	BBHC	Cayman	Investment and holding activity	7,789,187	1,503,504	108,555	44.32%	2,816,442	108,555	44.32%	759,612	203,563	Parent/Subsidiary
The Company	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripheral	1,475,978	1,475,978	43,577	58.04%	1,335,090	43,577	58.04%	108,513	38,365	Parent/Subsidiary
The Company	BDT	Taiwan	Manufacture and sale of medical consumable and equipment	280,000	280,000	28,000	100.00%	36,561	28,000	100.00%	(9,122)	(5,675)	Parent/Subsidiary
The Company	QTOS	Taiwan	Sales of electronic products	1,000	1,000	100	100.00%	1,017	100	100.00%	14	14	Parent/Subsidiary
The Company	Q.S.Control Corp.	Taiwan	R&D, manufacture and sales of medical consumables and equipments	63,000	63,000	6,000	20.00%	69,424	6,000	20.00%	30,578	6,011	Associate
The Company	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	3,154,750	3,154,750	51,610	45.08%	2,718,415	51,610	45.08%	361,685	82,616	Parent/Subsidiary
The Company	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	8,135,810	8,135,810	295,797	54.60%	7,725,175	295,797	54.60%	547,920	205,082	Parent/Subsidiary
The Company	K2	Taiwan	Sale of medical consumable and equipment	-	217,763	-	-	-	6,997	34.99%	90,251	18,105	Parent/Subsidiary
The Company	DIC	Taiwan	Manufacture and sales of marine display modules	260,000	260,000	20,000	28.82%	410,107	20,000	28.82%	278,863	80,620	Parent/Subsidiary
The Company	EASCHK	Hong Kong	Sales of electronic products	78,338	78,338	1	54.00%	91,688	1	54.00%	12,016	955	Parent/Subsidiary
The Company	MTG	Taiwan	Distributing and reselling software and hardware equipment of ICT infrastructures, computing & data utilization, and digitalization.	3,202,856	3,202,856	96,841	51.41%	2,737,028	96,841	51.41%	592,342	302,128	Parent/Subsidiary
The Company	Topview	Taiwan	Manufacture and sales of video surveillance cameras	172,500	172,500	5,750	20.00%	530,708	5,750	20.00%	183,134	32,861	Associate
The Company	QVH	Vietnam	Manufacture of monitors	1,212,849	1,212,849	-	100.00%	304,885	-	100.00%	(188,191)	(188,191)	Parent/Subsidiary
The Company	Simula	Taiwan	Manufacture and sales of electronic material	600,000	600,000	30,000	37.51%	565,240	30,000	37.51%	(83,450)	(47,006)	Parent/Subsidiary
The Company	GSC	Taiwan	Sale of alcohol and medical disinfectant	254,000	254,000	17,500	50.00%	322,588	10,000	50.00%	21,152	4,687	Parent/Subsidiary
The Company	TCI Gene	Taiwan	Genetic testing and wholesale of nutritional supplement	545,160	545,160	4,720	17.84%	514,309	4,720	17.84%	10,107	(11,890)	Associate
The Company	Rapidtek	Taiwan	Antenna design and production and sales of RF testing products	163,850	163,850	2,638	8.79%	137,042	2,260	9.05%	12,223	(9,511)	Associate
The Company	Norbel	Taiwan	Retail and wholesale of maternity and infant products, medical care products, dietary supplement, and cosmetics	1,800,000	-	10,000	28.54%	1,710,470	10,000	28.54%	208,037	10,786	Associate
The Company	H2 Energy Co., Ltd.	Taiwan	Energy service	1,500	-	150	30.00%	1,331	150	30.00%	(564)	(169)	Associate
BMC	BMLB	Malaysia	Investment and holding activity	499,790	1,141,340	14,082	100.00%	1,683,095	14,082	100.00%	(8,791)	-	Affiliates
BMC	SGM	Taiwan	Sales of medical consumables and equipment	231,727	231,727	2,000	100.00%	38,526	2,000	100.00%	21,965	-	Affiliates
BMC	Visco Vision Inc.	Taiwan	Manufacture and sale of contact lenses	168,771	168,771	9,334	14.82%	384,314	9,334	14.82%	301,613	-	Associate
BMC	Cenefom Corporation	Taiwan	R&D, manufacture and sale of medical consumable and equipment	272,968	272,968	11,646	50.98%	213,973	11,646	51.34%	(17,770)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Maximum percentage of ownership during 2023		Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value	Shares	Percentage of Ownership			
BMC	Genejet Biotech Co., Ltd.	Taiwan	R&D, manufacture and sale of medical consumable and equipment	47,860	43,316	4,070	75.63%	44,902	4,070	75.63%	390	-	Affiliates
BMC	WEB-PRO Corporation	Taiwan	R&D, manufacture and sale of medical supplies	3,161,999	-	35,700	51.00%	2,908,093	35,700	51.00%	234,992	-	Affiliates
BMC	MLK Bioscience Co., Ltd.	Taiwan	R&D, manufacture and sale of medical consumable and equipment	6,000	6,000	217	20.00%	4,086	217	20.00%	(1,306)	-	Associate
BMC	Kangde Corp.	Taiwan	Sale of medical consumable and equipment	5,980	5,980	598	9.98%	4,257	598	9.98%	(6,912)	-	Associate
WPC	WPSG	Singapore	Investment and holding activity	895,139	-	30,000	100.00%	765,713	30,000	100.00%	(67,969)	-	Affiliates
WPSG	WPVN	Vietnam	Manufacture and sale of medical supplies	926,053	-	-	100.00%	758,203	-	100.00%	(69,034)	-	Affiliates
APV	Darly C	Taiwan	Investment management consulting	77,933	77,933	12,105	45.11%	186,724	12,105	45.11%	14,392	-	Affiliates
APV	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	221,786	221,786	15,182	4.73%	274,420	15,182	4.73%	414,352	-	Affiliates
APV	BMTC	Taiwan	R&D, manufacture and sales of medical consumables and equipments	42,584	42,584	3,549	7.96%	88,115	3,549	7.96%	114,581	-	Affiliates
APV	BBHC	Cayman	Investment and holding activity	904,102	904,102	25,000	10.21%	648,478	25,000	10.21%	759,612	-	Affiliates
APV	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	112,080	112,080	6,006	8.00%	173,007	6,006	8.00%	108,513	-	Affiliates
APV	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	149,096	149,096	2,294	2.00%	151,468	2,294	2.00%	361,685	-	Affiliates
APV	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	284,143	284,143	12,236	2.26%	258,566	12,236	2.26%	547,920	-	Affiliates
APV	Topview	Taiwan	Manufacture and sales of video surveillance cameras	11,806	63,525	239	0.83%	28,683	1,286	4.47%	183,134	-	Associate
APV	DIC	Taiwan	Manufacture and sales of marine display modules	88,222	88,222	3,607	5.20%	91,182	3,607	5.20%	278,863	-	Affiliates
APV	Simula	Taiwan	Manufacture and sales of electronic material	201,673	201,673	5,390	6.74%	205,769	5,390	6.74%	(83,450)	-	Affiliates
APV	GSC	Taiwan	Sale of alcohol and medical disinfectant	150,000	150,000	17,500	50.00%	239,569	17,500	50.00%	21,152	-	Affiliates
APV	TCI Gene	Taiwan	Genetic testing and wholesale of nutritional supplement	189,516	189,516	1,480	5.59%	186,042	1,480	5.59%	10,107	-	Associate
APV	Rapidtek	Taiwan	Antenna design and production and sales of RF testing products	42,050	42,050	677	2.26%	41,335	580	2.32%	12,223	-	Associate
Darly C	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	273,445	273,445	12,710	2.35%	247,390	12,710	2.35%	547,920	-	Affiliates
Darly	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	30,456	30,456	7,800	12.50%	15,862	7,800	12.50%	5,728	-	Affiliates
Darly	BBHC	Cayman	Investment and holding activity	471,516	471,516	14,158	5.78%	367,027	14,158	5.78%	759,612	-	Affiliates
BenQ	BQA	USA	Sales of brand-name electronic products in North America markets	114,553	114,553	200	100.00%	1,148,329	200	100.00%	100,379	-	Affiliates
BenQ	BQL	USA	Sales of brand-name electronic products in Latin America markets	342,589	342,589	9,350	100.00%	92,586	9,350	100.00%	52,822	-	Affiliates
BenQ	BQE	The Netherlands	Sales of electronic products in European markets	960,568	960,568	5,009	100.00%	1,055,400	5,009	100.00%	112,835	-	Affiliates
BenQ	BenQ Mexico S. de R.L. de C.V.	Mexico	Sales of brand-name electronic products in Latin America markets	-	-	-	0.03%	-	-	0.03%	42,352	-	Affiliates
BenQ	BQP	Taiwan	Sales of brand-name electronic products in Asia markets	950,000	950,000	20,000	100.00%	647,208	20,000	100.00%	452,786	-	Affiliates
BenQ	Darly 2	Taiwan	Investment and holding activity	2,361,132	2,361,132	227,372	100.00%	4,387,170	227,372	100.00%	485,885	-	Affiliates
BenQ	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	74,021	74,021	23,400	37.50%	48,980	23,400	37.50%	5,728	-	Affiliates
BenQ	DFN	Taiwan	Manufacture and sale of computer peripherals, power devices, green energy products and passive components	233,491	233,491	14,017	5.04%	615,250	14,017	5.04%	1,650,873	-	Associate
BenQ	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	946,731	946,731	80,848	25.21%	1,461,333	80,848	25.21%	414,352	-	Affiliates
BenQ	BBHC	Cayman	Investment and holding activity	719,088	719,088	20,000	8.17%	518,479	20,000	8.17%	759,612	-	Affiliates
BenQ	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	235,069	235,069	19,353	43.43%	469,238	19,353	43.43%	114,581	-	Affiliates
BenQ	MQE	The Netherlands	Maintenance of brand-name electronic monitors and projectors in European markets	90,912	90,912	82	100.00%	81,656	82	100.00%	1,671	-	Affiliates
BenQ	INF	Taiwan	Assembly and sales of gaming electronic products	117,987	117,987	6,947	100.00%	93,266	6,947	100.00%	6,732	-	Affiliates
BenQ	BQHK_HLD	Hong Kong	Sales of brand-name electronic products in HK markets	118,282	118,282	4,000	100.00%	2,283,612	4,000	100.00%	403,804	-	Affiliates
BenQ	PT BenQ Teknologi Indonesia	Indonesia	Sales of electronic products	21	21	-	0.31%	59	-	0.31%	(10,443)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Maximum percentage of ownership during 2023		Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value	Shares	Percentage of Ownership			
BenQ	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	342	342	18	0.00%	354	18	0.00%	547,920	-	Affiliates
BQP	BenQ India Private Ltd.	India	Sales of electronic products	224,405	224,405	440,296	100.00%	133,196	440,296	100.00%	83,588	-	Affiliates
BQP	BenQ (M.E.) FZE	United Arab Emirates	Sales of electronic products	8,891	8,891	-	100.00%	141,081	-	100.00%	42,597	-	Affiliates
BQP	BenQ Japan Co., Ltd.	Japan	Sales of electronic products	4,518	4,518	-	100.00%	206,858	-	100.00%	31,868	-	Affiliates
BQP	BenQ Singapore Pte Ltd.	Singapore	Sales of electronic products	1,837	1,837	500	100.00%	5,604	500	100.00%	3,377	-	Affiliates
BQP	BenQ Australia Pte Ltd.	Australia	Sales of electronic products	132,590	132,590	2,191	100.00%	98,039	2,191	100.00%	5,781	-	Affiliates
BQP	BenQ Service & Marketing (M) Sdn Bhd	Malaysia	Sales of electronic products	119,488	119,488	100	100.00%	7,750	100	100.00%	(695)	-	Affiliates
BQP	BenQ (Thailand) Co., Ltd.	Thailand	Sales of electronic products	120,116	120,116	12,000	100.00%	(90,011)	12,000	100.00%	(16,958)	-	Affiliates
BQP	BenQ Korea Co., Ltd.	Korea	Sales of electronic products	1,713	1,713	10	100.00%	(2,235)	10	100.00%	(4,293)	-	Affiliates
BQP	PT BenQ Teknologi Indonesia	Indonesia	Sales of electronic products	6,901	6,901	6	99.69%	20,751	6	99.69%	(10,443)	-	Affiliates
BQP	BenQ Vietnam Co., Ltd.	Vietnam	Sales of electronic products	5,576	5,576	1	100.00%	4,418	1	100.00%	(138)	-	Affiliates
BQA	BenQ Canada Corp.	Canada	Sales of electronic products	26	26	1	100.00%	70,897	1	100.00%	2,638	-	Affiliates
BQL	BenQ Mexico S. de R.L. de C.V.	Mexico	Sales of electronic products	77,591	77,591	3	99.97%	118,201	3	99.97%	42,352	-	Affiliates
BQL	Joytech LLC	USA	Investment and holding activity	74,046	74,046	1	100.00%	(14,004)	1	100.00%	32,321	-	Affiliates
BQL	Vividtech LLC	USA	Investment and holding activity	74,046	74,046	1	100.00%	(14,004)	1	100.00%	32,321	-	Affiliates
BQL	BenQ Service de Mexico S.de R.L. de C.V.	Mexico	Providing administration and management services to affiliates	-	-	-	0.03%	-	-	0.03%	(5)	-	Affiliates
Joytech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of electronic products	74,046	74,046	1	50.00%	(14,004)	1	50.00%	64,642	-	Affiliates
Vividtech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of electronic products	74,046	74,046	1	50.00%	(14,004)	1	50.00%	64,642	-	Affiliates
BQmx	BenQ Service de Mexico S. de R.L. de C.V.	Mexico	Providing administration and management services to affiliates	87	87	3	99.97%	4,533	3	99.97%	(5)	-	Affiliates
Darly 2	Darly C	Taiwan	Investment management consulting	89,179	89,179	14,728	54.89%	227,195	14,728	54.89%	14,392	-	Affiliates
Darly 2	BBHC	Cayman	Investment and holding activity	2,122,721	2,122,721	65,024	26.55%	1,686,800	65,024	26.55%	759,612	-	Affiliates
Darly 2	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	121,860	121,860	31,200	50.00%	65,307	31,200	50.00%	5,728	-	Affiliates
Darly 2	BMTC	Taiwan	Manufacture and sales of medical consumables and equipment	27,337	27,337	1,590	3.57%	39,478	1,590	3.57%	114,581	-	Affiliates
Darly 2	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	49,426	49,426	1,648	2.19%	47,472	1,648	2.19%	108,513	-	Affiliates
Darly 2	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	596,382	596,382	9,175	8.01%	606,190	9,175	8.01%	361,685	-	Affiliates
Darly 2	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	79,990	79,990	4,185	0.77%	76,914	4,185	0.77%	547,920	-	Affiliates
Darly 2	K2	Taiwan	Sale of medical consumable and equipment	-	44,997	-	-	-	1,003	5.01%	90,251	-	Affiliates
Darly 2	DIC	Taiwan	Manufacture and sales of marine display modules	48,093	48,093	3,005	4.33%	72,717	3,005	4.33%	278,863	-	Affiliates
Darly 2	Topview	Taiwan	Manufacture and sales of video surveillance cameras	123,252	123,252	2,615	9.10%	315,985	2,615	9.10%	183,134	-	Associate
Darly 2	Simula	Taiwan	Manufacture and sales of electronic material	205,920	205,920	5,500	6.88%	209,945	5,500	6.88%	(83,450)	-	Affiliates
BQE	BenQ UK Limited	UK	Sales of electronic products	14,800	14,800	-	100.00%	82,685	-	100.00%	7,844	-	Affiliates
BQE	BenQ Deutschland GmbH	Germany	Sales of electronic products	25,587	25,587	-	100.00%	185,453	-	100.00%	3,296	-	Affiliates
BQE	BenQ Benelux B.V.	The Netherlands	Sales of electronic products	567	567	-	100.00%	(22,186)	-	100.00%	5,743	-	Affiliates
BQE	BenQ Austria GmbH	Austria	Sales of electronic products	1,091	1,091	-	100.00%	41,182	-	100.00%	3,290	-	Affiliates
BQE	BenQ Iberica S.L. Unipersonal	Spain	Sales of electronic products	4,677	4,677	-	100.00%	97,752	-	100.00%	6,816	-	Affiliates
BQE	BenQ Italy S.R.L.	Italy	Sales of electronic products	92,654	92,654	50	100.00%	85,506	50	100.00%	40,606	-	Affiliates
BQE	BenQ France SAS	France	Sales of electronic products	2,045	2,045	-	100.00%	(103,034)	-	100.00%	5,336	-	Affiliates
BQE	BenQ Nordic A.B.	Sweden	Sales of electronic products	445	445	-	100.00%	42,111	-	100.00%	3,656	-	Affiliates
BQE	BenQ LLC.	Russia	Providing administration and management services to affiliates	52	52	-	100.00%	16,423	-	100.00%	51	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Maximum percentage of ownership during 2023		Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value	Shares	Percentage of Ownership			
BMTC	Asiacconnect	Taiwan	Sales of medical consumables and equipment and software	21,984	21,984	1,995	99.75%	22,560	1,995	99.75%	450	-	Affiliates
BMTC	Highview	Samoa	Investment and holding activity	36,211	36,211	1,062	100.00%	19,710	1,062	100.00%	3,875	-	Affiliates
BMTC	LILY	Taiwan	Sales of medical consumables and equipment	185,000	185,000	10,000	100.00%	260,895	10,000	100.00%	31,244	-	Affiliates
BMTC	BABD	Taiwan	Sales of medical consumables and equipment	88,000	88,000	8,800	88.00%	58,786	8,800	88.00%	(1,374)	-	Affiliates
BMTC	BHS	Taiwan	Sales of medical consumables and equipment	100,000	100,000	10,000	100.00%	191,113	10,000	100.00%	64,604	-	Affiliates
BMTC	EASTECH	Taiwan	Sales of medical consumables and equipment	20,300	20,300	700	70.00%	35,644	700	70.00%	16,655	-	Affiliates
BMTC	Concord	Taiwan	Sales and purchase of medical products, medical equipment leasing and management consulting	190,000	190,000	133,333	40.00%	286,920	133,333	40.00%	42,744	-	Affiliates
BMTC	CCHC	Taiwan	Sales of medical consumables and equipment, and management consulting	-	40,000	-	-	-	-	-	-	-	Affiliates
BMTC	K2	Taiwan	Sales of medical consumables	390,000	-	7,800	39.00%	284,704	7,800	39.00%	90,251	-	Affiliates
Concord	CCHC	Taiwan	Sales of medical consumables and equipment, and management consulting	119,984	80,000	12,000	100.00%	120,758	12,000	100.00%	805	-	Affiliates
BHS	NBHIT	Taiwan	Sales of medical consumables and equipment	59,280	59,280	1,092	52.00%	84,905	1,092	52.00%	51,378	-	Affiliates
BHS	CKCARE	Taiwan	Sales of medical consumables and equipment	105,300	105,300	4,362	60.00%	107,662	4,362	60.00%	11,270	-	Affiliates
K2	K2 Medical (Thailand) Co., LTD	Thailand	Sales of medical consumables	15,919	15,919	-	49.00%	36,230	-	49.00%	14,983	-	Affiliates
K2	PT Frisedm Hoslab Indonesia	Indonesia	Sales of medical consumables	257,728	257,728	12	67.00%	311,015	12	67.00%	38,278	-	Affiliates
Asiacconnect	K2	Taiwan	Sales of medical consumables	10,000	-	200	1.00%	7,300	200	1.00%	90,251	-	Affiliates
PTT	WEBEST	Taiwan	Sales, import and export of electronic products	-	21,843	-	-	-	2,500	100.00%	7,103	-	Affiliates
PTT	PTUK	UK	Sales, import and export of electronic products	43,834	43,834	886	88.60%	42,733	886	88.60%	11,280	-	Affiliates
PTT	PTAP	Taiwan	Sales, import and export of electronic products	80,000	-	8,000	100.00%	69,843	8,000	100.00%	(4,467)	-	Affiliates
PTT	PTE	Germany	Sales, import and export of electronic products	51,451	51,451	(Note1)	50.02%	142,505	(Note1)	50.02%	8,218	-	Affiliates
PTT	PTME	United Arab Emirates	Sales, import and export of electronic products	137,387	137,387	0,099	99.00%	29,645	-	99.00%	(4,386)	-	Affiliates
PTT	PTSE	Singapore	Software development and sales of product	57,449	57,449	222	69.88%	62,989	222	69.88%	2,696	-	Affiliates
PTT	PTTN	Taiwan	Software development and sales of product	25,779	25,769	5,739	60.23%	83,725	5,739	60.23%	11,107	-	Affiliates
PTT	P&S	British Virgin Islands	Sales, import and export of electronic products	134,973	134,973	4,560	100.00%	161,888	4,560	100.00%	18,542	-	Affiliates
PTT	PTMG	Taiwan	Software development and sales of product	-	11,000	-	-	-	1,100	52.38%	8,070	-	Affiliates
PTT	PTNA	Morocco	Sales, import and export of electronic products	-	4,075	-	-	-	13	58.18%	-	-	Affiliates
PTTN	WEBEST	Taiwan	Sales, import and export of electronic products	29,254	-	2,500	100.00%	33,946	2,500	100.00%	7,103	-	Affiliates
PTTN	PTTN	Taiwan	Software development and sales of product	29,417	-	2,100	100.00%	34,593	2,100	100.00%	8,070	-	Affiliates
PTE	PTUK	UK	Sales, import and export of electronic products	5,640	5,640	114	11.40%	6,416	114	11.40%	11,280	-	Affiliates
PTE	Sloga	Slovenia	Sales, import and export of electronic products	980	980	(Note1)	90.00%	(15,500)	(Note1)	90.00%	(87)	-	Affiliates
PTE	RSS	Spain	Sales, import and export of electronic products	-	-	(Note1)	68.00%	12,603	(Note1)	68.00%	6,755	-	Affiliates
PTE	PTF	France	Sales, import and export of electronic products	1,641	1,641	(Note1)	70.00%	1,191	(Note1)	70.00%	-	-	Affiliates
PTME	E-POS	United Arab Emirates	Sales, import and export of electronic products	2,485	2,485	0.3	100.00%	4,256	0.3	100.00%	(1,776)	-	Affiliates
WEBEST	PTTN	Taiwan	Software development and sales of product	-	10	-	-	-	1	0.02%	-	-	Affiliates
WEBEST	PTNA	Morocco	Sales, import and export of electronic products	-	1	-	-	-	0.001	-	-	-	Affiliates
WEBEST	PTME	United Arab Emirates	Sales, import and export of electronic products	-	1,560	-	-	-	0.001	1.00%	-	-	Affiliates
P&S	PTU	USA	Sales, import and export of electronic products	31,593	31,593	1,091	100.00%	134,053	1,091	100.00%	31,391	-	Affiliates
PTAP	PTME	United Arab Emirates	Sales, import and export of electronic products	309	-	0.001	1.00%	232	0.001	1.00%	(4,386)	-	Affiliates
DFI	DFI AMERICA, LLC.	USA	Sales of industrial motherboards	254,683	254,683	1,209	100.00%	410,339	1,209	100.00%	22,661	-	Affiliates
DFI	Yan Tong Technology Ltd.	Mauritius	Investment and holding activity	107,198	107,198	3,500	100.00%	90,358	3,500	100.00%	(30,147)	-	Affiliates
DFI	DFI Co., Ltd.	Japan	Sales of industrial motherboards	104,489	104,489	6	100.00%	146,913	6	100.00%	36,325	-	Affiliates
DFI	Diamond Flower Information (NL) B.V.	The Netherlands	Sales of industrial motherboards	35,219	35,219	12	100.00%	147,819	12	100.00%	38,956	-	Affiliates
DFI	AEWIN	Taiwan	Manufacture and sale of industrial motherboards and component	564,191	564,191	30,376	51.38%	642,461	30,376	51.38%	26,616	-	Affiliates
DFI	ACE	Taiwan	Sales of automation mechanical transmission system and component	1,301,359	1,301,359	53,958	48.07%	1,040,700	53,958	48.07%	(20,946)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Maximum percentage of ownership during 2023		Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value	Shares	Percentage of Ownership			
DFI	Brainstorm	USA	Wholesale and retail of computer and peripheral products software	501,582	501,582	-	-	-	233	-	-	-	Affiliates
AEWIN	Wise Way	Anguilla	Investment and holding activity	46,129	46,129	1,500	100.00%	99,601	1,500	100.00%	(39,600)	-	Affiliates
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer peripheral products and software	77,791	77,791	2,560	100.00%	14,992	2,560	100.00%	(3,070)	-	Affiliates
Wise Way	Bright Profit	Hong Kong	Investment and holding activity	46,129	46,129	1,500	100.00%	146,275	1,500	100.00%	(39,601)	-	Affiliates
ACE	Cyber South	Samoa	Investment and holding activity	107,041	107,041	4,669	100.00%	537,147	4,669	100.00%	(36,131)	-	Affiliates
ACE	Hong Kong Ace Pillar Enterprise Company Limited	Hong Kong	Sales of automation mechanical transmission system and component	5,120	5,120	1,200	100.00%	4,714	1,200	100.00%	(1,320)	-	Affiliates
Cyber South	Proton Inc.	Samoa	Investment and holding activity	527,665	527,665	17,744	100.00%	417,001	17,744	100.00%	(36,653)	-	Affiliates
Cyber South	Ace Tek (HK) Holding Co., Ltd.	Hong Kong	Investment and holding activity	4,938	4,938	150	100.00%	2,595	150	100.00%	457	-	Affiliates
ACE	STC	Taiwan	Sales of semiconductor optoelectronic equipment and consumables, and equipment maintenance services	187,000	187,000	6,084	60.00%	218,794	6,084	60.00%	15,044	-	Affiliates
STC	Standard Technology Corp.	British Virgin Islands	Investment and holding activity	21,727	21,727	600	100.00%	111,374	600	100.00%	14,578	-	Affiliates
ACE	AEG	Taiwan	Energy service	166,760	166,760	4,993	99.86%	204,487	4,993	99.86%	25,114	-	Affiliates
AEG	Blue Walker GmbH	Germany	Sales and service of energy management product	138,804	138,804	(Note1)	100.00%	170,924	(Note1)	100.00%	24,094	-	Affiliates
DIC	Data Image (Mauritius) Corporation	Mauritius	Investment and holding activity	518,381	518,381	20,215	100.00%	472,173	20,215	100.00%	62,916	-	Affiliates
DIC	DIVA	Taiwan	Manufacture and sales of medical consumables and equipment	625,680	625,680	20,856	35.55%	622,870	20,856	35.55%	73,617	-	Affiliates
DIC	DMC Components International, LLC	Orlando, USA	Agency sales	24,304	24,304	300	30.00%	8,874	300	30.00%	3,163	-	Associate
DIVA	DIVA Laboratories GmbH	Germany	Sales of monitor	25,092	25,092	-	100.00%	1,179	-	100.00%	(220)	-	Affiliates
DIVA	DIVA Laboratories U.S., LLC	USA	Sales of monitor	35,858	35,858	-	100.00%	14,498	-	100.00%	2,709	-	Affiliates
DIVA	Panoramic Imaging Solutions Inc.	Taiwan	Sales of monitor	24,600	24,600	2,500	100.00%	24,156	2,500	100.00%	(1,510)	-	Affiliates
DIVA	Diva Capital Inc.	Samoa	Investments in Mainland China	52,908	52,908	-	100.00%	9,635	-	100.00%	1,253	-	Affiliates
DIVA	QUBYX Limited	UK	Sales and software development	-	17,815	-	-	-	2	60.00%	-	-	Associate
DIVA	The Linden Group Corp.	USA	Sales of monitor	30,015	30,015	-	19.00%	(1,590)	-	19.00%	(37,661)	-	Associate
Diva Capital Inc.	Diva Holding Inc.	Samoa	Investments in Mainland China	52,598	52,598	-	100.00%	9,630	-	100.00%	1,253	-	Affiliates
QUBYX Limited	QUBYX LTD	France	Sales and software development	-	38	-	-	-	1	100.00%	-	-	Associate
QUBYX Limited	QUBYX Software Technologies Inc	USA	Sales and software development	-	-	-	-	-	-	100.00%	-	-	Associate
EASCHK	Expert Alliance Smart Technology Co., Ltd.	Macao	Sales of electronic products and smart services	381	381	100	100.00%	6,636	100	100.00%	(4,214)	-	Affiliates
MTG	Ginnet	Taiwan	Sales of network and information and communication hardware and software	120,001	119,142	10,525	79.73%	180,736	10,525	79.73%	9,677	-	Affiliates
MTG	Epic Cloud	Taiwan	Software and data processing services	55,000	27,500	5,500	100.00%	61,848	5,500	100.00%	7,346	-	Affiliates
MTG	Corex	South Africa	Sales, purchase, import and export of electronic products	251,872	251,872	1	100.00%	181,325	1	100.00%	(65,054)	-	Affiliates
MTG	Statinc	Taiwan	Market research, marketing consultant and data processing service	69,983	69,983	1,754	34.99%	81,103	1,754	34.99%	(1,227)	-	Affiliates
MTG	Grandsys Inc.	Taiwan	Data software and data processing service	94,547	94,547	5,643	20.96%	114,326	5,643	20.96%	42,837	-	Associate
MTG	AdvancedTEK	Taiwan	Applications implement services	30,091	30,091	1,153	34.09%	38,499	1,153	34.09%	13,508	-	Affiliates
MTG	Everlasting Digital ESG Co., Ltd.	Taiwan	Sales and software development	5,000	5,000	500	29.41%	2,307	500	29.41%	(3,459)	-	Associate
MTG	MRU	Taiwan	R&D and sales of computer information system	31,000	31,000	2,000	100.00%	28,023	2,000	100.00%	2,442	-	Affiliates
MTG	Brainstorm	USA	Wholesale and retail of computers and peripherals product	530,075	-	233	35.09%	523,206	233	35.09%	16,230	-	Affiliates
Epic Cloud	Ginnet	Taiwan	Sales of network and information and communication hardware and software	172	172	10	0.08%	172	10	0.08%	9,677	-	Affiliates
Epic Cloud	Statinc	Taiwan	Market research, marketing consultant and data processing service	40	40	1	0.02%	40	1	0.02%	(1,227)	-	Affiliates
AdvancedTEK	APEO Human Capital Services Corp.	Taiwan	Implementaion of application software services	2,060	2,060	200	100.00%	2,692	200	100.00%	169	-	Affiliates
Statinc	Datta	Taiwan	Market research, marketing consultant and data processing service	20,000	20,000	2,000	100.00%	6,962	2,000	100.00%	(5,488)	-	Affiliates
Simula	Aspire Asia Inc.	British Virgin Islands	Investment and holding activity	286,764	286,764	9,403	100.00%	116,274	9,403	100.00%	(30,688)	-	Affiliates
Simula	Simula Technology Corp.	USA	Sales in North America	15,699	15,699	500	100.00%	44,911	500	100.00%	2,739	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Maximum percentage of ownership during 2023		Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value	Shares	Percentage of Ownership			
Simula	Simula Company Limited	Hong Kong	Investment and holding activity	187,625	187,625	50,500	52.31%	116,676	50,500	52.31%	(47,289)	-	Affiliates
Simula	Action Star Technology Co.,Ltd.	Taiwan	Manufacture of computer and peripherals products	983,858	983,858	32,001	59.35%	961,481	32,001	59.35%	9,370	-	Affiliates
Aspire Asia Inc.	Aspire Electronics Corp.	Samoa	Investment and holding activity	95,099	95,099	2,188	95.10%	10,079	2,188	95.10%	(8,578)	-	Affiliates
Aspire Asia Inc.	Simula Company Limited	Hong Kong	Investment and holding activity	181,726	181,726	46,033	47.69%	106,357	46,033	47.69%	(47,289)	-	Affiliates
GSC	Bigmin Bio-Tech Company Ltd.	Taiwan	Sale of alcohol and medical disinfectant	20,250	20,250	1,500	100.00%	31,343	1,500	100.00%	4,561	-	Affiliates
GSC	E-Strong Medical Technology Co., Ltd.	Taiwan	Manufacture of alcohol and dialysate	310,112	310,112	23,687	71.03%	308,976	23,687	71.03%	4,521	-	Affiliates
Alpha	AH	Cayman	Investment and holding activity	-	208,500	-	-	-	6,464	100.00%	-	-	Affiliates
Alpha	Alpha Solutions	Japan	Sale of network equipment, components and technical services	5,543	5,543	1	100.00%	17,676	1	100.00%	234	-	Affiliates
Alpha	Alpha USA	USA	Sale, marketing and procurement service in USA	51,092	51,092	1,500	100.00%	172,138	1,500	100.00%	13,822	-	Affiliates
Alpha	Alpha HK	Hong Kong	Investment and holding activity	3,143,628	3,143,628	780,911	100.00%	2,256,923	780,911	100.00%	110,387	-	Affiliates
Alpha	ATS	USA	Post-sale service	260,497	260,497	8,100	100.00%	191,730	8,100	100.00%	4,041	-	Affiliates
Alpha	Enrich	Taiwan	Investment and holding activity	400,000	400,000	40,000	100.00%	312,957	40,000	100.00%	1,355	-	Affiliates
Alpha	Hitron	Taiwan	Marketing on system integration of communication production and telecommunication products	4,811,000	4,811,000	200,000	62.24%	3,928,462	200,000	62.24%	4,879	-	Affiliates
Alpha	D-Link Asia	Singapore	Investment in manufacturing business	-	1,692,805	-	-	(Note3)	86,946	100.00%	(20,782)	-	Affiliates
Alpha	Alpha VN	Vietnam	Manufacture and sales of network products	1,195,424	703,056	-	100.00%	929,750	-	100.00%	(178,500)	-	Affiliates
Enrich	IDT	Taiwan	Telecommunication and broadband network system services	189,523	189,523	2,575	5.61%	119,772	2,575	6.40%	261,763	-	Affiliates
Enrich	Transnet	Taiwan	Operating in network communication products, provide system support services, integrated supply and import and export of network equipment	50,000	50,000	5,000	100.00%	16,739	5,000	100.00%	44	-	Affiliates
Enrich	APL	Taiwan	Sale of network equipment, components and technical services	80,000	80,000	8,000	98.92%	49,980	8,000	98.92%	(13,295)	-	Affiliates
Enrich	Rapidtek	Taiwan	Antenna design and production and sales of RF testing products	108,750	108,750	1,751	5.84%	107,298	1,500	6.01%	12,223	-	Associate
Hitron	HSM	Samoa	International trade	172,179	642,697	5,850	100.00%	187,851	5,850	100.00%	49,396	-	Affiliates
Hitron	IDT	Taiwan	Telecommunication and broadband network system services	126,091	126,091	16,703	36.39%	638,399	16,703	41.49%	261,763	-	Affiliates
Hitron	HVN	Vietnam	Production and sale of broadband telecommunications products	1,511,735	1,511,735	(Note1)	100.00%	2,798,108	(Note1)	100.00%	381,925	-	Affiliates
Hitron	HUS	USA	International trade	90,082	90,082	300	100.00%	294,821	300	100.00%	(82,795)	-	Affiliates
Hitron	HBV	The Netherlands	International trade	59,604	59,604	15	100.00%	66,652	15	100.00%	(35,857)	-	Affiliates
Hitron	HTG	Taiwan	Investment	20,000	20,000	2,000	100.00%	3,440	2,000	100.00%	(4)	-	Affiliates

(Note1) There was no shares as the company is a limited liability company.

(Note2) The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

(Note3) On December 28, 2023, Alpha entered into a stock transfer agreement to dispose the entire ownership of D-link Asia and Alpha DGF, which were reclassified as non-current assets held for sale.

**QISDA CORPORATION AND SUBSIDIARIES**  
**Information on investments in Mainland China**  
**For the year ended December 31, 2023**  
(Amounts in thousands of New Taiwan dollars and other currencies, unless specified otherwise)

Table 10

A. Qisda Corporation

1. Information on investments in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Qisda (Suzhou) Co., Ltd. ("QCSZ")	Manufacture of monitors and communication devices	2,275,500 (USD 74,000)	(Note 1)	2,183,250 (USD 71,000)	-	-	2,183,250 (USD 71,000)	595,756	100.00%	-	100.00%	595,756 (Note 3)	11,597,434	-
BenQ Medical (Shanghai) Co., Ltd. ("BMSH")	Sale of medical consumable and equipment	41,820 (USD 1,360)	(Note 10)	-	-	-	(3,995)	100.00%	-	100.00%	-	(3,995) (Note 4)	20,374	-
Qisda Electronics (Suzhou) Co., Ltd. ("QCES")	Manufacture of LCD module	362,850 (USD 11,800)	(Note 1)	362,850 (USD 11,800)	-	-	362,850 (USD 11,800)	64,084	100.00%	-	100.00%	64,084 (Note 3)	1,825,130	-
Qisda Optronics (Suzhou) Co., Ltd. ("QCOS")	Manufacture of projectors	383,145 (USD 12,460)	(Note 1)	383,145 (USD 12,460)	-	-	383,145 (USD 12,460)	179,827	100.00%	-	100.00%	179,827 (Note 3)	4,420,920	449,042 (USD 14,603)
Qisda (Shanghai) Co., Ltd. ("QCSH")	Manufacture of monitors	2,044,875 (USD 66,500)	(Note 1)	1,476,000 (USD 48,000)	-	-	1,476,000 (USD 48,000)	(15,085)	100.00%	-	100.00%	(15,085) (Note 4)	(1,537,050)	-
Qisda Precision Industry (Suzhou) Co., Ltd. ("QCPS")	Manufacture of plastic parts	153,750 (USD 5,000)	(Note 1)	146,063 (USD 4,750)	-	-	146,063 (USD 4,750)	2,830	100.00%	-	100.00%	2,830 (Note 4)	451,512	-
BenQ Intelligent Technology (Shanghai) Co., Ltd. ("BQC_RO")	Sales of brand-name electronic products in China markets	92,250 (USD 3,000)	(Note 1)	92,250 (USD 3,000)	-	-	92,250 (USD 3,000)	367,117	100.00%	-	100.00%	367,117 (Note 3)	2,059,609	-
BenQ Technology (Shanghai) Co., Ltd. ("BQls")	Sales of brand-name electronic products	30,750 (USD 1,000)	(Note 1)	6,150 (USD 200)	-	-	6,150 (USD 200)	13,784	100.00%	-	100.00%	13,784 (Note 4)	108,840	-
ShengCheng Trading (Shanghai) Co., Ltd. ("BQsha_EC2")	Sales of brand-name electronic products	3,075 (USD 100)	(Note 11)	-	-	-	11,402	100.00%	-	100.00%	-	11,402 (Note 4)	67,629	-
Nanjing BenQ Hospital Co., Ltd. ("NMH")	Medical services	5,596,961 (USD 182,015)	(Note 1)	4,249,896 (USD 138,208)	4,268,531 (USD 138,814)	-	8,518,427 (USD 277,022)	380,398	95.02%	-	95.02%	361,454 (Note 3)	3,606,493	-
Suzhou BenQ Hospital Co., Ltd. ("SMH")	Medical services	2,610,404 (CNY 601,975)	(Note 1)	1,677,320 (USD 54,547)	1,737,867 (USD 56,516)	-	3,415,187 (USD 111,063)	411,353	95.02%	-	95.02%	390,868 (Note 3)	1,614,670	-
BenQ Hospital Management Consulting (Nanjing) Co., Ltd. ("NMHC")	Medical management consulting	30,750 (USD 1,000)	(Note 1)	30,320 (USD 986)	28,382 (USD 923)	-	58,702 (USD 1,909)	(814)	95.02%	-	95.02%	(773) (Note 4)	20,835	-
Suzhou BenQ Investment Co., Ltd. ("BIC")	Investment and holding activity	922,500 (USD 30,000)	(Note 9)	194,894 (USD 6,338)	-	-	194,894 (USD 6,338)	141	95.02%	-	95.02%	134 (Note 4)	796,445	-
Nanjing Silvertown Health & Development Co., Ltd. ("NSHD")	Medical services	433,640 (CNY 100,000)	(Note 12)	87,238 (USD 2,837)	81,549 (USD 2,652)	-	168,787 (USD 5,489)	(29,572)	14.25%	-	14.25%	(4,214) (Note 4)	165,798 (Note 16)	-
BenQ Guru Software Co., Ltd. ("GSS")	R&D and sales of computer information systems	405,900 (USD 13,200)	(Note 1)	298,275 (USD 9,700)	-	-	298,275 (USD 9,700)	4,528	100.00%	-	100.00%	4,528 (Note 4)	14,738	-
BenQ Biotech (Shanghai) Co., Ltd. ("BBC")	Manufacture and sales of medical consumables and equipment	867,280 (CNY 200,000)	(Note 2)	888,962 (CNY 205,000)	216,820 (CNY 50,000)	-	1,105,782 (CNY 255,000)	(99,053)	70.00%	-	70.00%	(69,337) (Note 4)	667,389	-
Guangxi Youshan Medical Technology Co., Ltd. ("Youshan")	Sales of medical consumables and equipment	26,018 (CNY 6,000)	(Note 14)	-	-	-	(Note 14)	26,815	38.50%	-	38.50%	10,324 (Note 4)	25,971	-

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Wangcheng Medical Technology (Chengdu) Co., Ltd ("Wangcheng")	Sales of medical consumables and equipment	8,673 (CNY 2,000)	(Note 14)	-	-	-	(Note 14)	1,979	49.00%	-	49.00%	970 (Note 4)	6,956	-
Shanghai Filter Technology Co.,Ltd ("Filter")	Sales of medical consumables and equipment	325,230 (CNY 75,000)	(Note 14)	-	-	-	(Note 14)	(7,784)	70.00%	-	70.00%	(5,449) (Note 4)	222,123	-
Shanghai Perfusion Medical Technology Co.,Ltd ("Perfusion")	R&D and manufacture of medical consumables and equipment	21,682 (CNY 5,000)	(Note 14)	-	-	-	(Note 14)	(2,067)	35.70%	-	35.70%	(738) (Note 4)	7,012	-
Guigang Donghui Medical Investment Co., Ltd.	Medical services	2,928,236 (CNY 675,269)	(Note 13)	-	-	-	(Note 13)	(690,864)	13.43%	-	13.43%	(92,783) (Note 4)	346,238 (Note 16)	-
Shanghai Zhenglang Medical Equipment Co.,Ltd	Sales of medical consumables and equipment	26,018 (CNY 6,000)	(Note 14)	-	-	-	(Note 14)	10,080	35.70%	-	35.70%	3,599 (Note 4)	14,504	-
Jiangsu Yudi Optical Co.,Ltd ("Yudi")	Sales and manufacture of optical lens	350,728 (CNY 80,880)	(Note 15)	-	-	-	(Note 15)	155,307	20.01%	-	20.01%	31,077 (Note 4)	452,462 (Note 16)	-

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Direct investment in Mainland China.

(Note 3) Investment income or loss was recognized based on the audited financial statements issued by the auditors of the company or International CPA firm that has a cooperative relationship with ROC CPA firm.

(Note 4) Investment income or loss was recognized based on the unaudited financial statements of the company.

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75 and CNY\$1 = NT\$4.3364.

(Note 6) The amount of GRHK reinvestments US\$3,500 thousand were excluded.

(Note 7) The amount of QCES reinvestments US\$800 thousand were excluded.

(Note 8) The amount of QCES reinvestments US\$18,500 thousand were excluded.

(Note 9) The investment was from the operating capital of BBM.

(Note 10) The reinvestments were from the distribution of dividends of QLLB.

(Note 11) The reinvestments were from the distribution of dividends of BQHK.

(Note 12) NSHD is established by NMH's asset division.

(Note 13) The investment was from the operating capital of NMH.

(Note 14) The investment was from the operating capital of BBC.

(Note 15) The investment was from the operating capital of QCES.

(Note 16) Accounting for investments using equity method.

(Note 17) The above amounts have been eliminated when preparing the consolidated financial statement, except for NSHD, Guigang Donghui Medical Investment Co., Ltd. and Yudi, which was classified as investments accounted for using equity method.

## 2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
18,409,762 (USD 562,731 and CNY 255,000)	17,610,740 (Note 18) (USD 572,707)	(Note 19)

(Note 18) The investments amount of \$6,116,329 (US\$198,905) have yet to be authorized by Investment Commission, MOEA.

(Note 19) Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limit on investment in Mainland China.

## 3. Significant transactions with investee companies in Mainland China:

The transactions between parent and investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" and "Business relationships and significant intercompany transactions" for detail description.



B. BenQ Material Corporation

1. Information on investments in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
BenQ Material (Suzhou) Co., Ltd. ("BMS")	Manufacture of optoelectronics film	246,000 (USD8,000)	(Note 1)	891,750 (USD29,000)	-	641,550 (USD 21,000)	246,000 (USD 8,000)	62,933	100.00%	-	100.00%	62,933 (Note 2)	1,907,217 (Note 6)	-
Daxon Biomedical (Suzhou) Co., Ltd. ("DTB")	Service and sales of medical consumables	47,700 (CNY11,000)	(Note 4)	-	-	-	-	11,963	100.00%	-	100.00%	11,963 (Note 2)	37,864 (Note 6)	-
BenQ Materials (Wuhu) Co., Ltd. ("BMW")	Manufacture and sales of optoelectronics film and cosmetics	346,912 (CNY80,000)	(Note 1)	173,456 (CNY 40,000)	-	-	173,456 (CNY 40,000) (Note 5)	(84,788)	100.00%	-	100.00%	(83,481) (Note 2)	(265,293) (Note 6)	-
BenQ Materials Medical Supplies (Suzhou) Co., Ltd. ("BMM")	Manufacture and sales of medical consumables	65,046 (CNY15,000)	(Note 4)	-	-	-	-	1,175	100.00%	-	100.00%	1,175 (Note 2)	46,477 (Note 6)	-
Suzhou Sigma Medical Supplies Co., Ltd. ("SMSZ")	Sales of medical consumables and equipment	22,202 (USD722)	(Note 3)	22,202 (USD722)	-	-	22,202 (USD 722)	(1)	100.00%	-	100.00%	(1) (Note 2)	1,075 (Note 6)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMC	419,456 (USD8,000 and CNY40,000)	531,986 (USD8,000 and CNY65,950)	(Note 7)
SGM	22,202 (USD722)	22,202 (USD722)	80,000

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements issued by the auditors of BMC.

(Note 3) Direct investment in Mainland China.

(Note 4) The reinvestments were from the distribution of dividends of BMLB.

(Note 5) The amount of BMLB reinvestments CNY\$10,950 thousand were excluded.

(Note 6) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 7) Since BenQ Material Corporation has obtained the Certificate of Headquarter Operation, there is no upper limit on investment in Mainland China.

(Note 8) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75 and CNY\$1 = NT\$4.3364.

3. Significant transactions with investee companies in Mainland China:

The transactions between BMC and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" and "Business relationships and significant intercompany transactions" for detail description.

C. BenQ Medical Technology Corp.  
1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
BenQ Medical Technology (Shanghai) Ltd. ("BMTS")	Agency of international and entrepot trade business	30,750 ( USD 1,000)	(Note 1)	30,750 ( USD 1,000)	-	-	30,750 ( USD 1,000)	3,913	100.00%	(Note 8)	100.00%	3,913 (Note 6)	20,920 (Note 4)	-
LILY Medical (Suzhou) Co., Ltd. ("ALS")	Sales of medical consumables and equipment	6,458 ( USD 210)	(Note 2)	6,458 ( USD 210)	-	-	6,458 ( USD 210)	(593)	100.00%	(Note 8)	100.00%	(593) (Note 5)	1,162 (Note 4)	-
TDX Medical Technology (Jiangsu) Co., Ltd. ("TDX")	Sales of medical consumables and equipment	86,720 (CNY 20,000)	(Note 2)	34,688 (CNY 8,000)	-	(Note 9)	34,688 (CNY 8,000)	13,178	40.00%	(Note 8)	40.00%	5,548 (Note 5)	-	-
Suzhou Trident Original Medical Technology Co., Ltd.	Sales of medical consumables and equipment	8,672 (CNY 2,000)	(Note 3)	-	-	-	-	14,108	22.00%	(Note 8)	22.00%	3,104 (Note 5)	-	-
K2 (Shanghai) International Medical Inc.	Sales of medical consumables	38,438 (USD 1,250)	(Note 2)	59,440 ( USD 1,933)	-	-	59,440 ( USD 1,933)	36,887	100.00%	(Note 8)	100.00%	14,775 (Note 6)	50,384 (Note 4)	-

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Direct investment in Mainland China.

(Note 3) Invested in Mainland China is through TDX Medical Technology (Jiangsu) Co., Ltd.

(Note 4) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 5) Investment income or loss was recognized based on the unaudited financial statements of the company.

(Note 6) Investment income or loss was recognized based on the audited financial statements issued by the auditors of BMTC.

(Note 7) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75 and CNY\$1 = NT\$4.3364.

(Note 8) There was no shares as the investee company is a limited liability company.

(Note 9) In December 2023, BMTC disposed 40% ownership of TDX. As of December 31, 2023, the amount has yet to be collected and were recognized in other receivables.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMC	65,438 (USD 1,000 and CNY 8,000)	86,930 (USD 2,827)	659,896
SGM	6,458 (USD 210)	6,458 (USD 210)	121,201
K2	59,440 (USD 1,933)	59,440 (USD 1,933)	380,693

3. Significant transactions with investee companies in Mainland China:

The transactions between BMTC and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" and "Business relationships and significant intercompany transactions" for detail description.

D. Partner Tech Corp.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Partner Tech (Shanghai) Co., Ltd. ("PTCM")	Sales, purchase, import and export of electronic products	107,625 ( USD 3,500)	(Note 1)	107,625 ( USD 3,500)	-	-	107,625 ( USD 3,500)	(12,850)	100.00%	-	100.00%	(12,850) (Note 2)	57,664	-

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements issued by the auditors of PTT.

(Note 3) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.75.

(Note 4) The above amounts have been eliminated when preparing the consolidated financial statements.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
PTT	107,625 (USD 3,500)	212,360 (USD 6,906)	695,962

3. Significant transactions with investee companies in Mainland China:

The transactions between PTT and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" and "Business relationships and significant intercompany transactions" for detail description.

E. DFI Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss)	Carrying Value as of December 31, 2023 (Note 7)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Yan Tong Infotech (Dongguan) Co., Ltd. ("DYTI")	Manufacture and sales of industrial motherboards and component	-	(Note 1)	-	-	-	-	6,898	-	-	100.00%	6,898 (Note 2)	(Note 9)	97,179
Yan Ying Hao Trading (ShenZhen) Co., Ltd. ("DYTH")	Wholesale, import and export of industrial motherboards and component	13,840	(Note 1)	-	-	-	-	(30,156)	100.00%	-	100.00%	(30,156) (Note 2)	18,880	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
DFI	- (Note 3)	64,114 (USD 2,085) (Note 5 and 6)	2,989,729 (Note 4)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements issued by the auditors of DFI.

(Note 3) The reinvestments and authorized amount of DFI's subsidiaries is excluded from DFI's accumulated investment amounts and the investment amounts authorized by Investment Commission, MOEA.

(Note 4) Pursuant to "Principle of Investment or Technical Cooperation in Mainland China", investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 5) The investment amount of Dongguan Ri Tong Trading Co., Ltd. that has been liquidated was approved by Investment Commission, MOEA in August 2014 and had been deducted in the investment amount.

(Note 6) The earnings that has been remitted to DFI by DYTI was approved by the Investment Commission of the MOEA in February 2017 and had been deducted in the investment amount.

(Note 7) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 8) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.75.

(Note 9) The liquidation of Yan Tong Infotech (Dongguan) Co., Ltd. had been completed in August 2023 and the deregistration had been completed in November 2023.

3. Significant transactions with investee companies in Mainland China:

The transactions between DFI and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" and "Business relationships and significant intercompany transactions" for detail description.

F. Aewin Technologies Co., Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss)	Carrying Value as of December 31, 2023 (Note 5)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Aewin Beijing Technologies Co., Ltd.	Wholesale of computer peripheral products and software	46,129	(Note 1)	46,129	-	-	46,129	(39,601)	100.00%	-	100.00%	(39,601) (Note 3)	146,269	-
Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	15,265	(Note 2)	-	-	-	-	1,415	100.00%	-	100.00%	1,415 (Note 3)	(741)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
AEWIN	46,129 (USD 1,500)	61,500 (USD 2,000)	753,616 (Note 4)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Invested in Mainland China through Aewin Beijing Technologies Co., Ltd.

(Note 3) Investment income or loss was recognized based on the audited financial statements by the auditors of AEWIN.

(Note 4) Pursuant to “Principle of Investment or Technical Cooperation in Mainland China”, investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 5) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 6) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75.

3. Significant transactions with investee companies in Mainland China:

The transactions between AEWIN and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” and “Business relationships and significant intercompany transactions” for detail description.

G. Ace Pillar Co., Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss)	Carrying Value as of December 31, 2023 (Note 4)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	1,085,383	(Note 1)	59,963	-	-	59,963	(43,543)	100.00%	-	100.00%	(43,543) (Note 3)	493,717	125,533
Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	7,242	(Note 1)	4,920	-	-	4,920	2	100.00%	-	100.00%	2 (Note 3)	4,099	-
Advancedtek Ace (TJ) Inc.	Electronic system integration	9,225	(Note 1)	4,613	-	-	4,613	456	100.00%	-	100.00%	456 (Note 3)	2,568	-
Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	44,588	(Note 1)	(Note 2)	-	-	(Note 2)	1,461	100.00%	-	100.00%	1,461 (Note 3)	107,603	-
Standard International Trading (Shanghai) Co., Ltd.	Sales of semiconductor optoelectronics equipment and consumables and equipment repair services	14,760	(Note 1)	14,760	-	-	14,760	14,473	100.00%	-	100.00%	14,773 (Note 3)	107,939	134,972

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
ACE	157,409 (USD 5,119)	157,409 (USD 5,119)	1,238,555 (Note 5)
STC	14,760 (USD 480)	14,760 (USD 480)	113,103 (Note 5)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Established by Cyber South's reinvestment.

(Note 3) Investment income or loss was recognized based on the audited financial statements by the auditors of ACE.

(Note 4) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 5) Pursuant to "Principle of Investment or Technical Cooperation in Mainland China", investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 6) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.75 and CNY\$1=NT\$4.3364.

3. Significant transactions with investee companies in Mainland China:

The transactions between ACE and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" and "Business relationships and significant intercompany transactions" for detail description.

H. Data Image Corporation

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss) (Note 3)	Carrying Value as of December 31, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Data Image (Suzhou) Corporation	Manufacture and sales of LCD	534,081	(Note 1)	511,884	-	-	511,884	63,199	100.00%	-	100.00%	63,199	470,745	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 15,654	USD 16,952	890,107 (Note 4)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 3) Investment income or loss was recognized based on the audited financial statements issued by the auditors of DIC.

(Note 4) Investment amounts in Mainland China shall not exceed the 60% net worth of DIC according to MOEA letter No. 09704604680.

3. Significant transactions with investee companies in Mainland China:

The transactions between DIC and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" and "Business relationships and significant intercompany transactions" for detail description.

I.DIVA Laboratories. Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss) (Note 3)	Carrying Value as of December 31, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	52,643	(Note 1)	52,643	-	-	52,643	1,253	100.00%	-	100.00%	1,253	9,602	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 1,725	USD 2,000	619,681 (Note 4)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 3) Investment income or loss was recognized based on the audited financial statements issued by the auditors of DIVA.

(Note 4) Investment amounts in Mainland China shall not exceed the limit of net worth of DIVA according to MOEA letter No. 09704604680.

3. Significant transactions with investee companies in Mainland China:

The transactions between DIVA and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" and "Business relationships and significant intercompany transactions" for detail description.



J. Simula Technology Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss)	Carrying Value as of December 31, 2023 (Note 3)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	191,437	(Note 1)	141,375	-	-	141,375	(46,191)	100.00%	-	100.00%	(46,191) (Note 2)	132,843 (Note 4)	-
Opti Cloud Technologies, Inc.	R&D of High-speed optical transmission cable and module product technology	137,336	(Note 1)	95,099	-	-	95,099 (Note 4)	(2,830)	(Note 4)	-	51.18%	(1,448) (Note 2)	(Note 4)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Simula	257,755	307,187	1,251,806

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements by the auditors of Simula.

(Note 3) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 4) The liquidation procedure of Opti Cloud Technologies, Inc. had been completed on November 9, 2023 .

3. Significant transactions with investee companies in Mainland China:

The transactions between Simula and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” and “Business relationships and significant intercompany transactions” for detail description.

K.Alpha Networks Inc.  
1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss) (Note 2)	Carrying Value as of December 31, 2023 (Note 8)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
Alpha Networks (Chengdu) Co.,Ltd.	Research and development of network products	420,426	(Note 1 and 10)	420,426	-	-	420,426	21,245	100.00%	-	100.00%	21,245	463,192	147,231
Alpha Networks (Dongguan) Co., Ltd.	Production and sale of network products	97,023	(Note 1)	741,084	-	626,887	114,197 (Note 6)	(183,206)	100.00%	-	100.00%	(183,206)	(21,416)	692,935
Mirac Networks (Dongguan) Co.,Ltd.	Production and sale of network products	107,131 (Note 9)	(Note 1)	307,326	-	-	307,326	29,528	100.00%	-	100.00%	29,528	122,511	-
Alpha Networks (Changshu) Co., Ltd.	Production and sale of network products	1,925,920	(Note 1)	1,925,920	-	-	1,925,920	22,942	100.00%	-	100.00%	22,942	1,177,637	-
Alpha Networks (Changshu Trading) Co., Ltd.	Production and sale of network products	17,378	(Note 1)	-	-	-	-	(13,388)	100.00%	-	100.00%	(13,388)	4,211	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Alpha	2,634,897 (Note 3、4 and 7)	3,496,798	(Note 5)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements by the auditors of Alpha.

(Note 3) Accumulated investments in Alpha Dongguan did not include the previously invested by D-Link Corporation HKD69,387 thousand (equivalent to approximately \$303,055 thousand).

(Note 4) Alpha indirectly investment the subsidiary Tongying Trading (Shenzhen) Co., Ltd., has liquidated all rights and obligations in March 2008 and cancelled the registration. Accumulated outflow of \$9,828 thousand in Tongying Trading (Shenzhen) Co., Ltd., less the remittance amount of \$4,367 thousand equals \$5,461 thousand. It is still necessary to include in the accumulated investment amount by the principle of Investment Commission, MOEA.

(Note 5) As Alpha has obtained the certificate No. 11120417620 of being qualified for operating headquarters issued by Ministry of Economic Affairs on June, 8 2022, the upper limit on investment in mainland China pursuant to “Principle of investment or Technical Cooperation in Mainland China” issued by Investment Commission, MOEA on August, 29, 2008 is not applicable.

(Note 6) The investment of \$46,412 thousand is from the operating capital of D-Link Asia, so the accumulated investment amount from Taiwan is excluded at the end of the period.

(Note 7) Alpha indirectly investment the subsidiary Mingzhen (Changshu) has liquidated all rights and obligations on July 23, 2018 and cancelled the registration. Accumulated outflow of \$164,622 thousand is still necessary to include in the accumulated investment amount by the principle of Investment Commission, MOEA.

(Note 8) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 9) On December 19, 2022, the related registration of capital reduction has been completed while the capital has not been remitted as of December 31, 2023.

(Note 10) Alpha CD was previously reinvested through D-Link Asia. D-Link Asia entered into an agreement with Alpha to transfer the entire ownership of Alpha CD to Alpha on June 15, 2023.

3. Significant transactions with investee companies in Mainland China:

The transactions between Alpha and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” and “Business relationships and significant intercompany transactions” for detail description.

L.Hitron Technologies Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Maximum percentage of ownership during 2023		Investment Income (Loss)	Carrying Value as of December 31, 2023 (Note 4)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow				Shares	Percentage of Ownership			
HSZ	Production and sale of broadband telecommunications products	171,245	(Note 1)	641,763	-	470,518	171,245	49,387	100.00%	-	100.00%	49,387 (Note 2)	190,836	-
HJT	Sale of broadband network products and related services	31,139	(Note 1)	31,139	-	-	31,139	(11)	100.00%	-	100.00%	(11) (Note 2)	3,670	-
IHC	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	5,814	(Note 1 and 3)	12,048	-	-	12,048	2,562	36.39%	-	41.49%	1,020	4,945	24,264

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Hitron	214,432	214,432	2,951,701

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements by the auditors of Hitron.

(Note 3) IHC is a China based investment company which was originally invested by Hitron (Samoa), however, IHC has been 100% owned by IDT due to the Group's restructuring decision resolved in year 2012.

(Note 4) The above amounts have been eliminated when preparing the consolidated financial statements.

3. Significant transactions with investee companies in Mainland China:

The transactions between Hitron and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" and "Business relationships and significant intercompany transactions" for detail description.

**QISDA CORPORATION**

**Parent-Company-Only Financial Statements  
With Independent Auditors' Report  
For the Years Ended December 31, 2023 and 2022**

Address: No. 157, Shan-Ying Rd., Gueishan Dist., Taoyuan City, Taiwan  
Telephone: 886-3-359-8800

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

## **Independent Auditors' Report**

To the Board of Directors of Qisda Corporation:

### **Opinion**

We have audited the parent-company-only financial statements of Qisda Corporation, which comprise the parent-company-only balance sheets as of December 31, 2023 and 2022, the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter section), the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of Qisda Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### **Basis for Opinion**

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

### **Key Audit Matters**

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

Key audit matters for Qisda Corporation's parent-company-only financial statements for the year ended December 31, 2023 are stated as follows:

1. Revenue recognition

Please refer to Note 4(p) for the accounting policy on revenue recognition, and Note 6(v) for the related disclosures of revenue, respectively, to the parent-company-only financial statements.

Description of key audit matter:

Qisda Corporation recognizes revenue depending on the various trade terms in each individual sale transaction, which are considered to be complex in determining the timing of revenue recognition. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matters above, our principal audit procedures included performing a sample test on the design and operating effectiveness of Qisda Corporation's internal controls over financial reporting related to the sales and collection cycle; assessing whether revenue is recognized based on the trade terms with customers through reviewing the related sales contracts or other trade documents; performing a sample test on the sales transactions that took place before and after the balance sheet date to determine when the performance obligation has been satisfied by transferring control over the goods to a customer to assess the accuracy of the timing of revenue recognition; reviewing and analyzing the reason for significant sales returns and allowances that took place after the balance sheet date to assess the reasonableness of the related accrued sales returns and allowances.

2. Valuation of inventories

Please refer to Note 4(g) for the inventory accounting policy, Note 5(a) for estimation uncertainty of inventory valuation, and Note 6(f) for the related inventory write-down disclosures, respectively, to the parent-company-only financial statements.

Description of key audit matter:

Inventories are measured at the lower of cost and net realizable value. Due to the rapid technological innovations and highly competitive environments in the electronic industry which Qisda Corporation is engaged in, the life cycle of electronic products are short and their market prices fluctuate rapidly, which could possibly result in a price decline and obsolescence of inventory, wherein the inventory cost may exceed its net realizable value. Therefore, the valuation of inventories has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included reviewing the inventory of aging report and analyzing the fluctuation of inventory aging; selecting samples to verify the accuracy of the net realizable value of inventories and inventory aging report prepared by Qisda Corporation; evaluating whether valuation of inventories was accounted for in accordance with Qisda Corporation's accounting policies; and assessing the reasonableness of management's accounting policies on inventory provisions.

### 3. Assessment of impairment of goodwill from investments in subsidiaries

Please refer to Note 4(n) for the accounting policy on impairment of non-financial assets, Note 5(b) for the estimation uncertainty of impairment of goodwill, and Note 6(g) for the related disclosures of goodwill impairment test, respectively, to the parent-company-only financial statements.

Description of key audit matter:

Goodwill arising from acquisition of subsidiaries, which are included in the carrying amount of investments accounted for using the equity method, is subject to impairment test annually or at the time there are indications that goodwill may have been impaired. The assessment of the recoverable amount of goodwill involves management's judgment and estimation. Accordingly, the assessment of impairment of goodwill has been identified as one of the key audit matters.

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions, including the discount rate, expected sales growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis to assess the impact of variation in key assumptions; and assessing the adequacy of Qisda Corporation's disclosures with respect to evaluation of goodwill impairment.

#### **Other Matter**

We did not audit the financial statements of certain investees accounted for using the equity method of Qisda Corporation. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those investees, is based solely on the report of other auditors. Those investments accounted for using the equity method amounted to NTD 1,554,960 thousand and NTD 2,221,412 thousand, respectively, constituting 1.55% and 2.27%, respectively, of the total assets as of December 31, 2023 and 2022, and the related shares of profit of subsidiaries amounted to NTD 48,820 thousand and NTD 369,922 thousand, respectively, constituting 1.64% and 4.41%, respectively, of the total income before income tax for the years ended December 31, 2023 and 2022.

#### **Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements**

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing Qisda Corporation's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Qisda Corporation's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Qisda Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Qisda Corporation to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investees accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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



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

The engagement partners on the audit resulting in this independent auditors' report are Chang, Huei-Chen and Shih, Wei-Ming.

KPMG

Taipei, Taiwan (Republic of China)

March 5, 2024

#### **Notes to Readers**

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

The independent auditors' audit report and the accompanying parent-company-only 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' audit report and parent-company-only financial statements, the Chinese version shall prevail.

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION**

**Parent-Company-Only Balance Sheets**

**December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

Assets		December 31, 2023		December 31, 2022		Liabilities and Equity		December 31, 2023		December 31, 2022	
		Amount	%	Amount	%			Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (note 6(a))	\$ 2,532,956	3	1,442,156	1	2100	Short-term borrowings (note 6(l))	\$ 6,500,000	6	1,870,000	2
1110	Financial assets at fair value through profit or loss – current (note 6(b))	133,486	-	9,010	-	2120	Financial liabilities at fair value through profit or loss – current (note 6(b))	-	-	13,030	-
1170	Notes and accounts receivable, net (notes 6(d) and (v))	8,920,059	9	10,091,112	10	2130	Contract liabilities – current (note 6(v))	781,653	1	702,353	1
1181	Notes and accounts receivable from related parties (notes 6(d), (v) and 7)	14,112,765	14	11,574,537	12	2170	Notes and accounts payable	1,757,130	2	870,439	1
1200	Other receivables (note 6(e))	5,160	-	34,219	-	2180	Accounts payable to related parties (note 7)	24,571,162	24	17,825,473	18
1210	Other receivables from related parties (notes 6(e) and 7)	6,717	-	10,007	-	2200	Other payables (note 6(w))	2,400,945	2	2,233,938	2
130X	Inventories (note 6(f))	6,199,272	6	6,529,066	7	2230	Current income tax liabilities	107,814	-	296,698	-
1470	Other current assets	50,532	-	78,253	-	2322	Current portion of long-term debt (notes 6(m) and 8)	525,193	1	739,399	1
	<b>Total current assets</b>	<u>31,960,947</u>	<u>32</u>	<u>29,768,360</u>	<u>30</u>	2280	Lease liabilities – current (notes 6(o) and 7)	139,704	-	137,022	-
<b>Non-current assets:</b>						2250	Provisions – current (note 6(p))	16,426	-	23,769	-
1517	Financial assets at fair value through other comprehensive income – non-current (note 6(c))	9,709,736	10	8,182,595	8	2300	Other current liabilities	70,427	-	68,274	-
1550	Investments accounted for using the equity method (notes 6(g) and 8)	55,698,948	55	56,382,005	58	2365	Refund liabilities – current	1,489,929	2	1,677,520	2
1600	Property, plant and equipment (notes 6(h), 7 and 8)	2,021,479	2	2,106,101	2		<b>Total current liabilities</b>	<u>38,360,383</u>	<u>38</u>	<u>26,457,915</u>	<u>27</u>
1755	Right-of-use assets (notes 6(i) and 7)	343,637	-	435,611	1	<b>Non-current liabilities:</b>					
1760	Investment property (note 6(j))	105,934	-	131,879	-	2530	Bonds payable (note 6(n))	2,996,090	3	2,995,015	3
1780	Intangible assets (note 6(k))	197,775	-	213,195	-	2540	Long-term debt (notes 6(m) and 8)	21,405,611	21	26,760,509	27
1840	Deferred income tax assets (note 6(s))	467,359	1	502,513	1	2580	Lease liabilities – non-current (notes 6(o) and 7)	370,048	1	500,255	1
1900	Other non-current assets	20,593	-	20,407	-	2550	Provisions – non-current (note 6(p))	82,994	-	83,801	-
1980	Other financial assets – non-current	38,566	-	71,959	-	2570	Deferred income tax liabilities (note 6(s))	15,548	-	-	-
	<b>Total non-current assets</b>	<u>68,604,027</u>	<u>68</u>	<u>68,046,265</u>	<u>70</u>	2600	Other non-current liabilities (note 6(r))	276,942	-	290,816	-
							<b>Total non-current liabilities</b>	<u>25,147,233</u>	<u>25</u>	<u>30,630,396</u>	<u>31</u>
							<b>Total liabilities</b>	<u>63,507,616</u>	<u>63</u>	<u>57,088,311</u>	<u>58</u>
						<b>Equity (note 6(t)):</b>					
						3110	Common stock	19,667,820	19	19,667,820	20
						3200	Capital surplus	1,983,975	2	1,949,409	2
						3300	Retained earnings	18,793,317	19	24,185,472	25
						3400	Other equity	(3,387,754)	(3)	(5,076,387)	(5)
							<b>Total equity</b>	<u>37,057,358</u>	<u>37</u>	<u>40,726,314</u>	<u>42</u>
							<b>Total liabilities and equity</b>	<u>\$ 100,564,974</u>	<u>100</u>	<u>\$ 97,814,625</u>	<u>100</u>
	<b>Total assets</b>	<u>\$ 100,564,974</u>	<u>100</u>	<u>97,814,625</u>	<u>100</u>						

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION**

**Parent-Company-Only Statements of Comprehensive Income**

**For the years ended December 31, 2023 and 2022**

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

		2023		2022	
		Amount	%	Amount	%
4000	<b>Operating revenues (notes 6(v) and 7)</b>	\$ 75,425,479	100	101,928,525	100
5000	<b>Operating costs (notes 6(f), (h), (i), (j), (k), (o), (p), (r), (w), 7 and 12)</b>	<u>(71,847,173)</u>	<u>(95)</u>	<u>(96,586,328)</u>	<u>(95)</u>
	<b>Gross profit</b>	3,578,306	5	5,342,197	5
5910	Realized (unrealized) gross profit on sales to subsidiaries, associated and joint ventures	<u>(37,090)</u>	-	<u>(414,630)</u>	-
	<b>Realized or loss gross profit</b>	<u>3,541,216</u>	<u>5</u>	<u>4,927,567</u>	<u>5</u>
	<b>Operating expenses (notes 6(d), (h), (i), (j), (k), (o), (r), (w), 7 and 12):</b>				
6100	Selling expenses	(1,175,798)	(2)	(1,353,193)	(1)
6200	Administrative expenses	(819,338)	(1)	(953,419)	(1)
6300	Research and development expenses	(2,267,941)	(3)	(2,464,509)	(3)
6450	Gain on reversal of impairment loss (expected credit loss)	<u>12,981</u>	-	<u>(17,329)</u>	-
	<b>Total operating expenses</b>	<u>(4,250,096)</u>	<u>(6)</u>	<u>(4,788,450)</u>	<u>(5)</u>
	<b>Operating income</b>	<u>(708,880)</u>	<u>(1)</u>	<u>139,117</u>	-
	<b>Non-operating income and loss:</b>				
7100	Interest income (note 6(x))	99,692	-	20,696	-
7010	Other income (notes 6(o), (q), (x) and 7)	598,674	1	827,300	1
7020	Other gains and losses, net (notes 6(g) and (x))	284,821	-	(586,496)	(1)
7050	Finance costs (notes 6(o), (x) and 7)	(668,058)	(1)	(553,068)	-
7375	Share of profits of subsidiaries, associates and joint ventures (note 6(g))	<u>3,375,451</u>	<u>5</u>	<u>8,538,228</u>	<u>8</u>
	<b>Total non-operating income and loss</b>	<u>3,690,580</u>	<u>5</u>	<u>8,246,660</u>	<u>8</u>
	<b>Income before income tax</b>	2,981,700	4	8,385,777	8
7950	<b>Income tax expense (note 6(s))</b>	<u>(5,967)</u>	-	<u>(133,847)</u>	-
	<b>Net income</b>	<u>2,975,733</u>	<u>4</u>	<u>8,251,930</u>	<u>8</u>
	<b>Other comprehensive income (loss):</b>				
8310	<b>Items that will not be reclassified subsequently to profit or loss</b>				
8311	Remeasurements of defined benefit plans (notes 6(r) and (t))	1,840	-	127,921	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(t))	1,466,613	2	(5,899,090)	(6)
8330	Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures (notes 6(g) and (t))	674,731	1	(980,562)	(1)
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
		<u>2,143,184</u>	<u>3</u>	<u>(6,751,731)</u>	<u>(7)</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>				
8361	Exchange differences on translation of foreign operations (note 6(t))	(198,384)	-	2,598,267	3
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
		<u>(198,384)</u>	-	<u>2,598,267</u>	<u>3</u>
	<b>Other comprehensive income (loss) for the year, net of income tax</b>	<u>1,944,800</u>	<u>3</u>	<u>(4,153,464)</u>	<u>(4)</u>
	<b>Total comprehensive income for the year</b>	<u>\$ 4,920,533</u>	<u>7</u>	<u>4,098,466</u>	<u>4</u>
	<b>Earnings per share (in New Taiwan Dollars) (note 6(u)):</b>				
9750	Basic earnings per share	<u>\$ 1.51</u>		<u>4.20</u>	
9850	Diluted earnings per share	<u>\$ 1.51</u>		<u>4.14</u>	

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION**

**Parent-Company-Only Statements of Changes in Equity**

**For the years ended December 31, 2023 and 2022**

(Expressed in Thousands of New Taiwan Dollars)

	Retained earnings					Total other equity					Total equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other equity	
<b>Balance at January 1, 2022</b>	\$ 19,667,820	1,844,310	2,639,376	1,264,645	16,873,494	20,777,515	(1,723,237)	1,378,567	(488,552)	(833,222)	41,456,423
Net income in 2022	-	-	-	-	8,251,930	8,251,930	-	-	-	-	8,251,930
Other comprehensive income (loss) in 2022	-	-	-	-	-	-	2,598,267	(6,952,755)	201,024	(4,153,464)	(4,153,464)
Total comprehensive income (loss) in 2022	-	-	-	-	8,251,930	8,251,930	2,598,267	(6,952,755)	201,024	(4,153,464)	4,098,466
Appropriation of earnings:											
Legal reserve	-	-	798,486	-	(798,486)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(431,423)	431,423	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(4,916,955)	(4,916,955)	-	-	-	-	(4,916,955)
Share of changes in equity of subsidiaries, associates and joint ventures	-	101,703	-	-	-	-	-	-	-	-	101,703
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	-	-	-	-	(16,719)	(16,719)	-	-	-	-	(16,719)
Disposal of equity instruments measured at fair value through other comprehensive income by investees	-	-	-	-	89,701	89,701	-	(89,701)	-	(89,701)	-
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	-	3,396	-	-	-	-	-	-	-	-	3,396
<b>Balance at December 31, 2022</b>	<u>19,667,820</u>	<u>1,949,409</u>	<u>3,437,862</u>	<u>833,222</u>	<u>19,914,388</u>	<u>24,185,472</u>	<u>875,030</u>	<u>(5,663,889)</u>	<u>(287,528)</u>	<u>(5,076,387)</u>	<u>40,726,314</u>
Net income in 2023	-	-	-	-	2,975,733	2,975,733	-	-	-	-	2,975,733
Other comprehensive income (loss) in 2023	-	-	-	-	-	-	(198,384)	2,138,796	4,388	1,944,800	1,944,800
Total comprehensive income (loss) in 2023	-	-	-	-	2,975,733	2,975,733	(198,384)	2,138,796	4,388	1,944,800	4,920,533
Appropriation of earnings:											
Legal reserve	-	-	832,491	-	(832,491)	-	-	-	-	-	-
Special reserve	-	-	-	4,243,165	(4,243,165)	-	-	-	-	-	-
Cash dividends to shareholders	-	-	-	-	(3,933,564)	(3,933,564)	-	-	-	-	(3,933,564)
Share of changes in equity of subsidiaries, associates and joint ventures	-	30,238	-	-	-	-	-	-	-	-	30,238
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	-	1	-	-	(4,690,491)	(4,690,491)	-	-	-	-	(4,690,490)
Disposal of equity instruments measured at fair value through other comprehensive income by investees	-	-	-	-	256,167	256,167	-	(256,167)	-	(256,167)	-
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	-	4,252	-	-	-	-	-	-	-	-	4,252
Claim for the disgorgement right	-	75	-	-	-	-	-	-	-	-	75
<b>Balance at December 31, 2023</b>	<u>\$ 19,667,820</u>	<u>1,983,975</u>	<u>4,270,353</u>	<u>5,076,387</u>	<u>9,446,577</u>	<u>18,793,317</u>	<u>676,646</u>	<u>(3,781,260)</u>	<u>(283,140)</u>	<u>(3,387,754)</u>	<u>37,057,358</u>

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION**

**Parent-Company-Only Statements of Cash Flows**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from operating activities:</b>		
Income before income tax	\$ 2,981,700	8,385,777
<b>Adjustments for:</b>		
<b>Adjustments to reconcile profit or loss:</b>		
Depreciation	323,585	281,559
Amortization	67,774	64,958
Expected credit loss (gain on reversal of impairment loss)	(12,981)	17,329
Interest expense	668,058	553,068
Interest income	(99,692)	(20,696)
Dividend income	(437,858)	(667,761)
Share of profit of subsidiaries, associates and joint ventures	(3,375,451)	(8,538,228)
Gain on disposal of property, plant and equipment	(2,379)	(1,582)
Gain on disposal of investments	(273,124)	-
Unrealized gross profit on sales to subsidiaries, associates and joint ventures	37,090	414,630
Total adjustments for profit or loss	<u>(3,104,978)</u>	<u>(7,896,723)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(28,350)	(1,392)
Notes and accounts receivable	1,184,034	(2,772,906)
Notes and accounts receivable from related parties	(2,538,228)	1,227,980
Other receivables	29,059	55,483
Other receivables from related parties	3,290	(5,828)
Inventories	329,794	(656,685)
Other current assets	36,329	10,895
Other non-current assets	(9,701)	-
Net changes in operating assets	<u>(993,773)</u>	<u>(2,142,453)</u>
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	(13,030)	(7,345)
Notes and accounts payable	886,691	(637,887)
Accounts payable to related parties	6,745,689	(5,764,319)
Other payable to related parties	-	(725)
Provisions	(8,150)	762
Contract liabilities	79,300	146,045
Other payables and other current liabilities	(660,335)	(64,687)
Other non-current liabilities	(12,034)	(24,350)
Net changes in operating liabilities	<u>7,018,131</u>	<u>(6,352,506)</u>
Total changes in operating assets and liabilities	<u>6,024,358</u>	<u>(8,494,959)</u>
Total adjustments	<u>2,919,380</u>	<u>(16,391,682)</u>
Cash provided by (used in) operations	5,901,080	(8,005,905)
Interest received	99,692	20,696
Dividends received	8,441,851	3,934,787
Interest paid	(653,640)	(542,668)
Income taxes paid	(144,149)	(45,305)
<b>Net cash provided by (used in) operating activities</b>	<u>13,644,834</u>	<u>(4,638,395)</u>

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

**QISDA CORPORATION**

**Parent-Company-Only Statements of Cash Flows (Continued)**

**For the years ended December 31, 2023 and 2022**

**(Expressed in Thousands of New Taiwan Dollars)**

	<u>2023</u>	<u>2022</u>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	\$ (60,528)	(155,170)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	1,327,197
Purchase of financial assets at fair value through profit or loss	(96,126)	-
Purchase of investments accounted for using equity method	(7,613,201)	(796,210)
Proceeds from capital reduction of investments accounted for using equity method	-	2,196,615
Proceeds from disposal of investments accounted for using equity method	348,803	-
Additions to property, plant and equipment	(157,079)	(341,638)
Proceeds from disposal of property, plant and equipment	3,259	2,014
Additions to intangible assets	(15,906)	(21,393)
Decrease in other financial assets	33,393	204,941
<b>Net cash provided by (used in) investing activities</b>	<u>(7,557,385)</u>	<u>2,416,356</u>
<b>Cash flows from financing activities:</b>		
Increase (decrease) in short-term borrowings	4,630,000	(1,547,200)
Increase in long-term debt	30,964,413	24,190,000
Repayments of long-term debt	(36,524,399)	(17,728,282)
Payment of lease liabilities	(137,426)	(125,831)
Cash dividends to shareholders	(3,933,564)	(4,916,955)
Proceeds from issuing bonds	-	2,994,473
Proceeds from disposal of forfeited employee stock managed by an employee ownership trust	4,252	3,396
Claim for the disgorgement right	75	-
<b>Net cash provided by (used in) financing activities</b>	<u>(4,996,649)</u>	<u>2,869,601</u>
<b>Net increase in cash and cash equivalents</b>	1,090,800	647,562
<b>Cash and cash equivalents at beginning of year</b>	<u>1,442,156</u>	<u>794,594</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$ 2,532,956</u>	<u>1,442,156</u>

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

(English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese)

## QISDA CORPORATION

### Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2023 and 2022

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

#### 1. Organization and business

Qisda Corporation (the “Company”) was incorporated on April 21, 1984, as a company limited by shares under the laws of the Republic of China (“R.O.C.”) and registered under the Ministry of Economic Affairs, R.O.C. The address of the Company’s registered office is No. 157, Shan-Ying Rd., Gueishan Dist., Taoyuan City, Taiwan. The Company is engaged in the manufacturing, sales and services of high-end monitors and opto-mechatronics products.

#### 2. Authorization of the parent-company-only financial statements

These parent-company-only financial statements were authorized for issuance by the Board of Directors on March 5, 2024.

#### 3. Application of new and revised accounting standards and interpretations

- (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 Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2023:

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

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

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

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

The Company assesses that the adoption of the following new amendments, effective January 1, 2024, would not have a significant impact on its parent-company-only financial statements:

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

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

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

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its parent-company-only financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

**4. Summary of material accounting policies:**

The material accounting policies presented in the parent-company-only financial statements are summarized as follows and have applied consistently to all periods presented in these financial statements.

- (a) Statement of compliance

The Company’s accompanying parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the “Regulations”).

- (b) Basis of preparation

- (i) Basis of measurement

The accompanying parent-company-only financial statements have been prepared on a historical cost basis except for the following items:

- 1) Financial instruments measured at fair value through profit or loss (including derivative financial instruments);
- 2) Financial assets measured at fair value through other comprehensive income; and
- 3) Net defined benefit liabilities (assets) measured at recognized as the present value of the defined benefit obligation less the fair value of the plan assets.

- (ii) Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the Company operates. The Company’s parent-company-only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. Except when otherwise indicated, all financial information presented in New Taiwan dollars has been rounded to the nearest thousand.



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(c) Foreign currency

(i) Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period (“the reporting date”), monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising from acquisition, are translated into the presentation currency of the Company’s parent-company-only financial statements at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency of the Company’s parent-company-only financial statements at the average exchange rates for the period. All resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the accumulated exchange differences related to that foreign operation is reclassified to profit or loss. In the case of a partial disposal that does not result in the Company losing control over a subsidiary, the proportionate share of the accumulated exchange differences is reclassified to non-controlling interests. For a partial disposal of the Company’s ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, the monetary item is, in substance, a part of net investment in that foreign operation, and the related foreign exchange gains and losses thereon are recognized as other comprehensive income.

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

An asset is classified as current when one of following criteria is met; all other assets are classified as non-current assets.

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

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A liability is classified as current when one of following criteria is met; all other liabilities are classified as non-current liabilities:

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

(e) Cash and cash equivalents

Cash consists of cash on hand, checking deposits, and demand deposits. Cash equivalents consist of short-term and highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits that meet the aforesaid criteria and are not held for investing purposes are also classified as cash equivalents.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

(f) Financial instruments

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

(i) Financial assets

On initial recognition, financial assets are classified as measured at: amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). A regular way purchases or sales of financial assets is recognized or derecognized on a trade-date basis.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing its financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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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 financial 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 (SPPI) on the principal amount outstanding.

Subsequent to initial recognition, these assets are measured at amortized cost, using the effective interest method less impairment loss. Interest income, foreign exchange gains and losses, and recognition (reversal) of impairment loss are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Financial assets measured at fair value through other comprehensive income

A debt investment is measured at FVOCI 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 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 (SPPI) on the principal amount outstanding.

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

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment loss are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends 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 are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity is reclassified to retained earnings and is never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive the dividends is established (usually the ex-dividend date).

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3) Financial assets measured at fair value through profit or loss

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

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

4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

5) Assessment of whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, "principal" is defined as the fair value of the financial assets on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

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In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features)

6) Impairment of financial assets

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

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

- 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.

The Company measures loss allowances for accounts receivable 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 months 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 Company is exposed to credit risk.

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

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

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Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

7) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recognized at the amount of consideration received, less, the direct issuing cost.

2) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

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3) Derecognition of financial liabilities

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

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

4) Offsetting of financial assets and liabilities

Financial assets and liabilities are presented on a net basis only when the Company has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(iii) Derivative financial instruments

The Company uses derivative financial instruments are held to hedge the Company's foreign currency exposures. Derivatives are initially measured at fair value and attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss, and are included in non-operating income and loss. If the valuation of a derivative instrument is in a positive fair value, it is classified as a financial asset, otherwise, it is classified as a financial liability.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated based on the weighted-average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to the location and condition ready for sale. Fixed manufacturing overhead is allocated to finished products and work in process based on the higher of normal capacity or actual capacity; variable manufacturing overhead is allocated based on the actual capacity of machinery and equipment. Net realizable value represents the estimated selling price in the ordinary course of business, less, all estimated costs of completion and necessary selling expenses.

(h) Investment in associates

Associates are those entities in which the Company has significant influence, but not control or jointly control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost, plus, any transaction costs. The carrying amount of the investment in associates includes goodwill identified on acquisition, net of any accumulated impairment losses. When necessary, the entire carrying amount of the investment (including goodwill) will be tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized as other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When changes in an associate's equity are not recognized in profit or loss or other comprehensive income of the associate, and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the change in ownership interests of its associate as "capital surplus" in proportion to its ownership.

Unrealized gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated investors' interests in the associate.

Adjustments are made to associates' financial statements to conform to the accounting policies applied by the Company.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the recognition of further losses is discontinued. Additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

When an associate issues new shares and the Company does not subscribe to the new shares in proportion to its original ownership percentage, the Company's interest in the associate's net assets will be changed. The change in the equity interest is adjusted through the capital surplus and investment accounts. If the Company's capital surplus is insufficient to offset the adjustment to investment accounts, the difference is charged as a reduction of retained earnings. If the Company's interest in an associate is reduced due to the additional subscription to the shares of associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

(i) Investment in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under equity method, profit or loss, and other comprehensive income recognized in parent-company-only financial statement is in line with total comprehensive income attributable to the shareholders of the Company in the consolidated financial statements. In addition, changes in equity recognized in the parent-company-only financial statements is in line with the changes in equity attributable to shareholders of the Company in the consolidated financial statements.

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



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(j) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both. Investment property is measured at cost on initial recognition. Subsequent to initial recognition, investment property is measured at initial acquisition cost less accumulated depreciation and accumulated impairment losses. The methods for depreciating and determining the useful life and residual value of investment property are the same as those adopted for property, plant and equipment. Cost includes expenditure that is directly attributable to the acquisition of the investment property, bringing the investment property to the condition necessary for it to be available for use, and any borrowing cost that is eligible for capitalization.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

An investment property is reclassified to property, plant and equipment at its carrying amount when the purpose of the investment property has been changed from investment to owner-occupied.

(k) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated. The estimated useful lives for property, plant and equipment are as follows: buildings: 5 to 55 years; machinery and equipment: 2 to 10 years; furniture and fixtures: 3 years; and other equipment: 3 to 10 years.

Depreciation methods, useful lives, and residual values are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

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(l) Leases

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

(i) As a lessee

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

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

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

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

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

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

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

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

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

The Company presents right-of-use assets that do not meet the definition of investment properties, and lease liabilities as a separate line item respectively in the balance sheets.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

For operating lease, the Company recognizes rental income on a straight-line basis over the lease term.

(m) Intangible assets

Intangible assets including acquired software, and patents are carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss using the straight-line method over the estimated useful lives of 2 to 5 years.

The residual value, amortization period, and amortization method are reviewed at least at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

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(n) Impairment of non-financial assets

The Company assesses at the end of each reporting date whether there is any indication that the carrying amounts of non-financial assets (other than inventories and deferred tax assets) may be impaired. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually or when there are indications of impairment.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets. Goodwill arising from a business combination is allocated to cash-generating units ("CGUs") or groups of CGUs that are expected to benefit from the synergies of the combination.

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other non-financial assets, an impairment loss is reversed only to the extent that the asset's carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized for the assets in prior years.

(o) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

A provision for warranties is recognized when the underlying products or services are sold. This provision reflects the historical warranty claim rate and the weighting of all possible outcomes against their associated probabilities.

(p) Revenue recognition

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

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(i) Sale of goods

The Company recognizes revenue when control of the goods has been transferred to the customer, being when the goods are delivered to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the goods. Delivery occurs when the goods have been shipped to the specific location, and either the customer has accepted the goods in accordance with the terms of sales, the risks of obsolescence and loss have been transferred to the customer, and the Company has objective evidence that all criteria for acceptance have been satisfied. Sales discount and rebates are recognized and estimated based on historical experience and each contractual term. Revenue is only recognized to the extent that it is highly probable that a significant reversal will not occur. A refund liability is recognized for expected sales discounts and rebate payables to customers in relation to sales made until the end of the reporting period. No element of financing is deemed present as the sales are made with a credit term ranging from 30 to 120 days, which is consistent with the market practice.

The Company's obligation to provide a refund for faulty goods sold under the standard warranty terms is recognized as a provision for warranty; please refer to note 6(p).

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

(ii) Rendering of services

The Company's revenue from providing product design and development services is recognized in the accounting period in which services are rendered.

(iii) Financing components

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

(q) Government grants

A government grant is recognized in profit or loss only when there is reasonable assurance that the Company will comply with the conditions associated with the grant and that the grant will be received.

A government grant is recognized in profit or loss in the period in which it becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company without future related costs.

Loans from financial institutions with a guarantee from the government are recognized at fair value using the market interest rate. The difference between the fair value of the loan and the amount received is recorded as deferred income and recognized in non-operating income-other income on a systematic basis over the period of the loan.

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(r) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are expensed during the year in which employees render services.

(ii) Defined benefit plans

The liability recognized in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date, less, the fair value of plan assets. The discount rate for calculating the present value of the defined benefit obligation refers to the interest rate of high-quality government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating the term of the related pension obligation. The defined benefit obligation is calculated annually by qualified actuaries using the projected unit credit method.

When the benefits of a plan are improved, the expense related to the increased obligations resulting from the services rendered by employees in the past years are recognized in profit or loss immediately.

The remeasurements of the net defined benefit liability (asset) comprise 1) actuarial gains and losses; 2) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); and 3) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset). The remeasurements of the net defined benefit liabilities (asset) are recognized in other comprehensive income and then transferred to other equity.

The Company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment or settlement comprises any resulting change in the fair value of plan assets and any change in the present value of the defined benefit obligation.

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed during the period in which employees render services. A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to make such payments as a result of past service provided by the employees, and the obligation can be estimated reliably.

(s) Income taxes

Income taxes comprise current taxes and deferred taxes. Current and deferred taxes are recognized in profit or loss unless they relate to business combinations or items recognized directly in equity or other comprehensive income.

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

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Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

- (i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction 1) affects neither accounting nor taxable profits (losses) and 2) does not give rise to equal taxable and deductible temporary differences;
- (ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) Taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

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

The Company uses acquisition method for acquisitions of new subsidiaries. Goodwill is measured as the excess of the acquisition-date fair value of the consideration transferred (including any non-controlling interest in the acquiree) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the residual balance is negative, the Company shall re-assess whether it has correctly identified all of the assets acquired and liabilities assumed and record any additional assets or liabilities that are identified in that review, and shall recognize a gain on the bargain purchase thereafter.

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Acquisition-related costs are expensed as incurred except for the costs related to issuance of debt or equity instruments.

In a business combination achieved in stages, the Company shall re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in profit or loss. The amount previously recognized in other comprehensive income in relation to the changes in the value of the Company's equity interest should be reclassified to profit or loss on the same basis as would be required if the Company had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the provisional amounts for the items for which the accounting is incomplete are reported in the financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

Contingent consideration as part of the consideration transferred is measured at the acquisition date fair value. Any fluctuation of the fair value during the measurement period after acquisition date is retrospectively adjusted to the acquisition cost and goodwill. The adjustments are to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date. For the fair value adjustments of the contingent consideration that occurred not during the measurement period, the accounting treatment will be based on the classification of contingent consideration. Contingent consideration classified as equity cannot be re-measured and has to be adjusted under owner's equity. Other contingent consideration should be subsequently measured at fair value at the end of each reporting period, and recognized in profit or loss.

(u) Earnings per share ("EPS")

The basic and diluted EPS attributable to stockholders of the Company are disclosed in the financial statements. Basic EPS is calculated by dividing net income attributable to stockholders of the Company by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to stockholders of the Company and weighted-average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Company's dilutive potential common shares are profit sharing for employees to be settled in the form of common stock.

(v) Operating segments

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



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**5. Critical accounting judgments and key sources of estimation uncertainty**

The preparation of the parent-company-only financial statements in conformity with the Regulations Governing the Preparation of Financial Reports 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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and the future periods affected.

Information about judgments made in applying the accounting policies that have significant effects on the amounts recognized in the parent-company-only financial statements is as follows:

Judgment regarding whether the Company has substantial control over the investee. Please refer to consolidated financial statements for the year ended December 31, 2023.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included as follows:

(a) Valuation of inventories

Inventories are measured at the lower of cost and net realizable value. Due to the rapid technological innovations and highly competitive environments in the electronic industry, the life cycle of certain products of the Company are short and their market prices fluctuate rapidly, which could possibly result in a price decline and obsolescence of inventory, wherein the inventory cost may exceed its net realizable value. The net realizable value of the inventory is mainly determined based on assumption of future demand within a specific time horizon, which could result in significant adjustments.

(b) Assessment of impairment of goodwill from investments in subsidiaries

The assessment of impairment of goodwill requires the Company to make subjective judgments to identify cash-generating units, allocate the goodwill to relevant cash-generating units, and estimate the recoverable amount of relevant cash-generating units. Any changes in these estimates based on changed economic conditions or business strategies could result in significant adjustments in future years.

**6. Significant account disclosures**

(a) Cash and cash equivalents

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Demand deposits and checking accounts	\$ 180,482	372,223
Foreign currency deposits	2,352,474	1,069,933
	<b>\$ 2,532,956</b>	<b>1,442,156</b>

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(b) Financial instruments measured at fair value through profit or loss

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial assets at fair value through profit or loss – current:		
Foreign currency forward contracts	\$ 37,360	8,276
Foreign exchange swaps	-	734
Privately held equity securities	96,126	-
	<b>\$ 133,486</b>	<b>9,010</b>
Financial liabilities at fair value through profit or loss – current:		
Foreign exchange swaps	\$ -	<b>13,030</b>

Please refer to note 6(x) for the amounts of gain (loss) recognized related to financial assets measured at fair value.

The Company entered into derivative contracts to manage foreign currency exchange risk resulting from its operating and financing activities. As of December 31, 2023 and 2022, the outstanding derivative financial instruments did not conform to the criteria for hedge accounting consisted of the following:

(i) Foreign currency forward contracts

<b>December 31, 2023</b>		
	<b>Contract amount (in thousands)</b>	<b>Maturity period</b>
CNY Buy/ USD Sell	USD 46,550	2024/01~2024/02

<b>December 31, 2022</b>		
	<b>Contract amount (in thousands)</b>	<b>Maturity period</b>
MYR Buy/ USD Sell	MYR 41,000	2023/01~2023/02

(ii) Foreign exchange swaps

<b>December 31, 2022</b>		
	<b>Contract amount (in thousands)</b>	<b>Maturity period</b>
NTD Buy/ USD Sell	USD 160,000	2023/03

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- (c) Financial assets at fair value through other comprehensive income – non-current

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Equity investments at fair value through other comprehensive income:		
Domestic listed stocks	\$ 9,707,602	8,027,425
Privately held equity securities	2,134	155,170
	<b>\$ 9,709,736</b>	<b>8,182,595</b>

The Company designated the equity investments shown above as financial assets at fair value through other comprehensive income because these investments are held for long-term for strategic purposes and not for trading.

No strategic investments were disposed for the years ended December 31, 2023 and 2022, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

- (d) Notes and accounts receivable

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Notes and accounts receivable	\$ 8,967,138	10,151,172
Notes and accounts receivable from related parties	14,112,765	11,574,537
	23,079,903	21,725,709
Less: loss allowance	(47,079)	(60,060)
	<b>\$ 23,032,824</b>	<b>21,665,649</b>

- (i) The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables (including receivables from related parties). Forward-looking information is taken into consideration as well. Analysis of expected credit losses on notes and accounts receivable (including receivables from related parties) was as follows:

	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance</b>
Current	\$ 18,048,994	0.04%	6,589
Past due 1-90 days	5,026,952	0.73%	36,533
Past due over 91 days	3,957	100%	3,957
	<b>\$ 23,079,903</b>		<b>47,079</b>

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	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted-average loss rate</b>	<b>Loss allowance</b>
Current	\$ 15,556,367	0.04%	6,301
Past due 1-90 days	6,166,543	0.83%	50,960
Past due over 91 days	2,799	100%	2,799
	<b>\$ 21,725,709</b>		<b>60,060</b>

- (ii) Movements of the loss allowance for notes and accounts receivable (including receivables from related parties) were as follows:

	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 60,060	42,731
Impairment losses (gain on reversal of impairment loss)	(12,981)	17,329
Balance at December 31	<b>\$ 47,079</b>	<b>60,060</b>

- (iii) The Company entered into factoring contracts with financial institutions to sell its accounts receivable without recourse. According to these contracts, the Company is not responsible for any risk of uncollectible accounts receivable, but only for the loss due to commercial disputes. The Company derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The receivables from the financial institutions were recognized as “other receivables” upon the derecognition of those accounts receivable. Details of these contracts at each reporting date were as follows:

	<b>December 31, 2022</b>					
<b>Underwriting bank</b>	<b>Factored amount</b>	<b>Unpaid advance amount</b>	<b>Advance amount</b>	<b>Amount recognized in other receivables</b>	<b>Range of interest rates</b>	<b>Collateral</b>
Taishin International Bank	\$ <b>921,910</b>	-	<b>921,190</b>	-	5.48%	-

- (e) Other receivables

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Other receivables — others	\$ 5,160	34,219
Other receivables from related parties	6,717	10,007
	<b>\$ 11,877</b>	<b>44,226</b>

As of December 31, 2023 and 2022, no loss allowance was provided for other receivables after management’s assessment.

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(f) Inventories

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Raw materials	\$ 851,305	311,534
Work in process	141,245	168,200
Finished goods	4,687,098	5,202,619
Work in process – outsourced	469,966	764,626
Inventories in transit	49,658	82,087
	<b><u>\$ 6,199,272</u></b>	<b><u>6,529,066</u></b>

For the years ended December 31, 2023 and 2022, the cost of inventories sold amounted to \$71,761,378 and \$96,425,153, respectively, of which the write-downs of inventories to net realizable value amounted to \$12,090, and \$14,616, respectively.

(g) Investments accounted for using the equity method

A summary of the Company's investments accounted for using the equity method at the reporting date is as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Subsidiaries	\$ 50,189,425	53,441,900
Associates	5,509,523	2,940,105
	<b><u>\$ 55,698,948</u></b>	<b><u>56,382,005</u></b>

(i) Subsidiaries

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

For the year ended December 31, 2023, the Company acquired additional 24.74% ownership of BBHC from CDH Medical Services Limited for a cash consideration of \$5,656,725 and an investment payable of \$628,958, wherein the difference between the decrease in non-controlling interests and consideration paid amounting to \$4,732,601 was recognized as deductions to capital surplus – difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries and retained earnings.

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(ii) Impairment test on goodwill

The excess of acquisition over the Company's share of the net fair value of the identifiable assets acquired and liabilities assumed at the date of acquisition is recognized as goodwill, and any impairment of goodwill should be recognized as a deduction from the carrying amount of the investments accounted for using equity method. The carrying amounts of goodwill arising from business combinations of Alpha Networks Inc. ("Alpha"), DFI Inc. ("DFI") and Partner Tech Corp. ("PTT") and the respective CGUs to which the goodwill were allocated for impairment test purpose as of December 31, 2023 and 2022 were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Alpha	<u><u>\$ 1,730,813</u></u>	<u><u>1,730,813</u></u>
DFI	<u><u>\$ 1,427,555</u></u>	<u><u>1,427,555</u></u>
PTT	<u><u>\$ 810,579</u></u>	<u><u>810,579</u></u>

Each CGU or group of CGUs to which the goodwill is allocated represents the lowest level within the group, at which the goodwill is monitored for internal management purpose. Based on the results of impairment tests conducted by the Company, no impairment loss was recognized as of December 31, 2023 and 2022. The recoverable amount of a CGU was determined based on the value in use, and the related key assumptions were as follows:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Alpha :		
Revenue growth rate	13%~15%	11%
Discount rates	18.44%	18.11%
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
DFI :		
Revenue growth rate	7%~17%	7%~15%
Discount rates	16.80%	14.00%
	<b>December 31, 2023</b>	<b>December 31, 2022</b>
PTT :		
Revenue growth rate	6%	7%~13%
Discount rates	15.65%	16.20%

- 1) The cash flow projections were based on future financial budgets, covering a period of 5 years, approved by management. Cash flows beyond that 5-year period have been extrapolated using 0% to 2.28% growth rate.
- 2) The estimation of discount rate is based on the weighted average cost of capital.

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(iii) Investments in associates

Name of Associates	Main Business	Location	December 31, 2023		December 31, 2022	
			Percentage of voting rights	Carrying amount	Percentage of voting rights	Carrying amount
Darfon Electronics Corp. (“DFN”)	Manufacture and sale of computer peripheral products, power devices, green energy products and passive components	Taiwan	20.87 %	2,546,239	20.72 %	2,187,968
Norbel Baby Co., Ltd. (“Norbel”)	Retail and wholesale of maternity and infant products, medical care products, dietary supplement, and cosmetics	Taiwan	28.54 %	1,710,470	-	-
TCI GENE INC (“TCI Gene”)	Genetic testing and wholesale of nutritional supplement	Mainland China	17.84 %	514,309	17.84 %	532,266
Topview Optronics Corporation (“Topview”)	Manufacture, sales and import and export of video surveillance cameras	Taiwan	20.00 %	530,708	-	-
Others			-	<u>207,797</u>	-	<u>219,871</u>
				<u><b>\$ 5,509,523</b></u>		<u><b>2,940,105</b></u>

In the second quarter of 2023, the Company acquired 28.54% ownership of Norbel for a cash consideration of 1,800,000. The equity-method was used to account for the investments as the Company has significant influence over Norbel.

In June 2023, the Company’s disposed parts of its ownership in Topview, wherein three of its directors had resigned, failing to own the majority of the board seats of Topview as of June 30, 2023, resulting in the Company to lose control over Topview and its subsidiaries, who were then no longer a subsidiary of the Company. Investments in Topview were reclassified to investments accounted for using the equity method – associates, resulting in a gain on disposal of investment of \$273,124, which was included in other gains and losses.

In the second quarter of 2022, the Company invested an amount of \$545,160 in TCI GENE Inc. to acquire 17.84% ownership of TCI GENE Inc., wherein the Company has significant influence over it

In the fourth quarter of 2022, the Company invested an amount of \$163,850 in Rapidtek Technologies Inc. to acquire 17.38% ownership of Rapidtek Technologies Inc with its subsidiaries. The Company with its subsidiaries was elected as one of the five directors and has significant influence over Rapidtek Technologies Inc.

For the years ended December 31, 2023 and 2022, the Company’s shares of profits (losses) of associates amounted to \$336,818 and \$241,648, respectively.

The fair value of the investment in associates which are publicly traded were as follows:

	December 31, 2023	December 31, 2022
DFN	<u><b>\$ 3,143,871</b></u>	<u><b>2,192,589</b></u>

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The summarized financial information in respect of each of the Company's material associates is set out below:

- 1) The summarized financial information of DFN:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Current assets	\$ 21,637,187	21,691,365
Non-current assets	13,244,407	11,945,822
Current liabilities	(14,592,995)	(14,613,333)
Non-current liabilities	<u>(4,519,500)</u>	<u>(5,121,133)</u>
Equity	<b><u>\$ 15,769,099</u></b>	<b><u>13,902,721</u></b>
Equity attributable to non-controlling interests of DFN	<b><u>\$ 3,564,494</u></b>	<b><u>3,388,170</u></b>
Equity attributable to shareholders of DFN	<b><u>\$ 12,204,605</u></b>	<b><u>10,514,551</u></b>
	<b><u>2023</u></b>	<b><u>2022</u></b>
Net sales	<b><u>\$ 25,791,522</u></b>	<b><u>29,535,253</u></b>
Net income	\$ 1,897,101	1,453,820
Other comprehensive income	<u>945,051</u>	<u>385,471</u>
Total comprehensive income	<b><u>\$ 2,842,152</u></b>	<b><u>1,839,291</u></b>
Total comprehensive income attributable to non-controlling interests of DFN	<b><u>\$ 289,781</u></b>	<b><u>310,216</u></b>
Total comprehensive income attributable to shareholders of DFN	<b><u>\$ 2,552,371</u></b>	<b><u>1,529,075</u></b>
	<b><u>2023</u></b>	<b><u>2022</u></b>
The Company's share of equity of associates at January 1	\$ 2,187,968	2,040,465
Net income attributable to the Company	334,479	250,265
Other comprehensive income attributable to the Company	184,264	75,878
Capital surplus and other adjustments attributable to the Company	13,542	(4,626)
Dividends received from associates	<u>(174,014)</u>	<u>(174,014)</u>
The carrying amount of investments in the associates at December 313	<b><u>\$ 2,546,239</u></b>	<b><u>2,187,968</u></b>



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2) The summarized financial information of Norbel:

	<b>December 31, 2023</b>
Current assets	\$ 2,549,818
Non-current assets	1,967,855
Current liabilities	(716,744)
Non-current liabilities	<u>(840,762)</u>
Equity	<u><u>\$ 2,960,167</u></u>

	<b>From April 26, 2023 to December 31, 2023</b>
Net sales	<u>\$ 2,361,669</u>
Net income	\$ 114,962
Other comprehensive loss	<u>(1,108)</u>
Total comprehensive income	<u><u>\$ 113,854</u></u>

	<b>From April 26, 2023 to December 31, 2023</b>
The Company's share of equity of associates at April 26, 2023	\$ -
Purchase of investments	1,800,000
Net income attributable to the Company	10,786
Other comprehensive loss attributable to the Company	(316)
Dividends received from associates	<u>(100,000)</u>
The carrying amount of investments in the associates at December 31, 2023	<u><u>\$ 1,710,470</u></u>

3) Aggregate financial information of associates that were not individually material to the Company was summarized as follows. The financial information was included in the Company's parent-company-only financial statements.

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
The aggregate carrying amount of associates that were not individually material to the Company	<u><u>\$ 1,252,814</u></u>	<u><u>752,137</u></u>

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	<b>2023</b>	<b>2022</b>
Attributable to the Company:		
Net loss	\$ (8,447)	(8,617)
Other comprehensive income (loss)	1,362	(204)
Total comprehensive loss	\$ <b>(7,085)</b>	<b>(8,821)</b>

(h) Property, plant and equipment

	<b>Land</b>	<b>Buildings</b>	<b>Machinery</b>	<b>Other equipment</b>	<b>Construction in progress and equipment to be inspected</b>	<b>Total</b>
Cost:						
Balance at January 1, 2023	\$ 805,484	1,830,220	1,072,081	244,690	288,339	4,240,814
Additions	-	13,681	85,717	986	56,695	157,079
Disposals	-	-	(10,588)	(14,374)	-	(24,962)
Reclassification	-	5,204	181,256	16,833	(248,349)	(45,056)
Balance at December 31, 2023	\$ <b>805,484</b>	<b>1,849,105</b>	<b>1,328,466</b>	<b>248,135</b>	<b>96,685</b>	<b>4,327,875</b>
Balance at January 1, 2022	\$ 805,484	1,762,480	963,363	223,151	234,976	3,989,454
Additions	-	35,336	135,427	22,275	148,600	341,638
Disposals	-	-	(54,092)	(5,124)	-	(59,216)
Reclassification	-	32,404	27,383	4,388	(95,237)	(31,062)
Balance at December 31, 2022	\$ <b>805,484</b>	<b>1,830,220</b>	<b>1,072,081</b>	<b>244,690</b>	<b>288,339</b>	<b>4,240,814</b>
Accumulated depreciation:						
Balance at January 1, 2023	\$ -	1,296,478	662,089	176,146	-	2,134,713
Depreciation	-	45,940	118,067	31,758	-	195,765
Disposals	-	-	(10,588)	(13,494)	-	(24,082)
Balance at December 31, 2023	\$ -	<b>1,342,418</b>	<b>769,568</b>	<b>194,410</b>	-	<b>2,306,396</b>
Balance at January 1, 2022	\$ -	1,249,489	635,208	155,066	-	2,039,763
Depreciation	-	46,989	80,973	25,772	-	153,734
Disposals	-	-	(54,092)	(4,692)	-	(58,784)
Balance at December 31, 2022	\$ -	<b>1,296,478</b>	<b>662,089</b>	<b>176,146</b>	-	<b>2,134,713</b>
Carrying amounts:						
Balance at December 31, 2023	\$ <b>805,484</b>	<b>506,687</b>	<b>558,898</b>	<b>53,725</b>	<b>96,685</b>	<b>2,021,479</b>
Balance at December 31, 2022	\$ <b>805,484</b>	<b>533,742</b>	<b>409,992</b>	<b>68,544</b>	<b>288,339</b>	<b>2,106,101</b>

The Company has obtained a parcel of land located at Yilan County for a period of time, at the amount of \$104,324. Because of certain legal restrictions, this land was not registered under the name of the Company. In order to protect the Company's rights to this land, the Company entered into an agreement with the registered owner. The contract specified that the Company retain all rights and obligations of the land.

Please refer to note 8 for a description of the Company's property, plant and equipment pledged as collateral for long-term debt.

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(i) Right-of-use assets

	<b>Buildings</b>
Cost:	
Balance at January 1, 2023	\$ 950,424
Additions	9,901
Disposals	(10,021)
Reclassification to investment property	<u>(7,895)</u>
Balance at December 31, 2023	<b><u>\$ 942,409</u></b>
Balance at January 1, 2022	\$ 860,447
Disposals	(19,222)
Reclassification from investment property	<u>109,199</u>
Balance at December 31, 2022	<b><u>\$ 950,424</u></b>
Accumulated depreciation:	
Balance at January 1, 2023	\$ 514,813
Depreciation	98,256
Disposals	(10,021)
Reclassification to investment property	<u>(4,276)</u>
Balance at December 31, 2023	<b><u>\$ 598,772</u></b>
Balance at January 1, 2022	\$ 386,754
Depreciation	99,051
Reclassification from investment property	48,230
Disposals	<u>(19,222)</u>
Balance at December 31, 2022	<b><u>\$ 514,813</u></b>
Carrying amounts:	
Balance at December 31, 2023	<b><u>\$ 343,637</u></b>
Balance at December 31, 2022	<b><u>\$ 435,611</u></b>

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

(j) Investment property

	<u>Right-of-use assets — buildings</u>
Cost:	
Balance at January 1, 2023	\$ 287,736
Reclassification from right-of-use assets	<u>7,895</u>
Balance at December 31, 2023	<u><u>\$ 295,631</u></u>
Balance at January 1, 2022	\$ 396,935
Reclassification to right-of-use assets	<u>(109,199)</u>
Balance at December 31, 2022	<u><u>\$ 287,736</u></u>
Accumulated depreciation:	
Balance at January 1, 2023	\$ 155,857
Depreciation	29,564
Reclassification from right-of-use assets	<u>4,276</u>
Balance at December 31, 2023	<u><u>\$ 189,697</u></u>
Balance at January 1, 2022	\$ 175,313
Depreciation	28,774
Reclassification to right-of-use assets	<u>(48,230)</u>
Balance at December 31, 2022	<u><u>\$ 155,857</u></u>
Carrying amounts:	
Balance at December 31, 2023	<u><u>\$ 105,934</u></u>
Balance at December 31, 2022	<u><u>\$ 131,879</u></u>
Fair value:	
Balance at December 31, 2023	<u><u>\$ 158,653</u></u>
Balance at December 31, 2022	<u><u>\$ 165,790</u></u>

Investment property comprises a number of commercial properties that the Company leased to third parties. The fair value of the investment property is determined by considering the discounted value of the cash flow that the Company expects to receive the sub-lease rent. The inputs, which are used in the fair value measurement, were classified to Level 3.

As of December 31, 2023 and 2022, investment property was not pledged as collateral for bank loans.

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(k) Intangible assets

(i) The movements of cost and accumulated amortization of intangible assets were as follows:

	<u>Computer software</u>	<u>Others</u>	<u>Total</u>
Cost:			
Balance at January 1, 2023	\$ 349,774	13,008	362,782
Additions	240	15,666	15,906
Reclassification	<u>-</u>	<u>36,448</u>	<u>36,448</u>
Balance at December 31, 2023	<u>\$ 350,014</u>	<u>65,122</u>	<u>415,136</u>
Balance at January 1, 2022	\$ 288,351	19,344	307,695
Additions	19,843	1,550	21,393
Reclassification	<u>41,580</u>	<u>(7,886)</u>	<u>33,694</u>
Balance at December 31, 2022	<u>\$ 349,774</u>	<u>13,008</u>	<u>362,782</u>
Accumulated amortization:			
Balance at January 1, 2023	\$ 138,288	11,299	149,587
Amortization	<u>58,896</u>	<u>8,878</u>	<u>67,774</u>
Balance at December 31, 2023	<u>\$ 197,184</u>	<u>20,177</u>	<u>217,361</u>
Balance at January 1, 2022	\$ 71,287	10,490	81,777
Amortization	56,263	8,695	64,958
Reclassification	<u>10,738</u>	<u>(7,886)</u>	<u>2,852</u>
Balance at December 31, 2022	<u>\$ 138,288</u>	<u>11,299</u>	<u>149,587</u>
Carrying amounts:			
Balance at December 31, 2023	<u>\$ 152,830</u>	<u>44,945</u>	<u>197,775</u>
Balance at December 31, 2022	<u>\$ 211,486</u>	<u>1,709</u>	<u>213,195</u>

(ii) Amortization

The amortization of intangible assets is included in the following line items of the statement of comprehensive income:

	<u>2023</u>	<u>2022</u>
Cost of sales	\$ 44,720	40,045
Operating expenses	<u>23,054</u>	<u>24,913</u>
	<u>\$ 67,774</u>	<u>64,958</u>

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(l) Short-term borrowings

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Unsecured bank loans	<b>\$ 6,500,000</b>	<b>1,870,000</b>
Unused credit facilities	<b>\$ 14,575,750</b>	<b>15,019,089</b>
Interest rate interval	<b>1.63%~1.7059%</b>	<b>1.397%~1.67%</b>

(m) Long-term debt

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Unsecured bank loans	\$ 21,930,804	26,074,908
Secured bank loans	-	1,425,000
	21,930,804	27,499,908
Less: current portion of long-term debt	(525,193)	(739,399)
	<b>\$ 21,405,611</b>	<b>26,760,509</b>
Unused credit facilities	<b>\$ 22,183,839</b>	<b>14,225,333</b>
Interest rate interval	<b>1.3%~2.023%</b>	<b>1.175%~1.965%</b>
Maturity year	<b>2024~2028</b>	<b>2023~2026</b>

(i) Collateral for bank borrowings

Please refer to note 8 for a description of the Company's assets pledged as collateral to secure the bank loans.

(ii) Low interest rate loan from government assistance

In early 2020, the Company has obtained the low interest rate loans from banks in accordance with "Guidelines of Project Loans for Returning Overseas Taiwanese Businesses". The preferential interest rate ranged from 1.30% to 1.38%. The difference between the related loan amount and the estimated fair value of the loan using the prevailing market interest rate ranged from 1.65% to 1.83% was recognized as deferred government grant. The deferred income was transferred to other income when the loan was paid off.

(iii) Compliance with loan agreement

According to the syndicated loan agreement signed between the Company and the banks, the Company has promised to maintain certain financial ratios based on the Company's semi-annual reviewed consolidated financial statements and annual audited consolidated financial statements. If the Company violates any of the related financial ratios, the Company should mend it in a specific period, and the failure to maintain the required financial ratios during the amendment period would not be considered a default.

For the years ended December 31, 2023 and 2022, the Company's financial ratio was in compliance with the syndicated loan agreement.

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(n) Bonds payable

The details of the Company's secured corporate bonds were as follows:

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Total secured corporate bonds issued	\$ 3,000,000	3,000,000
Less: unamortized bond issuance cost	<u>(3,910)</u>	<u>(4,985)</u>
Bonds payable – non-current	<u>\$ 2,996,090</u>	<u>2,995,015</u>

On June 28, 2022, the Company issued \$3,000,000 of secured corporate bonds at par value. The bonds have 5-year term and are repayable on maturity, with a fixed interest rate of 1.80% per annum, with simple interest and interest payable annually.

(o) Lease liabilities

The carrying amounts of lease liabilities were as follows:

	<u>December 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>
Current	\$ <u>139,704</u>	<u>137,022</u>
Non-current	\$ <u>370,048</u>	<u>500,255</u>

For the maturity analysis, please refer to note 6(z) for the financial risk management.

The amounts recognized in profit or loss were as follows:

	<u>2023</u>	<u>2022</u>
Expenses relating to short-term leases	\$ <u>3,784</u>	<u>7,709</u>
Income from sub-leasing right-of-use assets	\$ <u>153,534</u>	<u>144,537</u>
Interest expense on lease liabilities	\$ <u>10,326</u>	<u>12,618</u>

The amounts recognized in the statement of cash flows for the Company was as follows:

	<u>2023</u>	<u>2022</u>
Total cash outflow for leases	\$ <u>151,536</u>	<u>146,158</u>

(i) Real estate leases

The Company leases buildings for its office and factory. These leases typically run for a period of 2 to 10 years. The Company has to negotiate the new leased term and recognize relevant right-of-use assets and lease liabilities when the lease expires. Some of the leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Company leases some transportation equipment with contract terms within one year. These leases are short-term and the Company has elected to apply exemption and not to recognize right-of-use assets and lease liabilities.

**QISDA CORPORATION**  
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(p) Provisions

	<u>2023</u>	<u>2022</u>
Balance at January 1	\$ 107,570	106,808
Provisions made	34,248	44,639
Amount utilized	(16,426)	(19,875)
Amount reversed	<u>(25,972)</u>	<u>(24,002)</u>
Balance at December 31	<u>\$ 99,420</u>	<u>107,570</u>
Current	<u>\$ 16,426</u>	<u>23,769</u>
Non-current	<u>\$ 82,994</u>	<u>83,801</u>

Warranty provision is estimated based on historical warranty data associated with similar products and services. The Company expects to settle most of the warranty liability within three years from the date of the sale of the product.

(q) Operating lease —the Company acts as a lessor

The Company leased its land and buildings under operating leases. The future minimum lease payments under operating leases are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Not later than 1 year	\$ 141,814	143,892
Later than 1 year but not later than 5 years	359,234	463,290
Later than 5 years	<u>19,112</u>	<u>31,954</u>
	<u>\$ 520,160</u>	<u>639,136</u>

In 2023 and 2022, the related rental income amounted to \$153,534 and \$144,537, respectively, and was recognized under non-operating income and loss — other income.

(r) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the net defined benefit liabilities for defined benefit plans was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Present value of defined benefit obligations	\$ 647,327	716,938
Fair value of plan assets	<u>(380,166)</u>	<u>(439,897)</u>
Net defined benefit liabilities	<u>\$ 267,161</u>	<u>277,041</u>



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

1) Composition of plan assets

The pension fund (the "Fund") contributed by the Company is managed and administered by the Bureau of Labor Funds of the Ministry of Labor (the Bureau of Labor Funds). According to the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, with regard to the utilization of the Fund, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

As of December 31, 2023 and 2022, the Company's labor pension fund account balance at Bank of Taiwan amounted to \$380,166 and \$439,897, respectively. Please refer to the website of the Bureau of Labor Funds for information on the labor pension fund assets including the asset portfolio and yield of the fund.

2) Movements in present value of defined benefit obligations

	<u>2023</u>	<u>2022</u>
Defined benefit obligations at January 1	\$ 716,938	875,154
Current service costs and interest expense	12,804	9,253
Remeasurement on the net defined benefit liabilities:		
— Actuarial losses (gains) arising from experience adjustments	(8,181)	672
— Actuarial losses (gains) arising from changes in financial assumptions	8,145	(92,194)
Benefits paid by the plan	(81,537)	(75,947)
Benefits paid by employer	(842)	-
Defined benefit obligations at December 31	<u>\$ 647,327</u>	<u>716,938</u>

3) Movements of fair value of plan assets

	<u>2023</u>	<u>2022</u>
Fair value of plan assets at January 1	\$ 439,897	462,771
Interest income	7,523	2,875
Remeasurement on the net defined benefit liabilities (assets)		
— Actuarial gains	1,804	36,399
Contributions by the employer	12,479	13,799
Benefits paid by the plan	(81,537)	(75,947)
Fair value of plan assets at December 31	<u>\$ 380,166</u>	<u>439,897</u>

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4) Changes in the effect of the asset ceiling

In 2023 and 2022, there was no effect of the asset ceiling.

5) Expenses recognized in profit or loss

	<u>2023</u>	<u>2022</u>
Current service costs	\$ 541	3,823
Net interest expense on the net defined benefit liabilities	<u>4,740</u>	<u>2,555</u>
	<u>\$ 5,281</u>	<u>6,378</u>
Cost of sales	\$ 907	3,564
Selling expenses	814	607
Administrative expenses	654	421
Research and development expenses	<u>2,906</u>	<u>1,786</u>
	<u>\$ 5,281</u>	<u>6,378</u>

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.625 %	1.750 %
Future salary increases rate	3.000 %	3.000 %

The Company expects to make contribution of \$11,966 to the defined benefit plans in the year following December 31, 2023.

The weighted average duration of the defined benefit plans is 13.05 years.

7) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2023 and 2022.

	<b>Increase (decrease) in present value of defined benefit obligations</b>	
	<u>0.25% Increase</u>	<u>0.25% Decrease</u>
December 31, 2023		
Discount rate	(16,153)	16,698
Future salary change	16,129	(15,678)

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	<b>Increase (decrease) in present value of defined benefit obligations</b>	
	<b>0.25% Increase</b>	<b>0.25% Decrease</b>
	December 31, 2022	
Discount rate	(18,472)	19,324
Future salary change	24,492	(23,745)

Each sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. This approach shows the isolated effect of changing one individual assumption but does not take into account that some assumptions are related. The method used to carry out the sensitivity analysis is the same as the calculation of the net defined benefit liabilities recognized in the balance sheets.

(ii) Defined contribution plans

The Company contributes monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance.

For the years ended December 31, 2023 and 2022, the Company recognized pension expenses of \$92,713 and \$93,626, respectively, in relation to the defined contribution plans.

(s) Income taxes

(i) The components of income tax expense were as follows:

	<b>2023</b>	<b>2022</b>
Current income tax expense (benefit)	\$ <u>(44,735)</u>	<u>192,503</u>
Deferred income tax expense (benefit)		
Origination and reversal of temporary differences	(716,559)	83,742
Changes in unrecognized deductible temporary differences and tax losses	<u>767,261</u>	<u>(142,398)</u>
Deferred income tax expense (benefit)	<u>50,702</u>	<u>(58,656)</u>
Income tax expense	<u><u>\$ 5,967</u></u>	<u><u>133,847</u></u>

In 2023 and 2022, there was no income tax recognized directly in equity or other comprehensive income.

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Reconciliation of income tax expense and income before income tax for 2023 and 2022 was as follows:

	<u>2023</u>	<u>2022</u>
Income before income tax	\$ <u>2,981,700</u>	<u>8,385,777</u>
Income tax using the Company's statutory tax rate	\$ 596,340	1,677,155
Investment income recorded under equity method	(572,472)	(1,809,048)
Gains on disposal of investments	(54,625)	-
Surtax on undistributed earnings	-	166,822
Tax-exempt dividend income	(87,572)	(133,552)
Changes in unrecognized temporary differences and tax losses	767,261	(142,398)
Others	<u>(642,965)</u>	<u>374,868</u>
Income tax expense	\$ <u>5,967</u>	<u>133,847</u>

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets and liabilities

Unrecognized deferred income tax assets:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Aggregate amount of temporary differences related to investments in subsidiaries	\$ 1,268,550	291,714
Deductible temporary differences	1,558,577	1,561,812
Tax losses	-	95,617
	<u>\$ 2,827,127</u>	<u>1,949,143</u>

Unrecognized deferred income tax liabilities:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Aggregate amount of temporary differences related to investments in subsidiaries	\$ <u>2,612,307</u>	<u>2,501,584</u>

As the Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2023 and 2022, and management considers that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences are not recognized as deferred income tax assets and liabilities. In addition, as the Company determined that it is not probable that future taxable profits will be available against which the temporary differences and tax losses can be utilized, these items were not recognized as deferred income tax assets.

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2) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred income tax assets and liabilities for 2023 and 2022 were as follows:

Deferred income tax assets:

	<b>Balance at January 1, 2023</b>	<b>Recognized in profit or loss</b>	<b>Balance at December 31, 2023</b>
In 2023			
Unrealized inter-company profits	\$ 61,336	7,418	68,754
Deferred revenue	9,491	1,412	10,903
Allowance for sales discounts	335,504	(37,518)	297,986
Unrealized accrued expenses	14,989	-	14,989
Others	81,193	(6,466)	74,727
	<b><u>\$ 502,513</u></b>	<b><u>(35,154)</u></b>	<b><u>467,359</u></b>

	<b>Balance at January 1, 2022</b>	<b>Recognized in profit or loss</b>	<b>Balance at December 31, 2022</b>
In 2022			
Unrealized inter-company profits	\$ -	61,336	61,336
Deferred revenue	27,500	(18,009)	9,491
Allowance for sales discounts	360,015	(24,511)	335,504
Unrealized accrued expenses	14,989	-	14,989
Others	92,080	(10,887)	81,193
	<b><u>\$ 494,584</u></b>	<b><u>7,929</u></b>	<b><u>502,513</u></b>

Deferred income tax liabilities:

	<b>Balance at January 1, 2023</b>	<b>Recognized in profit or loss</b>	<b>Balance at December 31, 2023</b>
In 2023			
Unrealized foreign exchange gains	\$ -	(15,548)	(15,548)
	<b><u>\$ -</u></b>	<b><u>(15,548)</u></b>	<b><u>(15,548)</u></b>
In 2022			
Unrealized foreign exchange gains	\$ (29,137)	29,137	-
Unrealized inter-company losses	(21,590)	21,590	-
	<b><u>\$ (50,727)</u></b>	<b><u>50,727</u></b>	<b><u>-</u></b>

(iii) The Company's income tax returns for the years through 2021 have been assessed by the R.O.C. tax authorities.

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(t) Capital and other equity

(i) Common stock

As of December 31, 2023 and 2022, the Company's authorized shares of common stock consisted of 50,000,000 thousand shares, of which 1,966,782 thousand shares were issued and outstanding. The par value of the Company's common stock is \$10 (Dollars) per share.

As of December 31, 2023 and 2022, the Company had issued 285 thousand units of global depository receipts (GDRs). The GDRs were listed on the Luxemburg Stock Exchange, and each GDR represents five common shares.

(ii) Capital surplus

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Share of changes in equity of associates	\$ 161,235	159,487
Changes in ownership interests in subsidiaries	1,815,016	1,786,526
Difference between consideration and carrying amount arising from acquisition or disposal of shares in subsidiaries	1	-
Proceeds from disposal of forfeited employee stock managed by an employee stock ownership trust	7,648	3,396
Claim for the disagreement right	75	-
	<b>\$ 1,983,975</b>	<b>1,949,409</b>

Pursuant to the Company Act, any realized capital surplus is initially used to cover an accumulated deficit, and the balance, if any, could be transferred to common stock as stock dividends based on the original shareholding ratio or distributed as cash dividends based on a resolution approved by the stockholders. Realized capital surplus includes the premium derived from the issuance of shares of stock in excess of par value and donations from stockholders received by the Company. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, distribution of stock dividends from capital surplus in any one year shall not exceed 10% of paid-in capital.

(iii) Unappropriated earnings and dividend policy

The Company's articles of incorporation stipulate that at least 10% of annual earnings after deducting an accumulated deficit, if any, must be retained as a legal reserve until such retention equals the amount of paid-in capital. In addition, a special reserve should be set aside or reversed in accordance with applicable laws and regulations. The remaining balance of the annual net income, together with unappropriated earnings from previous years, if any, can be distributed as dividends after the earnings distribution plan proposed by the Board of Directors and approved during the stockholders' meeting. The abovementioned distribution of earnings by way of cash dividends should be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

The Company may distribute its legal reserve or capital surplus to shareholders by issuing new shares or by distributing cash according to article 241 of the Company Act. The abovementioned distribution of earnings by way of cash dividends could be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

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As the Company is a technology- and capital-intensive enterprise in its growing phase, the Company has adopted a remaining earnings appropriation method as its dividend policy in order to meet long-term capital needs and cash requirements of stockholders, and thereby maintain continuous development and steady growth.

The Company's requirements for future expansion and cash flow are the primary factors that the Company considers when appropriating its earnings. The distribution ratio for cash dividends shall not be less than 10% of the total distribution.

1) Legal reserve

If a company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve to shareholders by issuing new shares or by distributing cash for the portion in excess of 25% of the paid-in capital.

2) Special reserve

In accordance with the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. The Company shall make allocation of special reserve for the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of the undistributed prior-period earnings shall be reclassified to special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The appropriations of cash dividends of 2022 and 2021 earnings were approved by the Company's Board of Directors on March 6, 2023 and March 17, 2022, respectively. Other appropriations of 2022 and 2021 earnings were approved by the shareholders during their meetings on May 29, 2023 and May 31, 2022, respectively. The resolved appropriations were as follows:

	2022 earnings		2021 earnings	
	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)	Amount
Legal reserve		\$ <u>832,491</u>		\$ <u>798,486</u>
Appropriation (reversal) of special reserve		\$ <u>4,243,165</u>		<u>(431,423)</u>
Dividends per share:				
Cash dividends	\$ 2.00	\$ <u>3,933,564</u>	2.50	\$ <u>4,916,955</u>

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On March 5, 2024, the appropriation of cash dividends of 2023 earnings was approved by the Company's Board of Directors were as follows:

	<b>2023 earnings</b>	
	<b>Dividends per share (in dollars)</b>	<b>Amount</b>
Dividends per share:		
Cash dividends	\$ 1.20	<b>2,360,138</b>

(iv) Other equity items (net after tax)

1) Foreign currency translation differences

	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 875,030	(1,723,237)
Foreign exchange differences arising from translation of foreign operations	(198,384)	2,598,267
Balance at December 31	<b>\$ 676,646</b>	<b>875,030</b>

2) Unrealized gains (losses) on financial assets at fair value through other comprehensive income

	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ (5,663,889)	1,378,567
Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	1,466,613	(5,899,090)
Disposal of financial assets at fair value through other comprehensive income by investees	(256,167)	(89,701)
Share of other comprehensive income (loss) of subsidiaries and associates	672,183	(1,053,665)
Balance at December 31	<b>\$ (3,781,260)</b>	<b>(5,663,889)</b>

3) Remeasurement of defined benefit plans

	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ (287,528)	(488,552)
Remeasurement of the defined benefit plans	1,840	127,921
Shares of remeasurement of the defined benefit plans of subsidiaries and associates accounted for using the equity method	2,548	73,103
Balance at December 31	<b>\$ (283,140)</b>	<b>(287,528)</b>

(Continued)



**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

(u) Earnings per share (“EPS”)

(i) Basic earnings per share

The basic earnings per share were calculated as the profit attributable to shareholders of the Company divided by the weighted-average number of ordinary shares outstanding as follows:

	<u>2023</u>	<u>2022</u>
Profit attributable to shareholders of the Company	\$ <u>2,975,733</u>	<u>8,251,930</u>
Weighted-average number of common shares outstanding (in thousands)	<u>1,966,782</u>	<u>1,966,782</u>
Basic earnings per share (in New Taiwan dollars)	\$ <u>1.51</u>	<u>4.20</u>

(ii) Diluted earnings per share

	<u>2023</u>	<u>2022</u>
Profit attributable to shareholders of the Company	\$ <u>2,975,733</u>	<u>8,251,930</u>
Weighted-average number of common shares outstanding (in thousands)	1,966,782	1,966,782
Effect of dilutive potential common shares (in thousands):		
Remuneration to employee	<u>9,059</u>	<u>28,003</u>
Weighted-average number of common shares outstanding (including effect of dilutive potential common shares) (in thousands)	<u>1,975,841</u>	<u>1,994,785</u>
Diluted earnings per share (in New Taiwan dollars)	\$ <u>1.51</u>	<u>4.14</u>

(v) Revenue from contracts with customers

(i) Disaggregation of revenue

	<u>2023</u>	<u>2022</u>
Primary geographical markets:		
Asia	\$ 43,072,678	59,813,189
Europe	7,988,172	9,895,989
Americas	24,168,482	32,035,907
Others	<u>196,147</u>	<u>183,440</u>
	\$ <u>75,425,479</u>	<u>101,928,525</u>
Major products/services lines:		
Electronic products	\$ 74,266,997	100,147,051
Other design and development service	<u>1,158,482</u>	<u>1,781,474</u>
	\$ <u>75,425,479</u>	<u>101,928,525</u>

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

(ii) Contract balances

	<b>December 31, 2023</b>	<b>December 31, 2022</b>	<b>January 1, 2022</b>
Notes and accounts receivable (including related parties)	\$ 23,079,903	21,725,709	20,180,783
Less: loss allowance	(47,079)	(60,060)	(42,731)
	<b>\$ 23,032,824</b>	<b>21,665,649</b>	<b>20,138,052</b>
Contract liabilities	<b>\$ 781,653</b>	<b>702,353</b>	<b>556,308</b>

For details on notes and accounts receivable and related loss allowance, please refer to note 6(d).

The amounts of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability balances at January 1, 2023 and 2022 were \$182,070 and \$556,308, respectively.

(w) Remuneration to employees and directors

The Company's Article of Incorporation requires that earnings shall first to be offset against any deficit, then, a range from 5% to 20% will be distributed as remuneration to its employees and no more than 1% to its directors. Employees who are entitled to receive the abovementioned employee remuneration, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirement.

For the years ended December 31, 2023 and 2022, the Company estimated its remuneration to employees amounting to \$245,716 and \$681,239, respectively, and the remuneration to directors amounting to \$6,800 and \$18,672, respectively. The abovementioned estimated amounts are calculated based on the net profits before tax of each period (excluding the remuneration to employees and directors), multiplied by a certain percentage of the remuneration to employees and directors. The estimations are recognized as cost of sales or operating expenses. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in next year.

The estimated remuneration to employees and directors for 2023 and 2022 were the same as the amount approved by the Company's Board of Directors on March 5, 2024 and March 6, 2023, respectively, and paid in cash. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(x) Non-operating income and loss

(i) Interest income

	<b>2023</b>	<b>2022</b>
Interest income from bank deposits	<b>\$ 99,692</b>	<b>20,696</b>

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

(ii) Other income

	<b>2023</b>	<b>2022</b>
Rental income	\$ 153,534	144,537
Dividend income	437,858	667,761
Government grants income	7,282	15,002
	<b>\$ 598,674</b>	<b>827,300</b>

(iii) Other gains and losses, net

	<b>2023</b>	<b>2022</b>
Gain on disposal of property, plant and equipment	\$ 2,379	1,582
Gain on disposal of investments (note 6(g))	273,124	-
Foreign currency exchange gains (losses)	16,124	(470,750)
Losses on financial assets and liabilities at fair value through profit or loss	(34,954)	(149,403)
Others	28,148	32,075
	<b>\$ 284,821</b>	<b>(586,496)</b>

(iv) Finance costs

	<b>2023</b>	<b>2022</b>
Interest expense from loans	\$ (657,732)	(540,450)
Interest expense on lease liabilities	(10,326)	(12,618)
	<b>\$ (668,058)</b>	<b>(553,068)</b>

(y) Financial instruments

(i) Categories of financial instruments

1) Financial assets

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Financial assets at fair value through profit or loss	\$ 133,486	9,010
Financial assets at fair value through other comprehensive income	9,709,736	8,182,595
Financial assets measured at amortized cost:		
Cash and cash equivalents	2,532,956	1,442,156
Notes and accounts receivable and other receivables (including related parties)	23,044,701	21,709,875
Other financial assets — non-current	38,566	71,959
Subtotal	25,616,223	23,223,990
Total	<b>\$ 35,459,445</b>	<b>31,415,595</b>

(Continued)

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

2) Financial liabilities

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
	<u>                    </u>	<u>                    </u>
Financial liabilities at fair value through profit or loss	\$ <u>          -          </u>	<u>          13,030          </u>
Financial liabilities measured at amortized cost:		
Short-term borrowings	6,500,000	1,870,000
Notes and accounts payable and other payables (including related parties)	28,729,237	20,929,850
Lease liabilities (including current portion and related parties)	509,752	637,277
Bonds payable	2,996,090	2,995,015
Long-term debt (including current portion)	21,930,804	27,499,908
Other non-current liabilities – guarantee deposits	<u>          9,781          </u>	<u>          12,805          </u>
Subtotal	<u>         60,675,664         </u>	<u>         53,944,855         </u>
Total	<u><b>\$         60,675,664</b></u>	<u><b>         53,957,885</b></u>

(ii) Fair value information

1) Financial instruments not measured at fair value

The Company considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value

The financial department of the Company evaluates the fair value of financial instrument and utilizes the assistance from external experts or financial institutions for the evaluation of fair value when necessary, and regularly revises the inputs and makes essential adjustments on the fair value to confirm the evaluation results are reasonable.

The financial instruments at fair value through profit and loss and financial assets at fair value through other comprehensive income are measured at fair value on a recurring basis. The table below analyzes financial instruments that are measured at fair value subsequent to initial recognition, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. The different levels have been defined as follows:

- a) Level 1: quoted prices (unadjusted) in active markets for identified 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 liabilities that are not based on observable market data (unobservable inputs).

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	<b>December 31, 2023</b>			
	<b>Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit and loss:				
Derivative instruments— foreign currency forward contracts	\$ -	37,360	-	37,360
Privately held equity securities	-	-	96,126	96,126
	<b>\$ -</b>	<b>37,360</b>	<b>96,126</b>	<b>133,486</b>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	\$ 9,707,602	-	-	9,707,602
Privately held equity securities	-	-	2,134	2,134
	<b>\$ 9,707,602</b>	<b>-</b>	<b>2,134</b>	<b>9,709,736</b>
	<b>December 31, 2022</b>			
	<b>Fair Value</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit and loss:				
Derivative instruments— foreign currency forward contracts	\$ -	8,276	-	8,276
Derivative instruments— foreign exchange swaps	-	734	-	734
Subtotal	<b>\$ -</b>	<b>9,010</b>	<b>-</b>	<b>9,010</b>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	\$ 8,027,425	-	-	8,027,425
Privately held stocks	-	-	155,170	155,170
Subtotal	<b>\$ 8,027,425</b>	<b>-</b>	<b>155,170</b>	<b>8,182,595</b>
Financial liabilities at fair value through profit and loss:				
Derivative instruments— foreign exchange swaps	<b>\$ -</b>	<b>13,030</b>	<b>-</b>	<b>13,030</b>

3) Valuation techniques and assumptions used in fair value measurement

a) Non-derivative financial instruments

The fair value of financial instruments traded in active liquid markets is determined with reference to quoted market prices.

For listed stock with standard terms and conditions and traded in active markets. The fair value is based on quoted market prices.

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The fair value of privately held equity securities is estimated by using the market approach and is determined by reference to valuations of similar companies, net worth and recent operating activities. The significant unobservable inputs is primarily the liquidity discounts. No quantitative information is disclosed due to that the possible changes in liquidity discounts would not cause significant potential financial impact.

b) Derivative financial instruments

The fair value of derivative financial instruments is determined using a valuation technique generally accepted by market participants. The fair value of foreign currency forward contracts and foreign exchange swaps is usually determined by the forward exchange rate.

4) Transfer between levels of the fair value hierarchy

There was no transfer among fair value hierarchies for the years ended December 31, 2023 and 2022.

5) Movement in financial assets included in Level 3 fair value hierarchy

Financial assets at fair value through profit or loss:

	<b>2023</b>
Balance at January 1	\$ -
Additions	96,126
Balance at December 31	<b>\$ 96,126</b>

Financial assets at fair value through other comprehensive income:

	<b>2023</b>	<b>2022</b>
Balance at January 1	\$ 155,170	-
Additions	60,528	155,170
Recognized in other comprehensive income	(213,564)	-
Balance at December 31	<b>\$ 2,134</b>	<b>155,170</b>

(z) Financial risk management

The Company is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Company has disclosed the information on exposure to the aforementioned risks and the Company's policies and procedures to measure and manage those risks as well as the quantitative information below.

The Company's Board of Directors is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's operations.

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The Company's management monitors and reviews financial activities in accordance with procedures required by relevant regulations and internal controls. Internal auditors undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Company's Board of Directors.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, derivative instruments, receivables from customers, and other receivables. The maximum exposure to credit risk is equal to the carrying amount of the Company's financial assets.

The Company maintains cash and enters into derivative transactions with various reputable financial institutions; therefore, the exposure related to potential default by those counterparties is not considered significant.

The majority of the Company's customers are well-known international companies with high financial transparency in the electronics industry. As of December 31, 2023 and 2022, 74% and 72%, respectively, of the Company's notes and accounts receivable were concentrated in the top five customers. In order to reduce credit risk of accounts receivable, the Company has established a credit policy under which each customer is analyzed individually for creditworthiness for the purpose of setting the credit limit. Additionally, the Company continuously evaluates the credit quality of customers and utilizes insurance to minimize the risk.

The Company's policy provides financial guarantees only to wholly owned subsidiaries. As of December 31, 2023 and 2022, except for its subsidiaries, the Company did not provide any other guarantees and endorsements.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in settling its financial liabilities by delivering cash or other financial assets. The Company manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2023 and 2022, the Company had unused credit facilities of \$35,837,089 and \$29,244,422, respectively.

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The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principal and interest.

	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
<b>December 31, 2023</b>						
Non-derivative financial liabilities:						
Short-term borrowings with floating interest rates	\$ 6,510,098	6,510,098	-	-	-	-
Lease liabilities	526,705	73,876	73,876	148,519	230,434	-
Bonds payable with fixed interest rates	3,189,000	27,000	27,000	54,000	3,081,000	-
Long-term debt with floating interest rates	23,452,483	499,090	435,507	6,205,116	16,312,770	-
Notes and accounts payable	26,328,292	26,328,292	-	-	-	-
Other payables	2,400,945	2,400,945	-	-	-	-
Guarantee deposits	9,781	-	-	3,101	125	6,555
	<u>\$ 62,417,304</u>	<u>35,839,301</u>	<u>536,383</u>	<u>6,410,736</u>	<u>19,624,329</u>	<u>6,555</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 1,394,053	1,394,053	-	-	-	-
Inflow	(1,431,413)	(1,431,413)	-	-	-	-
	<u>\$ (37,360)</u>	<u>(37,360)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>December 31, 2022</b>						
Non-derivative financial liabilities:						
Short-term borrowings with floating interest rates	\$ 1,873,773	1,873,773	-	-	-	-
Lease liabilities	664,319	73,876	73,454	142,683	374,306	-
Bonds payable with fixed interest rates	3,243,000	27,000	27,000	54,000	3,135,000	-
Long-term debt with floating interest rates	27,678,690	412,148	422,570	12,216,894	14,627,078	-
Notes and accounts payable	18,695,912	18,695,912	-	-	-	-
Other payables	2,233,938	2,233,938	-	-	-	-
Guarantee deposits	12,805	-	286	6,309	116	6,094
	<u>\$ 54,402,437</u>	<u>23,316,647</u>	<u>523,310</u>	<u>12,419,886</u>	<u>18,136,500</u>	<u>6,094</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 278,203	278,203	-	-	-	-
Inflow	(286,479)	(286,479)	-	-	-	-
Foreign exchange swaps:						
Outflow	4,929,096	4,929,096	-	-	-	-
Inflow	(4,916,800)	(4,916,800)	-	-	-	-
	<u>\$ 4,020</u>	<u>4,020</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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



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(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company utilizes derivative financial instruments to manage market risk and the volatility of profit or loss. All such transactions are carried out within the guidelines set by the Company's Board of Directors.

1) Foreign currency risk

The Company utilizes foreign currency forward contracts and foreign exchange swaps to hedge its foreign currency exposure with respect to its sales and purchases. These financial instruments help to reduce, but do not eliminate, the impact of foreign currency exchange rate movements.

The maturity dates of derivative financial instruments the Company entered into were less than six months and did not conform to the criteria for hedge accounting.

The Company's exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable (including related-party transactions), notes and accounts payable (including related-party transactions), other receivables (including related-party transactions), other payables (including related-party transactions), and loans and borrowings that are denominated in a currency other than the functional currency of Company. At the reporting date, the carrying amounts of the Company's significant monetary assets and liabilities denominated in a currency other than the functional currency of the Company and the sensitivity analysis were as follows:

<b>December 31, 2023</b>					
	<b>Foreign currency (in thousands)</b>	<b>Exchange rate</b>	<b>NTD (in thousands)</b>	<b>Change in magnitude</b>	<b>Pre-tax effect on profit or loss</b>
<u>Financial assets</u>					
USD	\$ 816,760	30.750	25,115,370	1 %	251,154
<u>Financial liabilities</u>					
USD	860,117	30.750	26,448,598	1 %	264,486
<b>December 31, 2022</b>					
	<b>Foreign currency (in thousands)</b>	<b>Exchange rate</b>	<b>NTD (in thousands)</b>	<b>Change in magnitude</b>	<b>Pre-tax effect on profit or loss</b>
<u>Financial assets</u>					
USD	\$ 736,762	30.730	22,640,696	1 %	226,407
<u>Financial liabilities</u>					
USD	601,115	30.730	18,472,264	1 %	184,723

(Continued)

**QISDA CORPORATION**  
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As the Company deals in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. Please refers to note 6(x) for the aggregate of realized and unrealized foreign exchange gains for the years ended December 31, 2023 and 2022.

2) Interest rate risk

The Company's short-term borrowings and long-term debt carried floating interest rates. To manage the interest rate risk, the Company periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Company also strengthens the management of working capital to reduce the dependence on bank loans as well as the risk arising from fluctuation of interest rates.

The following sensitivity analysis is based on the risk exposure to floating-interest-rate liabilities on the reporting date. The sensitivity analysis assumes the liabilities recorded at the reporting date had been outstanding for the entire period.

If interest rates had been 100 basis points (1%) higher/lower, with all other variables held constant, pre-tax income for the years ended December 31, 2023 and 2022 would have been \$284,308 and \$293,699, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

3) Other market price risk

The Company is exposed to the risk of price fluctuation in the securities market due to the equity investment. The Company supervises the equity price risk actively and manages the risk based on fair value.

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments at each reporting date, the other comprehensive income for the years ended December 31, 2023 and 2022, would have increased or decreased by \$485,487 and \$409,130, respectively.

(aa) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Company maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital expenditures, repayment of debts, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders. The Company monitors its capital through reviewing the liability-to-equity ratio periodically.

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The Company's liability-to-equity ratio at the end of each reporting period was as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total liabilities	<u>\$ 63,507,616</u>	<u>57,088,311</u>
Total equity	<u>\$ 37,057,358</u>	<u>40,726,314</u>
Liability-to-equity ratio	<u>171.38 %</u>	<u>140.18 %</u>

(ab) Investing and financing activities not affecting current cash flow

(i) Please refer to note 6(i) for a description of acquisition of right-of-use assets under lease in 2023.

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

	<u>January 1, 2023</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>December 31, 2023</u>
			<u>Additions</u>	<u>Others</u>	
Short-term borrowing	\$ 1,870,000	4,630,000	-	-	6,500,000
Long-term debts	27,499,908	(5,559,986)	-	(9,118)	21,930,804
Bonds payable	2,995,015	-	-	1,075	2,996,090
Lease liabilities	<u>637,277</u>	<u>(137,426)</u>	<u>9,901</u>	<u>-</u>	<u>509,752</u>
Total liabilities from financing activities	<u>\$ 33,002,200</u>	<u>(1,067,412)</u>	<u>9,901</u>	<u>(8,043)</u>	<u>31,936,646</u>

	<u>January 1, 2022</u>	<u>Cash flows</u>	<u>Non-cash changes</u>		<u>December 31, 2022</u>
			<u>Additions</u>	<u>Others</u>	
Short-term borrowing	\$ 3,417,200	(1,547,200)	-	-	1,870,000
Long-term debts	21,052,602	6,461,718	-	(14,412)	27,499,908
Bonds payable	-	2,994,473	-	542	2,995,015
Lease liabilities	<u>763,108</u>	<u>(125,831)</u>	<u>-</u>	<u>-</u>	<u>637,277</u>
Total liabilities from financing activities	<u>\$ 25,232,910</u>	<u>7,783,160</u>	<u>-</u>	<u>(13,870)</u>	<u>33,002,200</u>

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**7. Related-party transactions**

(a) Name and relationship with related parties

The followings are subsidiaries and other related parties that have had transactions with the Company during the reporting periods.

<u>Name of related party</u>	<u>Relationship with the Company</u>
Qisda Sdn. Bhd. (“QLPG”)	The Company’s subsidiary
Qisda America Corp. (“QALA”)	The Company’s subsidiary
Qisda Japan Co., Ltd. (“QJTO”)	The Company’s subsidiary
BenQ Corp. (“BenQ”)	The Company’s subsidiary
BenQ Material Corp. (“BMC”)	The Company’s subsidiary
BenQ Dialysis Technology Corp. (“BDT”)	The Company’s subsidiary
Qisda Optronics Corp. (“QTOS”)	The Company’s subsidiary
Qisda (L) Corp. (“QLLB”)	The Company’s subsidiary
Darly Venture (L) Ltd. (“Darly”)	The Company’s subsidiary
Darly Venture Inc. (“APV”)	The Company’s subsidiary
BenQ BM Holding Cayman Corp. (“BBHC”)	The Company’s subsidiary
BenQ Biotech (Shanghai) Co., Ltd. (“BBC”)	The Company’s subsidiary
Guangxi Youshan Medical Technology Co., Ltd. (“Youshan”)	The Company’s subsidiary
Wangcheng Medical Technology(Chengdu) Co., Ltd. (“Wangcheng”)	The Company’s subsidiary
Shanghai Filter Technology Co., Ltd. (“ Filter”)	The Company’s subsidiary
Shanghai Zhenglang Medical Equipment Co., Ltd. (“Zhenglang”)	The Company’s subsidiary
Shanghai Perfusion Medical Technology Co., Ltd.	The Company’s subsidiary
Qisda Vietnam Co., Ltd. (“QVH”)	The Company’s subsidiary
Qisda (Suzhou) Co., Ltd. (“QCSZ”)	The Company’s subsidiary
Qisda (Hong Kong) Limited (“QCHK”)	The Company’s subsidiary
BenQ Medical (Shanghai) Co., LTD. (“BMSH”)	The Company’s subsidiary
Qisda (Shanghai) Co., Ltd. (“QCSH”)	The Company’s subsidiary
Qisda Electronics (Suzhou) Co., Ltd. (“QCES”)	The Company’s subsidiary
Qisda Optronics (Suzhou) Co., Ltd. (“QCOS”)	The Company’s subsidiary
Qisda Precision Industry (Suzhou) Co., Ltd. (“QCPS”)	The Company’s subsidiary
ACE Energy Co., Ltd. (“AEG”)	The Company’s subsidiary
BenQ Europe B.V. (“BQE”)	The Company’s subsidiary
BenQ Asia Pacific Corp. (“BQP”)	The Company’s subsidiary
BenQ America Corporation (“BQA”)	The Company’s subsidiary
BenQ Latin America Corp. (“BQL”)	The Company’s subsidiary
Mainteq Europe B.V. (“MQE”)	The Company’s subsidiary

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<b>Name of related party</b>	<b>Relationship with the Company</b>
Darly2 Venture Co., Ltd. (“Darly 2”)	The Company’s subsidiary
BenQ Intelligent Technology (Hong Kong) Co., Ltd. (“BQHK_HLD”)	The Company’s subsidiary
BenQ INFTY Lab Ltd. (“INF”)	The Company’s subsidiary
BenQ Guru Holding Limited (“GSH”)	The Company’s subsidiary
BenQ Medical Technology Corp. (“BMTC”)	The Company’s subsidiary
PT BenQ Teknologi Indonesia (“BQid”)	The Company’s subsidiary
BenQ Korea Co., Ltd. (“BQkr”)	The Company’s subsidiary
BenQ Japan Co., Ltd. (“BQjp”)	The Company’s subsidiary
BenQ Australia Pty Ltd. (“BQau”)	The Company’s subsidiary
BenQ (M.E.) FZE (“BQme”)	The Company’s subsidiary
BenQ India Private Ltd. (“BQin”)	The Company’s subsidiary
BenQ Singapore Pte Ltd. (“BQsg”)	The Company’s subsidiary
BenQ Service & Marketing (M) Sdn. Bhd (“BQmy”)	The Company’s subsidiary
BenQ (Thailand) Co., Ltd. (“BQth”)	The Company’s subsidiary
BenQ Vietnam Co., Ltd. (BQvn)	The Company’s subsidiary
BenQ Technology (Shanghai) Co., Ltd. (“BQls”)	The Company’s subsidiary
ShengCheng Trading (Shanghai) Co., Ltd. (“BQsha_EC2”)	The Company’s subsidiary
BenQ Intelligent Technology (Shanghai) Co., Ltd. (“BQC_RO”)	The Company’s subsidiary
Guru Systems (Suzhou) Co., Ltd. (“GSS”)	The Company’s subsidiary
Metaguru Corporation (“MRU”)	The Company’s subsidiary
BenQ Canada Corp. (“BQca”)	The Company’s subsidiary
BenQ Mexico S. de R.L. de C.V. (“BQmx”)	The Company’s subsidiary
Joytech LLC. (“Joytech”)	The Company’s subsidiary
Vividtech LLC. (“Vividtech”)	The Company’s subsidiary
MaxGen Comercio Industrial Imp E Exp Ltda. (“MaxGen”)	The Company’s subsidiary
BenQ Service de Mexico S. de R.L. de C.V. (“BQsm”)	The Company’s subsidiary
BenQ UK Limited (“BQuk”)	The Company’s subsidiary
BenQ Deutschland GmbH (“BQde”)	The Company’s subsidiary
BenQ Iberica S.L. Unipersonal (“BQib”)	The Company’s subsidiary
BenQ Austria GmbH (“BQat”)	The Company’s subsidiary
BenQ Benelux B.V. (“BQnl”)	The Company’s subsidiary
BenQ Italy S.R.L. (“BQit”)	The Company’s subsidiary
BenQ France SAS (“BQfr”)	The Company’s subsidiary
BenQ Nordic A.B. (“BQse”)	The Company’s subsidiary
BenQ LLC. (“BQru”)	The Company’s subsidiary
BenQ BM Holding Corp. (“BBM”)	The Company’s subsidiary
Darly Consulting Corporation (“Darly C”)	The Company’s subsidiary

(Continued)

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

<b>Name of related party</b>	<b>Relationship with the Company</b>
Highview Investments Limited (“Highview”)	The Company’s subsidiary
Asiacconnect International Company (“Asiacconnect”)	The Company’s subsidiary
LILY Medical Corporation (“LILY”)	The Company’s subsidiary
BenQ AB Dentcare Corporation (“BABD”)	The Company’s subsidiary
BenQ HealthCare Corporation (“BHS”)	The Company’s subsidiary
EASTECH CO., LTD. (“EASTECH”)	The Company’s subsidiary
BenQ Medical Technology (Shanghai) Ltd. (“BMTS”)	The Company’s subsidiary
Concord Medical Co., Ltd. (“Concord”)	The Company’s subsidiary
LILY Medical (Suzhou) Co., Ltd. (“ALS”)	The Company’s subsidiary
New Best Hearing International Trade Co., Ltd. (“NBHIT”)	The Company’s subsidiary
Concord Healthcare Co., Ltd. (“CCHC”)	The Company’s subsidiary
CKCARE Co., Ltd. (“CKCARE”)	The Company’s subsidiary
BenQ Materials (L) Co. (“BMLB”)	The Company’s subsidiary
Sigma Medical Supplies Corp. (“SGM”)	The Company’s subsidiary
Suzhou Sigma Medical Supplies Co., Ltd.	The Company’s subsidiary
Genejet Biotech Co., Ltd. (“GJB”)	The Company’s subsidiary
Cenefom Corp. (“CENEFOM”)	The Company’s subsidiary
BenQ Material (Suzhou) Co., Ltd. (“BMS”)	The Company’s subsidiary
Daxon Biomedical (Suzhou) Co., Ltd. (“DTB”)	The Company’s subsidiary
BenQ Materials Medical Supplies (Suzhou) Co., Ltd. (“BMM”)	The Company’s subsidiary
BenQ Materials (Wuhu) Co., Ltd.	The Company’s subsidiary
Web-Pro Corporation (“WPC”)	The Company’s subsidiary
Beyond Top Pte. Ltd. (“WPSG”)	The Company’s subsidiary
Web-Pro (Vietnam) Co., Ltd. (“WPVN”)	The Company’s subsidiary
Nanjing BenQ Hospital Co., Ltd. (“NMH”)	The Company’s subsidiary
Suzhou BenQ Hospital Co., Ltd. (“SMH”)	The Company’s subsidiary
BenQ Hospital Management Consulting (Nanjing) Co., Ltd. (“NMHC”)	The Company’s subsidiary
BenQ Healthcare Consulting Corporation (“BHCC”)	The Company’s subsidiary
Suzhou BenQ Investment Co., Ltd. (“BIC”)	The Company’s subsidiary
Partner Tech Corp. (“PTT”)	The Company’s subsidiary
Partner-Tech Europe GmbH (“PTE”)	The Company’s subsidiary
Partner Tech Middle East FZCO (“PTME”)	The Company’s subsidiary
Partner Tech North Africa (“PTNA”)	The Company’s subsidiary
Partner Tech France (“PTF”)	The Company’s subsidiary
Partner Tech UK Corp., Ltd. (“PTUK”)	The Company’s subsidiary
P&S Investment Holding Co., Ltd. (B.V.I.)	The Company’s subsidiary
Partner Tech (Shanghai) Co., Ltd. (“PTCM”)	The Company’s subsidiary

(Continued)

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

<u>Name of related party</u>	<u>Relationship with the Company</u>
Partner Tech USA Inc. (“PTU”)	The Company’s subsidiary
Webest Solution Corporation (“WEBEST”)	The Company’s subsidiary
Mace Digital Corporation (“PTMG”)	The Company’s subsidiary
Sloga Team D.o.o. (“Sloga”)	The Company’s subsidiary
Retail Solution & System S.L. (“RSS”)	The Company’s subsidiary
E-POS International LLC (“E-POS”)	The Company’s subsidiary
Epoint Systems Pte. Ltd. (“PTSE”)	The Company’s subsidiary
Partner Tech Africa Pacific Corp.	The Company’s subsidiary
La Fresh information Co., Ltd. (“PTTN”)	The Company’s subsidiary
Corex (Pty) Ltd. (“Corex”)	The Company’s subsidiary
Ace Pillar Co., Ltd. (“ACE”)	The Company’s subsidiary
Cyber South Management Ltd.	The Company’s subsidiary
Tianjin Ace Pillar Co., Ltd.	The Company’s subsidiary
Hong Kong Ace Pillar Enterprise Company Limited	The Company’s subsidiary
Bluewalker GmbH (“BWA”)	The Company’s subsidiary
Standard Technology Corp. (“STC”)	The Company’s subsidiary
Standard Technology Corp. (“STCBVI”)	The Company’s subsidiary
Standard International Trading (Shanghai) Co., Ltd.	The Company’s subsidiary
Proton Inc.	The Company’s subsidiary
Ace Tek (HK) Holding Co., Ltd.	The Company’s subsidiary
Suzhou Super Pillar Automation Equipment Co., Ltd.	The Company’s subsidiary
Grace Transmission (Tianjin) Co., Ltd.	The Company’s subsidiary
Advancedtek Ace (TJ) Inc.	The Company’s subsidiary
DFI Inc. (“DFI”)	The Company’s subsidiary
DFI AMERICA, LLC	The Company’s subsidiary
DFI Co., Ltd.	The Company’s subsidiary
Yan Tong Technology Ltd.	The Company’s subsidiary
Diamond Flower Information (NL) B.V.	The Company’s subsidiary
Brainstorm Corporation	The Company’s subsidiary
Yan-Tong Infotech (Dongguan) Co., Ltd.	The Company’s subsidiary
Yan Ying Hao Trading (ShenZhen) Co., Ltd.	The Company’s subsidiary
Aewin Technologies Co., Ltd (“AEWIN”)	The Company’s subsidiary
WISE WAY	The Company’s subsidiary
Aewin Tech Inc.	The Company’s subsidiary
Bright Profit	The Company’s subsidiary
Aewin Beijing Technologies Co., Ltd.	The Company’s subsidiary
Aewin (Shenzhen) Technologies Co., Ltd.	The Company’s subsidiary
K2 International Medical Inc. (“K2”)	The Company’s subsidiary
K2 Medical (Thailand) Co., Ltd.	The Company’s subsidiary

(Continued)

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

<b>Name of related party</b>	<b>Relationship with the Company</b>
K2 (Shanghai) International Medical Inc.	The Company's subsidiary
PT. Frismed Hoslab Indonesia	The Company's subsidiary
Data Image Corporation ("DIC")	The Company's subsidiary
Data Image (Mauritius) Corporation	The Company's subsidiary
Data Image (Suzhou) Corporation	The Company's subsidiary
DIVA Laboratories. Ltd. ("DIVA")	The Company's subsidiary
DIVA Laboratories GmbH	The Company's subsidiary
DIVA Laboratories U.S., LLC	The Company's subsidiary
Panoramic Imaging Solutions Inc.	The Company's subsidiary
Diva Capital Inc.	The Company's subsidiary
Diva Holding Inc.	The Company's subsidiary
Suzhou Diva Lab. Inc.	The Company's subsidiary
Expert Alliance Systems & Consultancy (HK) Co., Ltd. ("EASC")	The Company's subsidiary
Expert Alliance Smart Technology Co., Ltd.	The Company's subsidiary
Topview Optronics Corporation ("Topview")	Prior to June 30, 2023, Topview was a subsidiary of the Company. Starting June 30, 2023, Topview became an associate of the Company.
Messoa Technologies Inc. ("Messoa")	Prior to June 30, 2023, Messoa was a subsidiary of the Company. Starting June 30, 2023, Messoa became an associate of the Company.
Messoa Technologies Inc. ("Messoa USA")	Prior to June 30, 2023, Messoa USA was a subsidiary of the Company. Starting June 30, 2023, Messoa USA became an associate of the Company.
Metaage Corporation ("MTG")	The Company's subsidiary
Global Intelligence Network Co., Ltd.	The Company's subsidiary
Epic Cloud Co., Ltd.	The Company's subsidiary
AdvancedTEK International Corp. ("AdvancedTEK")	The Company's subsidiary
Statinc Company ("Statinc")	The Company's subsidiary
APEO Human Capital Services Corp.	The Company's subsidiary
DKABio Co., Ltd.	The Company's subsidiary
Golden Spirit Co., Ltd.	The Company's subsidiary
Bigmin Bio-Tech Company Ltd.	The Company's subsidiary
E-Strong Medical Technology Co., Ltd.	The Company's subsidiary
Simula Technology Inc. ("Simula")	The Company's subsidiary
Aspire Asia Inc.	The Company's subsidiary
Simula Technology Corp.	The Company's subsidiary
Action Star Technology Co., Ltd. ("AST")	The Company's subsidiary

(Continued)



**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

<u>Name of related party</u>	<u>Relationship with the Company</u>
Simula Company Limited	The Company's subsidiary
Aspire Electronics Corp.	The Company's subsidiary
Opti Cloud Technologies, Inc.	The Company's subsidiary
Simula Technology (ShenZhen) Co., Ltd.	The Company's subsidiary
Alpha Networks Inc. ("Alpha")	The Company's subsidiary
Alpha Holdings Inc. ("Alpha Holdings")	The Company's subsidiary
Alpha Solutions Co., Ltd. ("Alpha Solutions")	The Company's subsidiary
Alpha Networks Inc. ("Alpha USA")	The Company's subsidiary
Alpha Technical Services Inc. ("ATS")	The Company's subsidiary
Alpha Networks (Hong Kong) Limited ("Alpha HK")	The Company's subsidiary
Alpha Networks Vietnam Company Limited	The Company's subsidiary
Enrich Investment Corporation ("Enrich Investment")	The Company's subsidiary
Hitron Technologies Inc. ("Hitron Technologies")	The Company's subsidiary
D-Link Asia Investment Pte, Ltd. ("D-Link Asia")	The Company's subsidiary
Alpha Networks (Dongguan) Co., Ltd. ("Alpha DGF")	The Company's subsidiary
Alpha Networks (Chengdu) Co., Ltd.	The Company's subsidiary
Alpha Networks (Changshu) Co., Ltd. ("Alpha CSF")	The Company's subsidiary
Mirac Networks (Dongguan) Co., Ltd.	The Company's subsidiary
Alpha Networks (Changshu) Trading Co., Ltd. ("Alpha CST")	The Company's subsidiary
Hitron Technologies (Samoa) Inc. ("HSM")	The Company's subsidiary
Interactive Digital Technologies Inc. ("IDT")	The Company's subsidiary
Hitron Technologies Europe Holding B.V. ("HBV")	The Company's subsidiary
Hitron Technologies (Americas) Inc. ("HUS")	The Company's subsidiary
Innoauto Technologies Inc. ("HTG")	The Company's subsidiary
Hitron Technologies (Vietnam) Inc. ("HVN")	The Company's subsidiary
Hitron Technologies (SIP) Inc. ("HSZ")	The Company's subsidiary
Jietech Trading (Suzhou) Inc. ("HJT")	The Company's subsidiary
Hwa Chi Technologies (Shanghai) Inc. ("IHC")	The Company's subsidiary
Transnet Corporation ("Transnet")	The Company's subsidiary
Aespula Technologies Inc. ("APL")	The Company's subsidiary
AU Optronics Corp. ("AU")	AU accounted for its shareholder in the Company using the equity method.
Darfon Electronics Corp. ("DFN")	The Company's associate
Visco Vision Inc. ("Visco Vision")	The Company's associate
Q.S.Control Corp. ("Q.S.C")	The Company's associate
Nanjing Silvertown Health & Development Co., Ltd. ("NSHD")	The Company's associate
Jiangsu Yudi Optical Co., Ltd. ("Yudi")	The Company's associate

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

Name of related party	Relationship with the Company
Darwin Precisions Corporation (“Darwin Precisions”)	AU’s subsidiary
AUO (Kunshan) Co., Ltd. (“AUOKS”)	AU’s subsidiary
a.u. Vista Inc. (“AUVI”)	AU’s subsidiary
AUO (Suzhou) Co., Ltd. (“AUOSZ”)	AU’s subsidiary
AUO (Slovakia) s.r.o. (“AUOSK”)	AU’s subsidiary
AUO Crystal Corp. (“ACTW”)	AU’s subsidiary
AUO Display Plus Corporation (“ADP”)	AU’s subsidiary
AUO Education Service Corp.	AU’s subsidiary
Darad Innovation Corporation	DFN’s subsidiary
Astro Tech Co., Ltd.	DFN’s subsidiary
Unictron Technologies Corporation	DFN’s subsidiary
BenQ Foundation	Substantive related party

(b) Significant related-party transactions

(i) Revenue

	2023	2022
Subsidiaries:		
QALA	\$ 18,995,649	23,684,932
BenQ	4,053,493	5,286,599
QJTO	2,733,421	2,856,971
Other subsidiaries	<u>535,162</u>	<u>1,255,815</u>
	<u>26,317,725</u>	<u>33,084,317</u>
Associates	<u>13,500</u>	<u>3,095</u>
The entity who has significant influence over the Company:		
AU	2,259,226	3,923,712
AUOSZ	1,305,361	1,223,152
Others	<u>334,971</u>	<u>334,573</u>
	<u>3,899,558</u>	<u>5,481,437</u>
	<b><u>\$ 30,230,783</u></b>	<b><u>38,568,849</u></b>

There were no significant differences between the sales prices for related parties and those for third-party customers. The payment terms of 30~120 days showed no significant difference between related parties and third-party customers, which were subject to payment extension taking into account the market conditions for subsidiaries.

The Company sold raw materials and work in process to its subsidiaries for reprocessing, and the related finished goods were resold back to the Company. For this reason, the Company offset the recognized revenues and costs from these transactions, which amounted to \$9,072,799 and \$14,324,438, for the years ended December 31, 2023 and 2022, respectively.

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

(ii) Purchases

	<b>2023</b>	<b>2022</b>
Subsidiaries:		
QCSZ	\$ 50,122,958	70,821,473
QCOS	11,684,637	18,096,303
Other subsidiaries	1,402,706	1,346,939
	63,210,301	90,264,715
Associates	4,915	8,546
The entity who has significant influence over the Company	131,906	-
	<b>\$ 63,347,122</b>	<b>90,273,261</b>

There were no significant differences between the purchase prices for related parties and those for third-party vendors. The payment terms of 30~120 days showed no significant difference between related parties and third-party vendors.

(iii) Lease

The Company leased its office and plant to its related parties. In 2023 and 2022, the related rental income from subsidiaries amounted to \$116,624 and \$109,656, respectively, and from associates amounted to \$3,608 and \$3,332, respectively, recognized as the non-operating income and loss—other income. The related receivables were classified as other receivables from related parties.

The Company leased factory from AU, and the rent is paid monthly with reference to the nearby office rental rates. Additions to right-of-use assets amounted to \$9,901 in 2023. For the years ended December 31, 2023 and 2022, the related interest expense on lease liabilities amounted to \$44 and \$81, respectively. As of December 31, 2023 and 2022, the balance of the lease liability amounted to \$9,497 and \$4,621, respectively.

(iv) Repair service

The Company's subsidiaries provided repair service to the Company. These subsidiaries charged the Company for their repair service based on the actual costs of services rendered. For the years ended December 31, 2023 and 2022, the repair service fees amounted to \$12,780 and \$13,794, respectively, recognized as operating costs. The related payables were fully paid.

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

(v) Donation

For the years ended December 31, 2023 and 2022, the Company made a donation to a substantive related party, BenQ Foundation, amounting to \$6,500 and \$10,000, respectively.

(vi) Property transactions

In 2023, the Company bought machinery from subsidiaries at a price of \$2,380.

(vii) Guarantees

For the years ended December 31, 2023 and 2022, the Company provided guarantees in order to apply for foreign exchange credit line for its subsidiaries amounting to \$2,337,000 and \$3,257,380, respectively.

(viii) Receivables from related parties

<u>Account</u>	<u>Related-party categories</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	Subsidiaries:		
from related parties	QALA	\$ 10,528,447	8,843,188
	BenQ	1,469,264	609,277
	QJTO	1,103,506	987,993
	Other subsidiaries	<u>85,667</u>	<u>210,784</u>
		<u>13,186,884</u>	<u>10,651,242</u>
	Associates	<u>881</u>	<u>1,680</u>
	The entity who has significant influence over the Company:		
	AU	176,694	395,800
	AUOSZ	556,578	405,225
	Others	<u>191,728</u>	<u>120,590</u>
		<u>925,000</u>	<u>921,615</u>
		<u><b>\$ 14,112,765</b></u>	<u><b>11,574,537</b></u>
Other receivables	Subsidiaries	\$ 5,675	10,007
from related parties	The entity who has significant influence over the Company	<u>1,042</u>	<u>-</u>
		<u><b>\$ 6,717</b></u>	<u><b>10,007</b></u>

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

(ix) Payables to related parties

<u>Account</u>	<u>Related party categories</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts payable	Subsidiaries:		
to related parties	QCSZ	\$ 16,925,223	12,808,684
	QCES	1,973,219	924,774
	QCOS	5,535,436	3,725,595
	Other subsidiaries	126,160	357,164
	Associates	<u>10,975</u>	<u>9,154</u>
		<u>24,571,013</u>	<u>17,825,371</u>
	The entity who has significant influence over the Company	<u>149</u>	<u>102</u>
		<u><b>\$ 24,571,013</b></u>	<u><b>17,825,473</b></u>

(c) Compensation for key management personnel

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 256,768	310,967
Post-employment benefits	<u>1,080</u>	<u>1,152</u>
	<u><b>\$ 257,848</b></u>	<u><b>312,119</b></u>

**8. Pledged assets**

The carrying amounts of the assets pledged as collateral are detailed below:

<u>Pledged assets</u>	<u>Pledged to secure</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Land and buildings	Credit lines of bank loans	<u><b>\$ 1,207,760</b></u>	<u><b>1,234,810</b></u>

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

**9. Significant commitments and contingencies**

In addition to those in note 7, the Company had the following commitments and contingencies:

(a) Significant unrecognized commitments

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Unused letters of credit	<b>\$ 492,000</b>	<b>215,110</b>

(b) Significant contingent liabilities

In January 2012, some direct and indirect Canadian purchasers of optical disk drive products filed class actions against the Company and BQA, among other co-defendants. In the complaints, the plaintiffs claimed monetary damages from an alleged antitrust conspiracy. The Company has reached a settlement agreement with the plaintiff, and the settlement had been approved by the Court; therefore, the case was closed.

**10. Significant loss from disaster: None.**

**11. Significant subsequent events: None.**

**12. Others**

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

	<b>2023</b>			<b>2022</b>		
	<b>Cost of sales</b>	<b>Operating expenses</b>	<b>Total</b>	<b>Cost of sales</b>	<b>Operating expenses</b>	<b>Total</b>
Employee benefits:						
Salaries	443,769	2,469,314	2,913,083	592,984	2,858,051	3,451,035
Insurance	32,750	155,507	188,257	36,615	157,179	193,794
Pension	14,352	83,642	97,994	18,314	81,690	100,004
Remuneration to directors	-	34,348	34,348	-	39,261	39,261
Others	33,192	137,772	170,964	47,223	158,992	206,215
Depreciation	119,940	203,645	323,585	82,539	199,020	281,559
Amortization	44,720	23,054	67,774	40,045	24,913	64,958

	<b>2023</b>	<b>2022</b>
The number of employees	<b>1,691</b>	<b>1,773</b>
The number of non-employee directors	<b>7</b>	<b>6</b>
Average employee benefits	<b>\$ 2,001</b>	<b>2,236</b>
Average employee salaries	<b>\$ 1,730</b>	<b>1,953</b>
Average employee salaries adjustment rate	<b>(11.42)%</b>	<b>6.60 %</b>
Supervisors' remuneration	<b>\$ -</b>	<b>-</b>

**QISDA CORPORATION**  
**Notes to the Parent-Company-Only Financial Statements**

The Company's salary and remuneration policies (including directors, managers and employees) were as follows:

(a) Directors:

- (i) The remuneration to directors is stipulated and distributed according to the Company's Articles of Incorporation, authorizing the Board of Directors to determine the remuneration based on the participation and contribution of each director, as well as "Remuneration Policy to the Directors and Functional Committee Members" which is in reference to domestic and overseas industry norms. If there is earnings, the remunerations to directors is approved by the Board of Directors according to the Company's Articles of Incorporation.
- (ii) The remunerations to directors is in accordance with the Company's Articles of Incorporation and Remuneration Policy, and is reviewed by the Remuneration Committee and approved by the Board of Directors.

(b) Managers:

The remuneration to managers is in accordance with the Company's personnel rules with reference to the industry norms, individual performance and the Company's overall operating performance, and is reviewed by the Salary and Remuneration Committee and approved by the Board of Directors.

(c) Employees:

- (i) The Company provides diversified and competitive overall remuneration and career development opportunities. Apart from basic salary (including principal salary, meal allowance, etc.), various allowances and rewards, such as work allowances, duty allowances, performance bonuses, incentive bonuses and remuneration to employees based on the Company's annual profit, are designed for difference job nature and reward purpose.
- (ii) The Company annually participates in the international market salary surveys, wherein it adjust the salary based on the salary benchmark of each job and individual performance to sustain its market competitiveness. Under the premise of enhancing the Company's overall operations and performance through teamwork and individual effort, the Company designs various short term or long term reward plans and profit sharing with employees to achieve the purpose of talent attraction, retention, motivation and programmatic cultivation of high quality talents.
- (iii) The salary and bonus for employees is in accordance with the Company's personnel rules. The remuneration to employees is in accordance with Company's Articles of Incorporation, and is approved by the Board of Directors and reported to shareholders meeting.

**QISDA CORPORATION**  
**Notes to Financial Statements**

**13. Additional disclosures**

- (a) Information on significant transactions:
  - (i) Financing provided to other parties: Table 1 (attached)
  - (ii) Guarantees and endorsements provided to other parties: Table 2 (attached)
  - (iii) Marketable securities held at the reporting date (excluding investments in subsidiaries, associates, and joint ventures): Table 3 (attached)
  - (iv) Marketable securities for which the accumulated purchase or sale amounts for the year exceed \$300 million or 20% of the paid-in capital: Table 4 (attached)
  - (v) Acquisition of real estate which exceeds \$300 million or 20% of the paid-in capital: Table 5 (attached)
  - (vi) Disposal of real estate which exceeds \$300 million or 20% of the paid-in capital: None
  - (vii) Total purchases from and sales to related parties which exceed \$100 million or 20% of the paid-in capital: Table 6 (attached)
  - (viii) Receivables from related parties which exceed \$100 million or 20% of the paid-in capital: Table 7 (attached)
  - (ix) Transactions about derivative instruments: Please refer to note 6(b)
- (b) Information on investees: Table 8 (attached)
- (c) Information on investment in Mainland China: Table 9 (attached)
- (d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
AU Optronics Corp.		335,230,510	17.04 %

**14. Segment information**

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



**QISDA CORPORATION**  
**Financing provided to other parties**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars and other currencies)**

Table 1

No.	Name of Lender	Name of Borrower	Financial Statement Account	Is a Related Party	Highest Balance of Financing to Other Parties During the Period	Ending Balance	Actual Usage Amount During the Period	Range of Interest Rates During the Period	Purpose of Fund Financing for the Borrower	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amounts Limits
													Item	Value		
1	BenQ	BQL	Other receivables from related parties	Yes	562,590	276,750	276,750	0%-4.55%	2	-	Operating requirements	-	-	-	3,618,314	3,618,314
1	BenQ	Darly Venture (L) Ltd	Other receivables from related parties	Yes	312,550	153,750	153,750	0.75%	2	-	Operating requirements	-	-	-	3,618,314	3,618,314
1	BenQ	APV	Other receivables from related parties	Yes	300,000	-	-	0.50%	2	-	Operating requirements	-	-	-	3,618,314	3,618,314
1	BenQ	QLLB	Other receivables from related parties	Yes	1,257,760	-	-	1.00%	2	-	Operating requirements	-	-	-	3,618,314	3,618,314
2	Darly 2	APV	Other receivables from related parties	Yes	100,000	100,000	100,000	0.50%	2	-	Operating requirements	-	-	-	1,754,868	1,754,868
3	QLLB	Qisda (Shanghai) Co., Ltd.(“QCSH”)	Other receivables from related parties	Yes	1,880,650	1,783,500	1,783,500	-	2	-	Operating requirements	-	-	-	6,653,776	6,653,776
4	QLPG	QLLB	Other receivables from related parties	Yes	21,233	-	-	3.20%	2	-	Operating requirements	-	-	-	7,411,472	14,822,943
5	BBM	Nanjing BenQ Hospital Co., Ltd.(“NMH”)	Other receivables from related parties	Yes	822,960	215,250	215,250	-	2	-	Operating requirements	-	-	-	2,544,782	2,544,782
6	BIC	Suzhou BenQ Hospital Co., Ltd. (“SMH”)	Other receivables from related parties	Yes	22,265	21,682	21,682	1.00%	2	-	Operating requirements	-	-	-	335,275	335,275
7	NMHC	Nanjing BenQ Hospital Co., Ltd.(“NMH”)	Other receivables from related parties	Yes	21,820	20,381	20,381	1.00%	2	-	Operating requirements	-	-	-	21,927	21,927
8	QCOS	Qisda (Shanghai) Co., Ltd.(“QCSH”)	Other receivables from related parties	Yes	89,060	86,728	86,728	2.00%	2	-	Operating requirements	-	-	-	3,705,736	37,057,358
8	QCOS	BenQ Guru Software Co., Ltd.(“GSS”)	Other receivables from related parties	Yes	22,265	-	-	3.30%	2	-	Operating requirements	-	-	-	3,705,736	37,057,358
8	QCOS	BenQ Medical (Shanghai) Co., Ltd.(“BMSH”)	Other receivables from related parties	Yes	44,313	21,682	21,682	3.30%	2	-	Operating requirements	-	-	-	3,705,736	37,057,358
9	BMS	BenQ Materials (Wuhu) Co., Ltd.	Other receivables from related parties	Yes	1,180,045	1,149,146	881,590	1.30%	2	-	Operating requirements	-	-	-	1,907,217	1,907,217
9	BMS	BenQ Materials Medical Supplies (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	444,170	433,640	86,294	1.30%	2	-	Operating requirements	-	-	-	1,907,217	1,907,217
10	WPC	Web-Pro(Vietnam)Co.,Ltd	Other receivables from related parties	Yes	860,000	215,250	123,000	1.00%-2.87%	2	-	Operating requirements	-	-	-	630,668	1,261,337
11	ACE	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	354,504	195,138	151,774	-	2	-	Operating requirements	-	-	-	393,775	787,550
11	ACE	Suzhou Super Pillar Automation Equipment Co., Ltd.	Other receivables from related parties	Yes	173,212	86,728	30,355	-	2	-	Operating requirements	-	-	-	393,775	787,550
12	AEWIN	Aewin Beijing Technologies Co., Ltd.	Other receivables from related parties	Yes	249,699	200,885	200,885	-	1	286,858	Business transaction	-	-	-	251,205	502,411
13	Alpha HK	Alpha CSF	Other receivables from related parties	Yes	1,098,962	1,075,427	1,075,427	-	2	-	Operating requirements	-	-	-	2,273,145	2,273,145
14	Alpha CD	Alpha CSF	Other receivables from related parties	Yes	267,180	260,184	260,184	1.75%	2	-	Operating requirements	-	-	-	463,192	463,192
15	Hitron	HVN	Other receivables from related parties	Yes	933,000	-	-	1.00%	2	-	Operating requirements	-	-	-	983,900	1,967,801
16	Alpha	Alpha VN	Other receivables from related parties	Yes	622,000	307,500	-	3.00%-5.50%	2	-	Operating requirements	-	-	-	2,002,544	4,005,088
17	Cyber South	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	22,698	21,525	21,525	-	2	-	Operating requirements	-	-	-	537,147	537,147
18	Proton	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	12,970	12,300	12,300	-	2	-	Operating requirements	-	-	-	417,001	417,001
19	Darshin Materials Medical Supplies (Suzhou) Co., Ltd.	BenQ Materials Medical Supplies (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	22,209	21,682	16,045	1.30%	2	-	Operating requirements	-	-	-	37,864	37,864
20	K2 International Medical Inc	K2 Medical (Thailand) Co. Ltd	Other receivables from related parties	Yes	81,063	76,875	61,500	3.00%	2	-	Operating requirements	-	-	-	126,898	253,796
21	Enrich	Transnet Corporation	Other receivables from related parties	Yes	15,000	15,000	15,000	1.65%	2	-	Operating requirements	-	-	-	62,591	125,183
22	MTG	Corex (Pty) Ltd.	Other receivables from related parties	Yes	156,275	153,750	87,821	6.30%	2	-	Operating requirements	-	-	-	890,197	1,780,394

(Note 1)The aggregate financing amount and the individual financing amount of BenQ to subsidiaries shall not exceed 40% of the most recent net worth of BenQ.

(Note 2)The aggregate financing amount and the individual financing amount of Daryl 2 to subsidiaries shall not exceed 40% of the most recent net worth of Daryl 2.

(Note 3)The aggregate financing amount and the individual financing amount of QLLB to subsidiaries shall not exceed 40% of the most recent net worth of QLLB.

(Note 4)The aggregate financing amount and the individual financing amount of QLPG to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent audited and reviewed net worth of the Company.

(Note 5)The aggregate financing amount and the individual financing amount of BBM to subsidiaries shall not exceed 40% of the most recent net worth of BBM.

(Note 6)The aggregate financing amount and the individual financing amount of BIC to subsidiaries shall not exceed 40% of the most recent net worth of BIC.

(Note 7)The aggregate financing amount and the individual financing amount of NMHC to subsidiaries shall not exceed 100% of the most recent net worth of NMHC.

(Note 8)The aggregate financing amount to subsidiaries wholly owned by the Company and the individual financing amount of QCOS shall not exceed 100% and 10%, respectively, of the most recent net worth of the Company.  
The financing amount to the subsidiaries not wholly owned by the Company and the individual financing amount of QCOS shall not exceed 40% of the most recent net worth of QCOS.

(Note 9)The aggregate financing amount to subsidiaries wholly owned by BMC and the individual financing amount of BMS shall not exceed 100% of the most recent audited and reviewed net worth of BMS.

(Note 10)The aggregate financing amount and the individual financing amount of WPC to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of WPC.

(Note 11)The aggregate financing amount and the individual financing amount of ACE to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of ACE.

(Note 12)The aggregate financing amount and the individual financing amount of AEWIN to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of AEWIN.

(Note 13)The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Alpha HK shall not exceed 100% of the most recent net worth of Alpha HK.

(Note 14)The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Alpha CD shall not exceed 100% of the most recent net worth of Alpha CD.

(Note 15)The aggregate financing amount of Hitron and its subsidiaries to subsidiaries shall not exceed 40% of the the most recent audited or reviewed net worth of both parties. The financing reason and limit for each type of party is stated as below.  
a.For entities who have business transactions with Hitron, the individual financing amount shall not exceed 20% of the most recent net worth of Hitron in the nearest 12 months. The transaction referring to the higher of sales or purchase amount.  
b.For entities who have a need in short-term financing, the individual financing amount shall not exceed 20% of the most recent audited and reviewed net worth of Hitron Technologies.  
c.Financing among foreign subsidiaries which Hitron has 100% of direct or indirect voting rights, or foreign subsidiaries which Hitron has 100% of direct or indirect voting rights financing to Hitron, there is no limit to the financing amount and period of lending, but should state the financing limit and term of lending.

(Note 16)The aggregate financing amount and the individual financing amount of Alpha to other parties shall not exceed 40% and 20%, respectively, of the most recent net worth of Alpha.

(Note 17)The aggregate financing amount and the individual financing amount of Cyber South to subsidiaries shall not exceed 10% and 5%, respectively, of the most recent net worth of Cyber South.  
For financing among foreign subsidiaries wholly owned by ACE because of financing purpose,the aggregate financing amount and the individual financing amount shall not exceed 100% of most recent net worth of Cyber South.

(Note 18)The aggregate financing amount and the individual financing amount of Proton to subsidiaries shall not exceed 10% and 5%, respectively, of the most recent net worth of Proton.  
For financing among foreign subsidiaries wholly owned by ACE because of financing purpose,the aggregate financing amount and the individual financing amount shall not exceed 100% of most recent net worth of Proton.

(Note 19)The aggregate financing amount to subsidiaries wholly owned by BMC and the individual financing amount of DTB shall not exceed 100% of the most recent audited and reviewed net worth of DTB.

(Note 20)The aggregate financing amount and the individual financing amount of K2 to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of K2.

(Note 21)The aggregate financing amount and the individual financing amount of Enrich to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of Enrich.

(Note 22)The aggregate financing amount and the individual financing amount of MTG to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of MTG.

(Note 23)Purpose of Fund Financing: 1.Business transaction purpose. 2. Short-term financing purpose.

**QISDA CORPORATION**  
**Guarantees and endorsements provided to other parties**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars and other currencies)**

Table 2

No.	Endorsements / Guarantee Provider	Counter-party of Guarantee and Endorsement		Limits on Amount of Guarantees and Endorsements Provided to Each Guaranteed Party	Highest Balance of Guarantees and Endorsements During the Period	Balance of Guarantees and Endorsements as of Reporting Date	Actual Usage Amount During the Period	Property Pledged for Guarantees and Endorsements	Ratio of Accumulated Amounts of Guarantees and Endorsements to Net Worth of the Latest Financial Statements	Maximum Amounts for Guarantees and Endorsements	Gaurantee Provided by Parent Company	Gaurantee Provided by A Subsidiary	Endorsements / Guarantees Provided to Subsidiaries in Mainland China
		Name	Relationship with the Company										
0	The Company	QLLB	Parent/Subsidiary	7,411,472	5,109,480	3,751,500	2,337,000	-	10.12%	18,528,679	Y	-	-
1	BenQ	MaxGen	Parent/Subsidiary	1,809,157	114,647	101,184	101,184	-	1.12%	9,045,786	N	-	-
2	PTT	Partner Tech Middle East FZCO	Parent/Subsidiary	231,987	188,664	92,250	92,250	-	7.95%	579,969	N	-	-
2	PTT	Partner-Tech Europe GmbH	Parent/Subsidiary	231,987	123,000	61,500	61,500	-	5.30%	579,969	N	-	-
2	PTT	Partner Tech USA Inc.	Parent/Subsidiary	231,987	61,500	30,750	30,750	-	2.65%	579,969	N	-	-
2	PTT	Partner Tech (Shanghai) CO., Ltd.	Parent/Subsidiary	231,987	32,425	30,750	-	-	2.65%	579,969	N	-	-
2	PTT	Webest Solution Corporation	Parent/Subsidiary	231,987	10,000	10,000	10,000	-	0.86%	579,969	N	-	-
3	DIC	Data Image (Suzhou) Corporation	Parent/Subsidiary	296,702	62,510	30,750	6,174	-	2.07%	741,756	N	-	Y
4	Alpha	Alpha DGF	Parent/Subsidiary	5,006,361	64,850	61,500	-	-	0.61%	10,012,721	N	-	Y
4	Alpha	Alpha CSF	Parent/Subsidiary	5,006,361	226,975	215,250	16	-	2.15%	10,012,721	N	-	Y
5	Hitron	HBV	Parent/Subsidiary	4,919,502	631,113	-	-	-	-	7,379,253	N	-	-
5	Hitron	HUS	Parent/Subsidiary	4,919,502	615,600	-	-	-	-	7,379,253	N	-	-
5	Hitron	HVN	Parent/Subsidiary	4,919,502	2,554,740	-	-	-	-	7,379,253	N	-	-
6	MTG	Corex (Pty) Ltd.	Parent/Subsidiary	890,197	618,825	611,250	297,595	-	13.73%	2,225,493	N	-	-

(Note 1)The aggregate endorsement/guarantee amount provided by the Company to QLLB and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the most recent audited or reviewed net worth of the Company.

(Note 2)The aggregate endorsement/guarantee amount provided by BenQ to MaxGen and the endorsement/guarantee amount provided to individual party shall not exceed 100% and 20%, respectively, of the net worth of BenQ.

(Note 3)The aggregate endorsement/guarantee amount provided by PTT to PTT 's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the net worth of PTT.

(Note 4)The aggregate endorsement/guarantee amount provided by DIC to Data Image (Suzhou) Corporation and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the net worth of DIC.

(Note 5)The aggregate endorsement/guarantee amount provided by Alpha to Alpha's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 100% and 50%, respectively, of the net worth of Alpha.

(Note 6)The aggregate endorsement/guarantee amount provided by Hitron to Hitrons'subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 150% and 20%, respectively, of the net worth of Hitron.

However, there is no restriction for those directly or indirectly held subsidiaries with more than 50% of the voting shares and for those directly and indirectly hold 100% of the voting shares are indirectly endorsed and guaranteed, but it shall not exceed Hitron 100% of net worth of the most recent financial statements.

(Note 7)The aggregate endorsement/guarantee amount provided by MTG to Corex and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the most recent audited or reviewed net worth of MTG.

**QISDA CORPORATION**  
**Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures)**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars, unless specified otherwise)**

Table 3

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2023				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
The Company	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,388	72,150	3.74%	72,150	-
The Company	Stock: AU	-	Financial assets at fair value through other comprehensive income-non-current	530,879	9,635,452	6.90%	9,635,452	-
The Company	Stock: TXOne Networks Inc.	-	Financial assets at fair value through other comprehensive income-non-current	909	(Note 1)	1.75%	-	-
The Company	Stock: SCT Holdings, Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	800	2,134	2.44%	2,134	-
The Company	Stock: ITH Corp.	-	Financial assets at fair value through profit or loss-current	3,000	96,126	0.66%	96,126	-
QLLB	CPEC Huachuang Private Equity Fund (Fujian) Co., Ltd. Fund	-	Financial assets at fair value through other comprehensive income-non-current	-	41,448	2.50%	41,448	-
BMC	Stock: Lagis Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	1,680	63,840	5.25%	63,840	-
BMC	Stock: YiLeLaFa Corporation	-	Financial assets at fair value through other comprehensive income-non-current	300	1,929	2.73%	1,929	-
BMC	Stock: Biodenta Corporation	-	Financial assets at fair value through profit or loss-non-current	225	(Note 1)	2.50%	-	-
BMC	Stock: CUUMed Catheter Medical Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	3,429	94,078	8.76%	94,078	-
APV	Stock: Hi-Clearance Inc.	-	Financial assets at fair value through other comprehensive income-current	340	46,081	0.76%	46,081	-
APV	Stock: Joymaster Inc.	-	Financial assets at fair value through other comprehensive income-non-current	619	(Note 1)	6.19%	-	-
APV	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	706	61,176	2.77%	61,176	-
APV	Stock: Gigastone Corporation	-	Financial assets at fair value through other comprehensive income-non-current	31	1,221	0.06%	1,221	-
APV	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	2,000	10,885	6.17%	10,885	-
APV	Stock: CDIB Capital Innovation Advisors Corporation	-	Financial assets at fair value through other comprehensive income-non-current	2,717	12,197	3.33%	12,197	-
APV	Stock: D8AI , Inc.	-	Financial assets at fair value through other comprehensive income-non-current	19,500	3,032	10.76%	3,032	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2023				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
APV	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	2,144	111,512	5.78%	111,512	-
APV	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	2,300	921,055	3.03%	921,055	-
APV	Stock: PlayNitride Inc.	-	Financial assets at fair value through other comprehensive income-non-current	453	44,756	0.42%	44,756	-
Darly 2	Affinity Health Fund Two, L.P.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	28,121	1.45%	28,121	-
Darly 2	Stock: InnoFund V Co., Ltd.	-	Financial assets at fair value through profit or loss-non-current	3,000	30,000	7.03%	30,000	-
Darly 2	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	494	42,786	1.94%	42,786	-
Darly 2	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	993	397,515	1.31%	397,515	-
Darly 2	Stock: Fong Huang Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	6,000	71,132	18.75%	71,132	-
Darly 2	Stock: Fong Huang 2 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	34,658	7.01%	34,658	-
Darly 2	Stock: Fong Huang 3 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	33,960	13.04%	33,960	-
Darly 2	Stock: Fong Huang 4 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	37,253	12.77%	37,253	-
Darly 2	Affinity Health Fund One, L.P.	-	Financial assets at fair value through other comprehensive income-non-current	(Note 2&3)	20,536	2.00%	20,536	-
Darly 2	JAFCO Taiwan II Venture Capital Limited Partnership	-	Financial assets at fair value through other comprehensive income-non-current	(Note 2&3)	26,503	4.81%	26,503	-
Darly C	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	36	3,095	0.14%	3,095	-
Darly C	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	1,000	5,442	3.09%	5,442	-
Darly C	Stock: Anqing Innovation	-	Financial assets at fair value through other comprehensive income-non-current	1,033	5,474	2.24%	5,474	-
Darly C	Stock: Visco Vision Inc.	-	Financial assets at fair value through other comprehensive income-non-current	285	61,832	0.45%	61,832	-
BenQ	Stock: GT Booster Corp.	-	Financial assets at fair value through other comprehensive income-non-current	63	15,651	8.00%	15,651	-
PTT	Stock: D8AI , Inc.	-	Financial assets at fair value through other comprehensive income-non-current	4,200	2,309	2.32%	2,309	-
DFI	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,487	77,314	4.01%	77,314	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2023				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
DFI	Fund: Cathay No 1 REIT	-	Financial assets at fair value through profit or loss-current	1,442	24,485	-	24,485	-
AEWIN	Stock: Aewin Korea Technologies Co., Ltd.	Substantive related party	Financial assets at fair value through other comprehensive income-non-current	10	745	16.67%	745	-
AEWIN	Stock: AuthenTrend Technology Inc.	-	Financial assets at fair value through profit or loss-non-current	300	(Note 1)	1.42%	-	-
STC	Stock: Intelligent fluids GmbH	-	Financial assets at fair value through other comprehensive income-non-current	27	(Note 1)	1.71%	-	-
STC	Stock: COMPITEK CORP PTE LTD. (CPL)	-	Financial assets at fair value through other comprehensive income-non-current	36	8,655	6.28%	8,655	-
MTG	Stock: CDS Holdings Limited	-	Financial assets at fair value through profit or loss-non-current	600	(Note 1)	1.11%	-	-
MTG	Stock: Yobon Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	3	(Note 1)	0.42%	-	-
MTG	Stock: Dynasafe Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	4,404	453,931	19.15%	453,931	-
MTG	Stock: Touch Cloud, Inc.	-	Financial assets at fair value through profit or loss-non-current	200	(Note 1)	1.50%	-	-
MTG	Stock: Gemini Data, Inc.	-	Financial assets at fair value through profit or loss-non-current	2,706	(Note 1)	1.12%	-	-
MTG	Stock: Kingtel Corporation	-	Financial assets at fair value through profit or loss-non-current	443	(Note 1)	18.09%	-	-
MTG	Limited Partnership Equity: Taiwan Capital Buffalo Fund V ,LP.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	197,658	12.78%	197,658	-
MTG	Limited Partnership Equity: New Economy Ventures L.P.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	41,468	7.36%	41,468	-
MTG	Stock: High Performance Information Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,138	118,189	8.36%	118,189	-
Simula	Stock: Optomedia Technology Inc.	-	Financial assets at fair value through other comprehensive income-non-current	265	2,411	3.26%	2,411	-
Simula	Stock: Taiwan Competition Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	500	1,447	16.67%	1,447	-
Simula	Stock: Mcurich Inc.	-	Financial assets at fair value through other comprehensive income-non-current	645	(Note 1)	15.12%	-	-
GSC	Stock: New Image Medical Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	200	2,960	0.74%	2,960	-
Alpha	Stock: TGC, Inc.	-	Financial assets at fair value through profit or loss-non-current	500	(Note 1)	1.83%	-	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2023				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
Alpha	Ignition Ventures Limited Partnership	-	Financial assets at fair value through other comprehensive income-non-current	(Note 2&3)	31,429	-	31,429	-
Hitron	Stock: Senao International Co., Ltd.	-	Financial assets at fair value through profit or loss-current	152	5,989	0.06%	5,989	-
Hitron	Stock: Chao Long Motor Parts Corp.	-	Financial assets at fair value through other comprehensive income-non-current	668	51,152	1.79%	51,152	-
Hitron	Stock: Imagetech Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	120	(Note 1)	1.20%	-	-
Hitron	Stock: Tsunami Visual Technologies, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,220	(Note 1)	9.34%	-	-
Hitron	Stock: Pivot Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	198	(Note 1)	10.94%	-	-
Hitron	Stock: Cardtek Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,000	(Note 1)	6.45%	-	-
Hitron	Stock: Yesmobile Holdings Company Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	294	(Note 1)	0.75%	-	-
Hitron	Preferred Stock: Codent Networks (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,570	(Note 1)	-	-	-
DIVA	Stock: Insight Genomics Inc.	-	Financial assets at fair value through other comprehensive income-non-current	600	2,778	6.40%	2,778	-
DIVA	Stock: Renown Information Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	240	1,834	4.80%	1,834	-
DIVA	Stock: Pharmally International Holding Co. Ltd.	-	Financial assets at fair value through profit or loss-non-current	150	(Note 1)	-	-	-
CKCARE	Stock: Pchain Biotechnology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	9	123	0.10%	123	-

(Note 1)The impairment loss was fully recognized.

(Note 2)There was no shares as the company is a limited partnership.

(Note 3)In accordance with the Q&A of the FSC , the accounting treatment need not be applied retroactively to investments in limited partnerships prior to June 30, 2023 in accordance with the IFRS Q&A released by Accounting Research and Development Foundation on June 15, 2023. Therefore, the Group continues to measure its investments in limited partnerships as financial assets at fair value through other comprehensive income.

**QISDA CORPORATION**  
**Marketable securities for which the accumulated purchase or sale amount for the year exceed NT\$300 million or 20% of the paid-in capital**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars, unless specified otherwise)**

Table 4

Company name	Marketable Securities Type and Name	Financial Statement Account	Counter-Party	Name of Relationship	Beginning Balance		Purchase		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Shares	Amount (Note1)
The Company	Norbel	Investment accounted for using equity method	-	-	-	-	10,000	1,800,000	-	-	-	-	10,000	1,710,470
The Company	K2	Investment accounted for using equity method	BMTC	Parent/Subsidiary	6,997	240,793	-	-	6,997	349,853	231,331	-	-	-
The Company	BBHC	Investment accounted for using equity method	CDH Medical Services Limited	-	47,970	1,112,972	60,585	6,285,683	-	-	-	-	108,555	2,816,442
Alpha	Alpha VN	Investment accounted for using equity method	-	Parent/Subsidiary	-	613,700	-	492,368	-	-	-	-	-	929,750
Alpha	Alpha CD	Investment accounted for using equity method	-	Parent/Subsidiary	-	-	-	453,169	-	-	-	-	-	463,192
BMC	WPC	Investment accounted for using equity method	-	-	-	-	35,700	3,161,999	-	-	-	-	35,700	2,908,093
WPC	WPSG	Investment accounted for using equity method	-	Parent/Subsidiary	15,000	393,845	15,000	444,425	-	-	-	-	30,000	765,713
WPSG	WPVN	Investment accounted for using equity method	-	Parent/Subsidiary	-	367,385	-	465,103	-	-	-	-	-	758,203
BMTC	K2	Investment accounted for using equity method	The Company and Darly 2	Parent/Subsidiary	-	-	7,800	390,000	-	-	-	-	7,800	284,704
DFI	Brainstorm	Investment accounted for using equity method	MTG	Other related party	233	533,367	-	-	233	530,075	540,240	-	-	-
MTG	Brainstorm	Investment accounted for using equity method	DFI	Other related party	-	-	233	530,075	-	-	(6,869)	-	233	523,206

(Note 1) The ending balance includes shares of profits/losses of investees and other related adjustment.



**QISDA CORPORATION**  
**Acquisition of real estate which exceeds NT\$300 million or 20% of the paid-in capital**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars, unless specified otherwise)**

Table 5

Company Name	Property Name	Transaction Date	Transaction amount	Status of Payment	Counter Party	Relationship with the Counter Party	If the Counter Party is a Related Party, Disclose the Previous Transfer Information				Price Reference	Purpose of Acquisition and Current Condition	Notes
							Owner	Relationship with the Company	Date of Transfer	Amount			
BMC	Buildings	Contract date: July 31, 2023	669,900 (Tax included)	Not yet paid	GO-IN Engineering Co., Ltd.	Not applicable	-	-	-	-	Inquiry and bargaining	Additional constructions in Yunlin factory for production and operation	-

**QISDA CORPORATION**  
**Total purchases from and sales to related parties which exceed NTS100 million or 20% of the paid-in capital**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars, unless specified otherwise)**

Table 6

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/Accounts Receivable or (Payable)	
The Company	BenQ	Parent/Subsidiary	(Sales)	(4,053,493)	(5)	OA90	-	-	1,469,264	6	-
The Company	QJTO	Parent/Subsidiary	(Sales)	(2,733,421)	(4)	OA120	-	-	1,103,506	5	-
The Company	QALA	Parent/Subsidiary	(Sales)	(18,995,649)	(25)	OA90	-	-	10,528,447	46	-
The Company	AU	The entity who has significant influence over the Group	(Sales)	(2,259,226)	(3)	OA120	-	-	176,694	1	-
The Company	AUOSZ	The entity who has significant influence over the Group	(Sales)	(1,305,361)	(2)	OA120	-	-	556,578	2	-
The Company	AUOKS	The entity who has significant influence over the Group	(Sales)	(322,442)	-	OA120	-	-	181,972	1	-
The Company	DFI	Parent/Subsidiary	(Sales)	(187,561)	-	60-90 Days	-	-	10,296	-	-
The Company	QCSZ	Parent/Subsidiary	Purchases	50,122,958	70	OA120	-	-	(16,925,223)	(64)	-
The Company	QCOS	Parent/Subsidiary	Purchases	11,684,637	16	OA120	-	-	(5,535,436)	(21)	-
The Company	QVH	Parent/Subsidiary	Purchases	1,017,172	1	OA60	-	-	(49,580)	-	-
The Company	AU	The entity who has significant influence over the Group	Purchases	131,906	-	OA45	-	-	-	-	-
QCSZ	The Company	Parent/Subsidiary	(Sales)	(50,122,958)	(85)	OA120	-	-	16,925,223	91	-
QCSZ	BQC_RO	Affiliates	(Sales)	(1,476,501)	(2)	OA120	-	-	73,311	-	-
QCSZ	QCPS	Affiliates	Purchases	1,171,120	2	OA60	-	-	(219,938)	(2)	-
QCSZ	AU	The entity who has significant influence over the Group	Purchases	3,182,072	6	EOMS5	-	-	(265,761)	(2)	-
QCES	QCOS	Affiliates	(Sales)	(587,495)	(7)	OA60	-	-	43,942	2	-
QCOS	The Company	Parent/Subsidiary	(Sales)	(11,684,637)	(86)	OA120	-	-	5,535,436	94	-
QCOS	BQC_RO	Affiliates	(Sales)	(516,386)	(4)	OA120	-	-	5,126	-	-
QCOS	AUOXM	The entity who has significant influence over the Group	(Sales)	(452,389)	(3)	OA120	-	-	213,553	4	-
QCOS	QCES	Affiliates	Purchases	587,495	4	OA60	-	-	(43,942)	(2)	-
QCOS	QCPS	Affiliates	Purchases	196,004	1	OA60	-	-	(32,515)	(1)	-
QCOS	AU	The entity who has significant influence over the Group	Purchases	332,666	3	OA60	-	-	(4,368)	-	-
QCPS	QCSZ	Affiliates	(Sales)	(1,171,120)	(80)	OA60	-	-	219,938	81	-
QCPS	QCOS	Affiliates	(Sales)	(196,004)	(13)	OA60	-	-	32,515	12	-
QALA	The Company	Parent/Subsidiary	Purchases	18,995,649	100	OA90	-	-	(10,528,447)	(100)	-
QJTO	The Company	Parent/Subsidiary	Purchases	2,733,421	100	OA120	-	-	(1,103,506)	(99)	-
QVH	The Company	Parent/Subsidiary	(Sales)	(1,017,172)	(92)	OA60	-	-	49,580	81	-
BenQ	BQA	Affiliates	(Sales)	(2,085,110)	(17)	OA90	-	-	67,177	2	-
BenQ	BQC_RO	Affiliates	(Sales)	(228,884)	(2)	OA60	-	-	27,243	1	-
BenQ	BQHK_HLD	Affiliates	(Sales)	(120,875)	(1)	OA60	-	-	8,084	-	-
BenQ	BQE	Affiliates	(Sales)	(3,283,470)	(27)	OA90	-	-	539,821	18	-
BenQ	BQL	Affiliates	(Sales)	(644,117)	(5)	OA90	-	-	181,636	6	-
BenQ	BQP	Affiliates	(Sales)	(5,862,392)	(48)	OA60	-	-	1,835,994	63	-
BenQ	The Company	Parent/Subsidiary	Purchases	4,053,493	36	OA90	-	-	(1,469,264)	(61)	-
BenQ	AU	The entity who has significant influence over the Group	Purchases	1,227,387	11	EOMS5	-	-	(114,648)	(5)	-
BQA	BQCA	Affiliates	(Sales)	(600,765)	(13)	OA60	-	-	121,676	17	-
BQA	ZGC	Affiliates	(Sales)	(609,322)	(13)	OA60	-	-	249,315	34	-
BQA	BenQ	Affiliates	Purchases	2,085,110	58	OA90	-	-	(67,177)	(100)	-
BQC_RO	BQsha_EC2	Affiliates	(Sales)	(191,538)	(4)	OA60	-	-	18,934	9	-
BQC_RO	QCOS	Affiliates	Purchases	516,386	17	OA120	-	-	(5,126)	(1)	-
BQC_RO	QCSZ	Affiliates	Purchases	1,476,501	50	OA120	-	-	(73,311)	(21)	-
BQC_RO	BenQ	Affiliates	Purchases	228,884	8	OA60	-	-	(27,243)	(8)	-
BQE	BQDE	Affiliates	(Sales)	(904,208)	(20)	OA30	-	-	26,748	7	-
BQE	BQFR	Affiliates	(Sales)	(491,267)	(11)	OA30	-	-	230,044	60	-
BQE	BQIT	Affiliates	(Sales)	(172,134)	(4)	OA30	-	-	12,899	3	-
BQE	BQUK	Affiliates	(Sales)	(775,795)	(17)	OA30	-	-	19,118	5	-
BQE	BQAT	Affiliates	(Sales)	(685,928)	(15)	OA45	-	-	28,982	8	-
BQE	BQSE	Affiliates	(Sales)	(231,445)	(5)	OA30	-	-	270	-	-
BQE	BQIB	Affiliates	(Sales)	(222,704)	(5)	OA30	-	-	2,393	1	-

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/Accounts Receivable or (Payable)	
BQE	BQNL	Affiliates	(Sales)	(711,331)	(16)	OA30	-	-	54,804	14	-
BQE	BQCH	Affiliates	(Sales)	(129,831)	(3)	OA30	-	-	6,463	2	-
BQE	BenQ	Affiliates	Purchases	3,283,470	82	OA90	-	-	(539,821)	(91)	-
BQL	BQMX	Affiliates	(Sales)	(440,967)	(56)	OA90	-	-	95,605	16	-
BQL	MaxGen	Affiliates	(Sales)	(152,880)	(19)	OA90	-	-	472,987	81	-
BQL	BenQ	Affiliates	Purchases	644,117	88	OA90	-	-	(181,636)	(92)	-
BQP	BQAU	Affiliates	(Sales)	(198,197)	(3)	OA60	-	-	18,981	1	-
BQP	BQIN	Affiliates	(Sales)	(1,232,923)	(19)	OA60	-	-	815,589	41	-
BQP	BQJP	Affiliates	(Sales)	(1,642,032)	(25)	OA60	-	-	354,882	18	-
BQP	BQKR	Affiliates	(Sales)	(237,752)	(4)	OA60	-	-	116,732	6	-
BQP	BQME	Affiliates	(Sales)	(1,132,160)	(17)	OA60	-	-	198,840	10	-
BQP	BQID	Affiliates	(Sales)	(134,928)	(2)	OA60	-	-	50,267	3	-
BQP	BenQ	Affiliates	Purchases	5,862,392	100	OA60	-	-	(1,835,994)	(100)	-
BQAT	BQE	Affiliates	Purchases	685,928	100	OA45	-	-	(28,982)	(100)	-
BQAU	BQP	Affiliates	Purchases	198,197	81	OA60	-	-	(18,981)	(92)	-
BQCA	BQA	Affiliates	Purchases	600,765	100	OA60	-	-	(121,676)	(99)	-
BQCH	BQE	Affiliates	Purchases	129,831	100	OA30	-	-	(6,463)	(61)	-
BQDE	BQE	Affiliates	Purchases	904,208	96	OA30	-	-	(26,748)	(100)	-
BQFR	BQE	Affiliates	Purchases	491,267	99	OA30	-	-	(230,044)	(98)	-
BQHK_HLD	BenQ	Affiliates	Purchases	120,875	86	OA60	-	-	(8,084)	(84)	-
BQIB	BQE	Affiliates	Purchases	222,704	99	OA30	-	-	(2,393)	(83)	-
BQID	BQP	Affiliates	Purchases	134,928	100	OA60	-	-	(50,267)	(99)	-
BQIN	BQP	Affiliates	Purchases	1,232,923	69	OA60	-	-	(815,589)	(100)	-
BQIT	BQE	Affiliates	Purchases	172,134	93	OA30	-	-	(12,899)	-	-
BQJP	BQP	Affiliates	Purchases	1,642,032	100	OA60	-	-	(354,882)	(96)	-
BQKR	BQP	Affiliates	Purchases	237,752	100	OA60	-	-	(116,732)	(100)	-
BQME	BQP	Affiliates	Purchases	1,132,160	95	OA60	-	-	(198,840)	(90)	-
BQMX	BQL	Affiliates	Purchases	440,967	92	OA90	-	-	(95,605)	(89)	-
BQNL	BQE	Affiliates	Purchases	711,331	100	OA30	-	-	(54,804)	(98)	-
BQSE	BQE	Affiliates	Purchases	231,445	100	OA30	-	-	(270)	(24)	-
BQsha_EC2	BQC_RO	Affiliates	Purchases	191,538	99	OA60	-	-	(18,934)	(100)	-
BQUK	BQE	Affiliates	Purchases	775,795	100	OA30	-	-	(19,118)	(94)	-
MaxGen	BQL	Affiliates	Purchases	152,880	83	OA90	-	-	(472,987)	(95)	-
ZGC	BQA	Affiliates	Purchases	609,322	100	OA60	-	-	(249,315)	(99)	-
ESM	GSC	Affiliates	(Sales)	(274,487)	(100)	OA60	-	-	45,989	100	-
GSC	ESM	Affiliates	Purchases	274,487	57	OA60	-	-	(45,989)	(67)	-
GSC	BMB	Affiliates	Purchases	138,127	29	OA60	-	-	(22,144)	(32)	-
BMB	GSC	Affiliates	(Sales)	(138,127)	(29)	OA60	-	-	22,144	32	-
K2	K2SH	Affiliates	(Sales)	(324,204)	(30)	OA90	-	-	40,175	24	-
K2SH	K2	Affiliates	Purchases	324,204	100	OA90	-	-	(40,175)	(100)	-
DIC	Data Image (Suzhou) Corporation	Affiliates	Processing cost	1,134,344	55	Depends on its working capital status	-	-	(294,000)	(76)	-
Data Image (Suzhou) Corporation	DIC	Affiliates	Processing Revenue	(1,134,344)	(29)	Depends on its working capital status	-	-	294,000	54	-
DFI	The Company	Parent/Subsidiary	Purchases	187,561	8	60-90 Days	-	-	(10,296)	(3)	-
DFI	DFI AMERICA, LLC.	Affiliates	(Sales)	(614,226)	(15)	60-90 Days	-	-	-	-	-
DFI AMERICA, LLC.	DFI	Affiliates	Purchases	614,226	96	60-90 Days	-	-	(24,883)	(100)	-
DFI	Diamond Flower Information (NL) B.V.	Affiliates	(Sales)	(496,642)	(12)	60-90 Days	-	-	16,905	4	-
Diamond Flower Information (NL) B.V.	DFI	Affiliates	Purchases	496,642	100	60-90 Days	-	-	(16,905)	(100)	-
DFI	DFI Co., Ltd.	Affiliates	(Sales)	(324,308)	(8)	60-90 Days	-	-	6,736	2	-
DFI Co., Ltd.	DFI	Affiliates	Purchases	324,308	100	60-90 Days	-	-	(6,736)	(88)	-
DFI	AEWIN	Affiliates	(Sales)	(320,249)	(8)	EOM90	-	-	33,315	8	-
AEWIN	DFI	Affiliates	Purchases	320,249	26	EOM90	-	-	(33,315)	(12)	-
AEWIN	AEWIN Beijing	Affiliates	(Sales)	(286,858)	(21)	150 Days After Shipment	-	-	275,316	61	-
AEWIN Beijing	AEWIN	Affiliates	Purchases	286,858	47	150 Days After Shipment	-	-	(275,316)	(47)	-
AEWIN	Aewin Tech Inc.	Affiliates	(Sales)	(187,442)	(14)	120 Days After Shipment	-	-	92,440	21	-
Aewin Tech Inc.	AEWIN	Affiliates	Purchases	187,442	100	120 Days After Shipment	-	-	(92,440)	(100)	-
Alpha	Alpha USA	Affiliates	(Sales)	(7,460,063)	(41)	90 Days	-	-	1,373,313	36	-

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/(Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/Accounts Receivable or (Payable)	
Alpha	D-Link Asia	Affiliates	Purchases	892,562	6	90 Days	-	-	-	-	-
Alpha	Alpha CSF	Affiliates	Purchases	8,042,314	58	90 Days	-	-	(640,969)	(28)	-
Alpha CSF	Mirac	Affiliates	(Sales)	(310,788)	(3)	90 Days	-	-	36,611	3	-
Alpha HK	Alpha VN	Affiliates	(Sales)	(1,487,305)	(17)	90 Days	-	-	916,049	49	-
Alpha HK	Alpha CSF	Affiliates	(Sales)	(6,191,412)	(72)	90 Days	-	-	709,582	38	-
D-Link Asia	Alpha DGF	Affiliates	Purchases	892,562	68	90 Days	-	-	-	-	-
Hitron	HUS	Affiliates	(Sales)	(4,134,320)	(67)	90 Days	-	-	1,518,943	74	-
Hitron	HBV	Affiliates	(Sales)	(355,687)	(6)	90 Days	-	-	69,433	3	-
HVN	Hitron	Affiliates	(Sales)	(6,243,767)	(99)	60 Days	-	-	1,701,574	100	-
Alpha USA	Alpha	Affiliates	Purchases	7,460,063	100	90 Days	-	-	(1,373,313)	(100)	-
D-Link Asia	Alpha	Affiliates	(Sales)	(892,562)	(68)	90 Days	-	-	-	-	-
Alpha CSF	Alpha	Affiliates	(Sales)	(8,042,314)	(89)	90 Days	-	-	640,969	83	-
Mirac	Alpha CSF	Affiliates	Purchases	310,788	90	90 Days	-	-	(36,611)	(100)	-
Alpha VN	Alpha HK	Affiliates	Purchases	1,487,305	100	90 Days	-	-	(916,049)	(100)	-
Alpha CSF	Alpha HK	Affiliates	Purchases	6,191,412	70	90 Days	-	-	(709,582)	(62)	-
Alpha DGF	D-Link Asia	Affiliates	(Sales)	(892,562)	(100)	90 Days	-	-	-	-	-
HUS	Hitron	Affiliates	Purchases	4,134,320	97	90 Days	-	-	(1,518,943)	(100)	-
HBV	Hitron	Affiliates	Purchases	355,687	100	90 Days	-	-	(69,433)	(100)	-
Hitron	HVN	Affiliates	Purchases	6,243,767	89	60 Days	-	-	(1,701,574)	(86)	-
BMC	AU	The entity who has significant influence over the Group	(Sales)	(3,387,870)	(24)	OA90	(Note 1)	-	770,725	27	-
BMC	AUOSZ	The entity who has significant influence over the Group	(Sales)	(925,859)	(7)	OA90	(Note 1)	-	69,998	2	-
BMC	AUOXM	The entity who has significant influence over the Group	(Sales)	(801,710)	(6)	OA90	(Note 1)	-	51,067	2	-
BMC	BMM	Affiliates	(Sales)	(437,210)	(3)	OA180	(Note 1)	-	235,738	8	-
BMC	VVM	Associate	(Sales)	(164,588)	(1)	OA90	(Note 1)	-	29,811	1	-
BMC	SMS	Affiliates	(Sales)	(267,973)	(2)	OA180	(Note 1)	-	51,015	2	-
BMC	BMS	Affiliates	Purchases	964,131	9	OA180	(Note 2)	-	(509,510)	(16)	-
BMC	Visco Vision	Associate	Purchases	386,076	4	OA60	(Note 2)	-	(54,473)	(2)	-
BMM	BMC	Affiliates	Purchases	437,210	65	OA180	(Note 2)	-	(235,738)	(93)	-
SMS	BMC	Affiliates	Purchases	267,973	100	OA180	(Note 2)	-	(51,015)	(84)	-
BMS	BMC	Affiliates	(Sales)	(964,131)	(94)	OA180	(Note 2)	-	509,510	98	-
Simula	Simula Technology (ShenZhen) Co., Ltd.	Affiliates	Purchases	415,453	87	EOM60	(Note 4)	-	(34,327)	(54)	-
Simula Technology (ShenZhen) Co., Ltd.	Simula	Affiliates	(Sales)	(415,453)	(74)	EOM60	(Note 4)	-	34,327	59	-
Action Star Technology Co., Ltd.	The Company	Affiliates	(Sales)	(110,477)	(9)	EOM60	-	-	16,348	8	-
The Company	Action Star Technology Co., Ltd.	Affiliates	Purchases	110,477	1	EOM60	-	-	(16,348)	-	-
PTT	PTE	Affiliates	(Sales)	(226,964)	(21)	OA90	(Note 3)	-	131,366	28	-
PTT	PTU	Affiliates	(Sales)	(314,171)	(29)	OA90	(Note 3)	-	86,070	19	-
PTT	PTUK	Affiliates	(Sales)	(143,624)	(13)	OA90	(Note 3)	-	86,283	19	-
PTE	PTT	Affiliates	Purchases	226,964	34	OA90	(Note 3)	-	(131,366)	(61)	-
PTU	PTT	Affiliates	Purchases	314,171	95	OA90	(Note 3)	-	(86,070)	(100)	-
PTUK	PTT	Affiliates	Purchases	143,624	83	OA90	(Note 3)	-	(86,283)	(94)	-
MTG	Ginnet	Affiliates	(Sales)	(111,424)	(1)	EOM60	-	-	17,394	1	-
Ginnet	MTG	Affiliates	Purchases	111,424	13	EOM60	-	-	(17,394)	(19)	-

(Note 1)The selling prices of BMC to related parties are not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transaction, there were no significant differences between the sales for related parties and those for third-party customers.

(Note 2)The purchase prices to related parties are not comparable to the purchase prices for third-party vendors as the specifications of products were different, and it is conducted under the agreed purchase price and conditions.

(Note 3)The selling prices of PTT to related parties are not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transaction, there were no significant differences between the sales for related parties and those for third-party customers.

(Note 4)Simula seldom purchases the same products from other vendors. Therefore, the purchase prices are not reasonably comparable.

**QISDA CORPORATION**  
**Receivables from related parties which exceed NTS100 million or 20% of the paid-in capital**  
**December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars, unless specified otherwise)**

Table 7

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Company	BenQ	Parent/Subsidiary	1,469,264	3.90	65,629	-	700,911	-
The Company	QJTO	Parent/Subsidiary	1,103,506	2.61	211,981	-	256,472	-
The Company	QALA	Parent/Subsidiary	10,528,447	1.96	4,518,522	-	3,446,134	-
The Company	AU	The entity who has significant influence over the Group	176,694	7.89	-	-	162,488	-
The Company	AUOSZ	The entity who has significant influence over the Group	556,578	2.71	-	-	151,328	-
The Company	AUOKS	The entity who has significant influence over the Group	181,972	2.13	-	-	52,301	-
QCSZ	The Company	Parent/Subsidiary	16,925,223	3.37	4,371,978	-	6,818,130	-
QCOS	The Company	Parent/Subsidiary	5,535,436	2.52	3,036,786	-	1,032,170	-
QCOS	AUOXM	The entity who has significant influence over the Group	213,553	3.50	-	-	-	-
QCPS	QCSZ	Affiliates	219,938	7.72	-	-	-	-
QCES	The Company	Parent/Subsidiary	1,973,219	(Note 1)	782,533	-	1,101,835	-
BenQ	BQE	Affiliates	539,821	4.17	62	-	221,644	-
BenQ	BQL	Affiliates	181,636	2.40	20,462	-	109,725	-
BenQ	BQP	Affiliates	1,835,994	3.46	773,560	-	524,229	-
BenQ	QCSZ	Affiliates	163,457	(Note 1)	-	-	97,593	-
BQA	BQCA	Affiliates	121,676	4.18	74,326	-	74,486	-
BQA	ZGC	Affiliates	249,315	4.42	52,122	-	52,953	-
BQE	BQFR	Affiliates	230,044	2.26	-	-	-	-
BQL	MaxGen	Affiliates	472,987	0.30	-	-	-	-
BQP	BQIN	Affiliates	815,589	1.62	527,182	-	71,317	-
BQP	BQJP	Affiliates	354,882	5.28	147,043	-	269,242	-
BQP	BQME	Affiliates	198,840	4.37	-	-	53,123	-
BQP	BQKR	Affiliates	116,732	3.39	35,794	-	56,567	-
PTT	PTE	Affiliates	131,366	1.57	64,648	-	26,185	-
Data Image (Suzhou) Corporation	DIC	Affiliates	294,000	4.17	-	-	168,960	-
AEWIN	Aewin Beijing	Affiliates	275,316	0.72	101,493	-	34,164	-
ACE	Tianjin Ace Pillar Co., Ltd.	Affiliates	151,774	(Note 1)	-	-	-	-
Alpha	Alpha USA	Affiliates	1,373,313	7.37	-	-	540,208	-
Alpha	Alpha HK	Affiliates	175,006	(Note 1)	-	-	-	-
Alpha	Hitron	Affiliates	302,103	(Note 3)	-	-	-	-
D-Link Asia	Alpha	Affiliates	400,269	2.34	-	-	-	-
Alpha CSF	Alpha	Affiliates	640,969	11.94	-	-	358,256	-
Alpha HK	Alpha CSF	Affiliates	709,582	6.69	31,482	-	286,941	-
Alpha HK	Alpha VN	Affiliates	916,049	2.98	55,926	-	120,917	-
Hitron	HUS	Affiliates	1,518,943	2.17	-	-	536,841	-
HVN	Hitron	Affiliates	1,701,574	2.73	-	-	10,274	-

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
BMC	AU	The entity who has significant influence over the Group	770,725	3.81 (Note 2)	-	-	-	-
BMC	BMM	Affiliates	235,738	3.01 (Note 2)	-	-	-	-
BMS	BMC	Affiliates	509,510	1.55 (Note 2)	20,059	-	50,342	-

(Note 1)The sales from repurchasing after processing have been eliminated; therefore, calculation of turnover rate is not applicable.

(Note 2)The calculation of turnover rate includes the account receivable sold to financial institutions.

**QISDA CORPORATION**  
**Information of Investees (Excluding Information on investments in Mainland China)**  
**For the year ended December 31, 2023**  
**(Amounts in thousands of New Taiwan dollars / shares, unless specified otherwise)**

Table 8

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
The Company	DFN	Taiwan	Manufacture and sale of computer peripherals, power devices, green energy products and passive components	662,195	662,195	58,005	20.87%	2,546,239	1,650,873	334,479	Associate
The Company	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	507,883	507,883	43,659	13.61%	715,694	414,352	59,168	Parent/Subsidiary
The Company	BenQ	Taiwan	Sales of brand-name electronic products	4,963,435	4,963,435	320,000	100.00%	9,074,526	1,451,193	1,446,624	Parent/Subsidiary
The Company	QALA	USA	Sales of electronic products	32,800	32,800	1,000	100.00%	70,580	7,800	7,800	Parent/Subsidiary
The Company	QJTO	Japan	Sales and maintenance of electronic products in Japanese market	2,701	2,701	-	100.00%	40,250	(2,839)	(2,839)	Parent/Subsidiary
The Company	QLPG	Malaysia	Leasing and management services	578,128	578,128	50,000	100.00%	366,535	(11,938)	(11,938)	Parent/Subsidiary
The Company	QLLB	Malaysia	Investment and holding activity	3,687,539	3,687,539	114,250	100.00%	16,325,539	752,768	534,692	Parent/Subsidiary
The Company	APV	Taiwan	Investment and holding activity	570,016	570,016	201,181	100.00%	3,804,909	315,069	315,069	Parent/Subsidiary
The Company	Darly	Malaysia	Investment and holding activity	165,000	165,000	6,000	100.00%	275,239	44,410	44,410	Parent/Subsidiary
The Company	BBHC	Cayman	Investment and holding activity	7,789,187	1,503,504	108,555	44.32%	2,816,442	759,612	203,563	Parent/Subsidiary
The Company	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripheral	1,475,978	1,475,978	43,577	58.04%	1,335,090	108,513	38,365	Parent/Subsidiary
The Company	BDT	Taiwan	Manufacture and sale of medical consumable and equipment	280,000	280,000	28,000	100.00%	36,561	(9,122)	(5,675)	Parent/Subsidiary
The Company	QTOS	Taiwan	Sales of electronic products	1,000	1,000	100	100.00%	1,017	14	14	Parent/Subsidiary
The Company	Q.S.Control Corp.	Taiwan	R&D, manufacture and sales of medical consumables and equipments	63,000	63,000	6,000	20.00%	69,424	30,578	6,011	Associate
The Company	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	3,154,750	3,154,750	51,610	45.08%	2,718,415	361,685	82,616	Parent/Subsidiary
The Company	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	8,135,810	8,135,810	295,797	54.60%	7,725,175	547,920	205,082	Parent/Subsidiary
The Company	K2	Taiwan	Sale of medical consumable and equipment	-	217,763	-	-	-	90,251	18,105	Parent/Subsidiary
The Company	DIC	Taiwan	Manufacture and sales of marine display modules	260,000	260,000	20,000	28.82%	410,107	278,863	80,620	Parent/Subsidiary
The Company	EASCHK	Hong Kong	Sales of electronic products	78,338	78,338	1	54.00%	91,688	12,016	955	Parent/Subsidiary
The Company	MTG	Taiwan	Distributing and reselling software and hardware equipment of ICT infrastructures, computing & data utilization, and digitalization.	3,202,856	3,202,856	96,841	51.41%	2,737,028	592,342	302,128	Parent/Subsidiary
The Company	Topview	Taiwan	Manufacture and sales of video surveillance cameras	172,500	172,500	5,750	20.00%	530,708	183,134	32,861	Associate
The Company	QVH	Vietnam	Manufacture of monitors	1,212,849	1,212,849	-	100.00%	304,885	(188,191)	(188,191)	Parent/Subsidiary
The Company	Simula	Taiwan	Manufacture and sales of electronic material	600,000	600,000	30,000	37.51%	565,240	(83,450)	(47,006)	Parent/Subsidiary
The Company	GSC	Taiwan	Sale of alcohol and medical disinfectant	254,000	254,000	17,500	50.00%	322,588	21,152	4,687	Parent/Subsidiary
The Company	TCI Gene	Taiwan	Genetic testing and wholesale of nutritional supplement	545,160	545,160	4,720	17.84%	514,309	10,107	(11,890)	Associate
The Company	Rapidtek	Taiwan	Antenna design and production and sales of RF testing products	163,850	163,850	2,638	8.79%	137,042	12,223	(9,511)	Associate
The Company	Norbel	Taiwan	Retail and wholesale of maternity and infant products, medical care products, dietary supplement, and cosmetics	1,800,000	-	10,000	28.54%	1,710,470	208,037	10,786	Associate
The Company	H2 Energy Co., Ltd.	Taiwan	Energy service	1,500	-	150	30.00%	1,331	(564)	(169)	Associate
BMC	BMLB	Malaysia	Investment and holding activity	499,790	1,141,340	14,082	100.00%	1,683,095	(8,791)	-	Affiliates
BMC	SGM	Taiwan	Sales of medical consumables and equipment	231,727	231,727	2,000	100.00%	38,526	21,965	-	Affiliates
BMC	Visco Vision Inc.	Taiwan	Manufacture and sale of contact lenses	168,771	168,771	9,334	14.82%	384,314	301,613	-	Associate
BMC	Cenefom Corporation	Taiwan	R&D, manufacture and sale of medical consumable and equipment	272,968	272,968	11,646	50.98%	213,973	(17,770)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
BMC	Genejet Biotech Co., Ltd.	Taiwan	R&D, manufacture and sale of medical consumable and equipment	47,860	43,316	4,070	75.63%	44,902	390	-	Affiliates
BMC	WEB-PRO Corporation	Taiwan	R&D, manufacture and sale of medical supplies	3,161,999	-	35,700	51.00%	2,908,093	234,992	-	Affiliates
BMC	MLK Bioscience Co., Ltd.	Taiwan	R&D, manufacture and sale of medical consumable and equipment	6,000	6,000	217	20.00%	4,086	(1,306)	-	Associate
BMC	Kangde Corp.	Taiwan	Sale of medical consumable and equipment	5,980	5,980	598	9.98%	4,257	(6,912)	-	Associate
WPC	WPSG	Singapore	Investment and holding activity	895,139	-	30,000	100.00%	765,713	(67,969)	-	Affiliates
WPSG	WPVN	Vietnam	Manufacture and sale of medical supplies	926,053	-	-	100.00%	758,203	(69,034)	-	Affiliates
APV	Darly C	Taiwan	Investment management consulting	77,933	77,933	12,105	45.11%	186,724	14,392	-	Affiliates
APV	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	221,786	221,786	15,182	4.73%	274,420	414,352	-	Affiliates
APV	BMTC	Taiwan	R&D, manufacture and sales of medical consumables and equipments	42,584	42,584	3,549	7.96%	88,115	114,581	-	Affiliates
APV	BBHC	Cayman	Investment and holding activity	904,102	904,102	25,000	10.21%	648,478	759,612	-	Affiliates
APV	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	112,080	112,080	6,006	8.00%	173,007	108,513	-	Affiliates
APV	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	149,096	149,096	2,294	2.00%	151,468	361,685	-	Affiliates
APV	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	284,143	284,143	12,236	2.26%	258,566	547,920	-	Affiliates
APV	Topview	Taiwan	Manufacture and sales of video surveillance cameras	11,806	63,525	239	0.83%	28,683	183,134	-	Associate
APV	DIC	Taiwan	Manufacture and sales of marine display modules	88,222	88,222	3,607	5.20%	91,182	278,863	-	Affiliates
APV	Simula	Taiwan	Manufacture and sales of electronic material	201,673	201,673	5,390	6.74%	205,769	(83,450)	-	Affiliates
APV	GSC	Taiwan	Sale of alcohol and medical disinfectant	150,000	150,000	17,500	50.00%	239,569	21,152	-	Affiliates
APV	TCI Gene	Taiwan	Genetic testing and wholesale of nutritional supplement	189,516	189,516	1,480	5.59%	186,042	10,107	-	Associate
APV	Rapidtek	Taiwan	Antenna design and production and sales of RF testing products	42,050	42,050	677	2.26%	41,335	12,223	-	Associate
Darly C	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	273,445	273,445	12,710	2.35%	247,390	547,920	-	Affiliates
Darly	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	30,456	30,456	7,800	12.50%	15,862	5,728	-	Affiliates
Darly	BBHC	Cayman	Investment and holding activity	471,516	471,516	14,158	5.78%	367,027	759,612	-	Affiliates
BenQ	BQA	USA	Sales of brand-name electronic products in North America markets	114,553	114,553	200	100.00%	1,148,329	100,379	-	Affiliates
BenQ	BQL	USA	Sales of brand-name electronic products in Latin America markets	342,589	342,589	9,350	100.00%	92,586	52,822	-	Affiliates
BenQ	BQE	The Netherlands	Sales of electronic products in European markets	960,568	960,568	5,009	100.00%	1,055,400	112,835	-	Affiliates
BenQ	BenQ Mexico S. de R.L. de C.V.	Mexico	Sales of brand-name electronic products in Latin America markets	-	-	-	0.03%	-	42,352	-	Affiliates
BenQ	BQP	Taiwan	Sales of brand-name electronic products in Asia markets	950,000	950,000	20,000	100.00%	647,208	452,786	-	Affiliates
BenQ	Darly 2	Taiwan	Investment and holding activity	2,361,132	2,361,132	227,372	100.00%	4,387,170	485,885	-	Affiliates
BenQ	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	74,021	74,021	23,400	37.50%	48,980	5,728	-	Affiliates
BenQ	DFN	Taiwan	Manufacture and sale of computer peripherals, power devices, green energy products and passive components	233,491	233,491	14,017	5.04%	615,250	1,650,873	-	Associate
BenQ	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	946,731	946,731	80,848	25.21%	1,461,333	414,352	-	Affiliates
BenQ	BBHC	Cayman	Investment and holding activity	719,088	719,088	20,000	8.17%	518,479	759,612	-	Affiliates
BenQ	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	235,069	235,069	19,353	43.43%	469,238	114,581	-	Affiliates
BenQ	MQE	The Netherlands	Maintenance of brand-name electronic monitors and projectors in European markets	90,912	90,912	82	100.00%	81,656	1,671	-	Affiliates
BenQ	INF	Taiwan	Assembly and sales of gaming electronic products	117,987	117,987	6,947	100.00%	93,266	6,732	-	Affiliates
BenQ	BQHK_HLD	Hong Kong	Sales of brand-name electronic products in HK markets	118,282	118,282	4,000	100.00%	2,283,612	403,804	-	Affiliates
BenQ	PT BenQ Teknologi Indonesia	Indonesia	Sales of electronic products	21	21	-	0.31%	59	(10,443)	-	Affiliates



Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
BenQ	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	342	342	18	0.00%	354	547,920	-	Affiliates
BQP	BenQ India Private Ltd.	India	Sales of electronic products	224,405	224,405	440,296	100.00%	133,196	83,588	-	Affiliates
BQP	BenQ (M.E.) FZE	United Arab Emirates	Sales of electronic products	8,891	8,891	-	100.00%	141,081	42,597	-	Affiliates
BQP	BenQ Japan Co., Ltd.	Japan	Sales of electronic products	4,518	4,518	-	100.00%	206,858	31,868	-	Affiliates
BQP	BenQ Singapore Pte Ltd.	Singapore	Sales of electronic products	1,837	1,837	500	100.00%	5,604	3,377	-	Affiliates
BQP	BenQ Australia Pte Ltd.	Australia	Sales of electronic products	132,590	132,590	2,191	100.00%	98,039	5,781	-	Affiliates
BQP	BenQ Service & Marketing (M) Sdn Bhd	Malaysia	Sales of electronic products	119,488	119,488	100	100.00%	7,750	(695)	-	Affiliates
BQP	BenQ (Thailand) Co., Ltd.	Thailand	Sales of electronic products	120,116	120,116	12,000	100.00%	(90,011)	(16,958)	-	Affiliates
BQP	BenQ Korea Co., Ltd.	Korea	Sales of electronic products	1,713	1,713	10	100.00%	(2,235)	(4,293)	-	Affiliates
BQP	PT BenQ Teknologi Indonesia	Indonesia	Sales of electronic products	6,901	6,901	6	99.69%	20,751	(10,443)	-	Affiliates
BQP	BenQ Vietnam Co., Ltd.	Vietnam	Sales of electronic products	5,576	5,576	1	100.00%	4,418	(138)	-	Affiliates
BQA	BenQ Canada Corp.	Canada	Sales of electronic products	26	26	1	100.00%	70,897	2,638	-	Affiliates
BQL	BenQ Mexico S. de R.L. de C.V.	Mexico	Sales of electronic products	77,591	77,591	3	99.97%	118,201	42,352	-	Affiliates
BQL	Joytech LLC	USA	Investment and holding activity	74,046	74,046	1	100.00%	(14,004)	32,321	-	Affiliates
BQL	Vividtech LLC	USA	Investment and holding activity	74,046	74,046	1	100.00%	(14,004)	32,321	-	Affiliates
BQL	BenQ Service de Mexico S.de R.L. de C.V.	Mexico	Providing administration and management services to affiliates	-	-	-	0.03%	-	(5)	-	Affiliates
Joytech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of electronic products	74,046	74,046	1	50.00%	(14,004)	64,642	-	Affiliates
Vividtech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of electronic products	74,046	74,046	1	50.00%	(14,004)	64,642	-	Affiliates
BQmx	BenQ Service de Mexico S. de R.L. de C.V.	Mexico	Providing administration and management services to affiliates	87	87	3	99.97%	4,533	(5)	-	Affiliates
Darly 2	Darly C	Taiwan	Investment management consulting	89,179	89,179	14,728	54.89%	227,195	14,392	-	Affiliates
Darly 2	BBHC	Cayman	Investment and holding activity	2,122,721	2,122,721	65,024	26.55%	1,686,800	759,612	-	Affiliates
Darly 2	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	121,860	121,860	31,200	50.00%	65,307	5,728	-	Affiliates
Darly 2	BMTC	Taiwan	Manufacture and sales of medical consumables and equipment	27,337	27,337	1,590	3.57%	39,478	114,581	-	Affiliates
Darly 2	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	49,426	49,426	1,648	2.19%	47,472	108,513	-	Affiliates
Darly 2	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	596,382	596,382	9,175	8.01%	606,190	361,685	-	Affiliates
Darly 2	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	79,990	79,990	4,185	0.77%	76,914	547,920	-	Affiliates
Darly 2	K2	Taiwan	Sale of medical consumable and equipment	-	44,997	-	-	-	90,251	-	Affiliates
Darly 2	DIC	Taiwan	Manufacture and sales of marine display modules	48,093	48,093	3,005	4.33%	72,717	278,863	-	Affiliates
Darly 2	Topview	Taiwan	Manufacture and sales of video surveillance cameras	123,252	123,252	2,615	9.10%	315,985	183,134	-	Associate
Darly 2	Simula	Taiwan	Manufacture and sales of electronic material	205,920	205,920	5,500	6.88%	209,945	(83,450)	-	Affiliates
BQE	BenQ UK Limited	UK	Sales of electronic products	14,800	14,800	-	100.00%	82,685	7,844	-	Affiliates
BQE	BenQ Deutschland GmbH	Germany	Sales of electronic products	25,587	25,587	-	100.00%	185,453	3,296	-	Affiliates
BQE	BenQ Benelux B.V.	The Netherlands	Sales of electronic products	567	567	-	100.00%	(22,186)	5,743	-	Affiliates
BQE	BenQ Austria GmbH	Austria	Sales of electronic products	1,091	1,091	-	100.00%	41,182	3,290	-	Affiliates
BQE	BenQ Iberica S.L. Unipersonal	Spain	Sales of electronic products	4,677	4,677	-	100.00%	97,752	6,816	-	Affiliates
BQE	BenQ Italy S.R.L	Italy	Sales of electronic products	92,654	92,654	50	100.00%	85,506	40,606	-	Affiliates
BQE	BenQ France SAS	France	Sales of electronic products	2,045	2,045	-	100.00%	(103,034)	5,336	-	Affiliates
BQE	BenQ Nordic A.B.	Sweden	Sales of electronic products	445	445	-	100.00%	42,111	3,656	-	Affiliates
BQE	BenQ LLC.	Russia	Providing administration and management services to affiliates	52	52	-	100.00%	16,423	51	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
BMTC	Asiacconnect	Taiwan	Sales of medical consumables and equipment and software	21,984	21,984	1,995	99.75%	22,560	450	-	Affiliates
BMTC	Highview	Samoa	Investment and holding activity	36,211	36,211	1,062	100.00%	19,710	3,875	-	Affiliates
BMTC	LILY	Taiwan	Sales of medical consumables and equipment	185,000	185,000	10,000	100.00%	260,895	31,244	-	Affiliates
BMTC	BABD	Taiwan	Sales of medical consumables and equipment	88,000	88,000	8,800	88.00%	58,786	(1,374)	-	Affiliates
BMTC	BHS	Taiwan	Sales of medical consumables and equipment	100,000	100,000	10,000	100.00%	191,113	64,604	-	Affiliates
BMTC	EASTECH	Taiwan	Sales of medical consumables and equipment	20,300	20,300	700	70.00%	35,644	16,655	-	Affiliates
BMTC	Concord	Taiwan	Sales and purchase of medical products, medical equipment leasing and management consulting	190,000	190,000	133,333	40.00%	286,920	42,744	-	Affiliates
BMTC	CCHC	Taiwan	Sales of medical consumables and equipment, and management consulting	-	40,000	-	-	-	-	-	Affiliates
BMTC	K2	Taiwan	Sales of medical consumables	390,000	-	7,800	39.00%	284,704	90,251	-	Affiliates
Concord	CCHC	Taiwan	Sales of medical consumables and equipment, and management consulting	119,984	80,000	12,000	100.00%	120,758	805	-	Affiliates
BHS	NBHIT	Taiwan	Sales of medical consumables and equipment	59,280	59,280	1,092	52.00%	84,905	51,378	-	Affiliates
BHS	CKCARE	Taiwan	Sales of medical consumables and equipment	105,300	105,300	4,362	60.00%	107,662	11,270	-	Affiliates
K2	K2 Medical (Thailand) Co., LTD	Thailand	Sales of medical consumables	15,919	15,919	-	49.00%	36,230	14,983	-	Affiliates
K2	PT Frised Hoslab Indonesia	Indonesia	Sales of medical consumables	257,728	257,728	12	67.00%	311,015	38,278	-	Affiliates
Asiacconnect	K2	Taiwan	Sales of medical consumables	10,000	-	200	1.00%	7,300	90,251	-	Affiliates
PTT	WEBEST	Taiwan	Sales, import and export of electronic products	-	21,843	-	-	-	7,103	-	Affiliates
PTT	PTUK	UK	Sales, import and export of electronic products	43,834	43,834	886	88.60%	42,733	11,280	-	Affiliates
PTT	PTAP	Taiwan	Sales, import and export of electronic products	80,000	-	8,000	100.00%	69,843	(4,467)	-	Affiliates
PTT	PTE	Germany	Sales, import and export of electronic products	51,451	51,451	(Note1)	50.02%	142,505	8,218	-	Affiliates
PTT	PTME	United Arab Emirates	Sales, import and export of electronic products	137,387	137,387	0.099	99.00%	29,645	(4,386)	-	Affiliates
PTT	PTSE	Singapore	Software development and sales of product	57,449	57,449	222	69.88%	62,989	2,696	-	Affiliates
PTT	PTTN	Taiwan	Software development and sales of product	25,779	25,769	5,739	60.23%	83,725	11,107	-	Affiliates
PTT	P&S	British Virgin Islands	Sales, import and export of electronic products	134,973	134,973	4,560	100.00%	161,888	18,542	-	Affiliates
PTT	PTMG	Taiwan	Software development and sales of product	-	11,000	-	-	-	8,070	-	Affiliates
PTT	PTNA	Morocco	Sales, import and export of electronic products	-	4,075	-	-	-	-	-	Affiliates
PTTN	WEBEST	Taiwan	Sales, import and export of electronic products	29,254	-	2,500	100.00%	33,946	7,103	-	Affiliates
PTTN	PTTN	Taiwan	Software development and sales of product	29,417	-	2,100	100.00%	34,593	8,070	-	Affiliates
PTE	PTUK	UK	Sales, import and export of electronic products	5,640	5,640	114	11.40%	6,416	11,280	-	Affiliates
PTE	Sloga	Slovenia	Sales, import and export of electronic products	980	980	(Note1)	90.00%	(15,500)	(87)	-	Affiliates
PTE	RSS	Spain	Sales, import and export of electronic products	-	-	(Note1)	68.00%	12,603	6,755	-	Affiliates
PTE	PTF	France	Sales, import and export of electronic products	1,641	1,641	(Note1)	70.00%	1,191	-	-	Affiliates
PTME	E-POS	United Arab Emirates	Sales, import and export of electronic products	2,485	2,485	0.3	100.00%	4,256	(1,776)	-	Affiliates
WEBEST	PTTN	Taiwan	Software development and sales of product	-	10	-	-	-	-	-	Affiliates
WEBEST	PTNA	Morocco	Sales, import and export of electronic products	-	1	-	-	-	-	-	Affiliates
WEBEST	PTME	United Arab Emirates	Sales, import and export of electronic products	-	1,560	-	-	-	-	-	Affiliates
P&S	PTU	USA	Sales, import and export of electronic products	31,593	31,593	1,091	100.00%	134,053	31,391	-	Affiliates
PTAP	PTME	United Arab Emirates	Sales, import and export of electronic products	309	-	0.001	1.00%	232	(4,386)	-	Affiliates
DFI	DFI AMERICA, LLC.	USA	Sales of industrial motherboards	254,683	254,683	1,209	100.00%	410,339	22,661	-	Affiliates
DFI	Yan Tong Technology Ltd.	Mauritius	Investment and holding activity	107,198	107,198	3,500	100.00%	90,358	(30,147)	-	Affiliates
DFI	DFI Co., Ltd.	Japan	Sales of industrial motherboards	104,489	104,489	6	100.00%	146,913	36,325	-	Affiliates
DFI	Diamond Flower Information (NL) B.V.	The Netherlands	Sales of industrial motherboards	35,219	35,219	12	100.00%	147,819	38,956	-	Affiliates
DFI	AEWIN	Taiwan	Manufacture and sale of industrial motherboards and component	564,191	564,191	30,376	51.38%	642,461	26,616	-	Affiliates
DFI	ACE	Taiwan	Sales of automation mechanical transmission system and component	1,301,359	1,301,359	53,958	48.07%	1,040,700	(20,946)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
DFI	Brainstorm	USA	Wholesale and retail of computer and peripheral products software	501,582	501,582	-	-	-	-	-	Affiliates
AEWIN	Wise Way	Anguilla	Investment and holding activity	46,129	46,129	1,500	100.00%	99,601	(39,600)	-	Affiliates
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer peripheral products and software	77,791	77,791	2,560	100.00%	14,992	(3,070)	-	Affiliates
Wise Way	Bright Profit	Hong Kong	Investment and holding activity	46,129	46,129	1,500	100.00%	146,275	(39,601)	-	Affiliates
ACE	Cyber South	Samoa	Investment and holding activity	107,041	107,041	4,669	100.00%	537,147	(36,131)	-	Affiliates
ACE	Hong Kong Ace Pillar Enterprise Company Limited	Hong Kong	Sales of automation mechanical transmission system and component	5,120	5,120	1,200	100.00%	4,714	(1,320)	-	Affiliates
Cyber South	Proton Inc.	Samoa	Investment and holding activity	527,665	527,665	17,744	100.00%	417,001	(36,653)	-	Affiliates
Cyber South	Ace Tek (HK) Holding Co., Ltd.	Hong Kong	Investment and holding activity	4,938	4,938	150	100.00%	2,595	457	-	Affiliates
ACE	STC	Taiwan	Sales of semiconductor optoelectronic equipment and consumables, and equipment maintenance services	187,000	187,000	6,084	60.00%	218,794	15,044	-	Affiliates
STC	Standard Technology Corp.	British Virgin Islands	Investment and holding activity	21,727	21,727	600	100.00%	111,374	14,578	-	Affiliates
ACE	AEG	Taiwan	Energy service	166,760	166,760	4,993	99.86%	204,487	25,114	-	Affiliates
AEG	Blue Walker GmbH	Germany	Sales and service of energy management product	138,804	138,804	(Note1)	100.00%	170,924	24,094	-	Affiliates
DIC	Data Image (Mauritius) Corporation	Mauritius	Investment and holding activity	518,381	518,381	20,215	100.00%	472,173	62,916	-	Affiliates
DIC	DIVA	Taiwan	Manufacture and sales of medical consumables and equipment	625,680	625,680	20,856	35.55%	622,870	73,617	-	Affiliates
DIC	DMC Components International, LLC	Orlando, USA	Agency sales	24,304	24,304	300	30.00%	8,874	3,163	-	Associate
DIVA	DIVA Laboratories GmbH	Germany	Sales of monitor	25,092	25,092	-	100.00%	1,179	(220)	-	Affiliates
DIVA	DIVA Laboratories U.S., LLC	USA	Sales of monitor	35,858	35,858	-	100.00%	14,498	2,709	-	Affiliates
DIVA	Panoramic Imaging Solutions Inc.	Taiwan	Sales of monitor	24,600	24,600	2,500	100.00%	24,156	(1,510)	-	Affiliates
DIVA	Diva Capital Inc.	Samoa	Investments in Mainland China	52,908	52,908	-	100.00%	9,635	1,253	-	Affiliates
DIVA	QUBYX Limited	UK	Sales and software development	-	17,815	-	-	-	-	-	Associate
DIVA	The Linden Group Corp.	USA	Sales of monitor	30,015	30,015	-	19.00%	(1,590)	(37,661)	-	Associate
Diva Capital Inc.	Diva Holding Inc.	Samoa	Investments in Mainland China	52,598	52,598	-	100.00%	9,630	1,253	-	Affiliates
QUBYX Limited	QUBYX LTD	France	Sales and software development	-	38	-	-	-	-	-	Associate
QUBYX Limited	QUBYX Software Technologies Inc	USA	Sales and software development	-	-	-	-	-	-	-	Associate
EASCHK	Expert Alliance Smart Technology Co., Ltd.	Macao	Sales of electronic products and smart services	381	381	100	100.00%	6,636	(4,214)	-	Affiliates
MTG	Ginnet	Taiwan	Sales of network and information and communication hardware and software	120,001	119,142	10,525	79.73%	180,736	9,677	-	Affiliates
MTG	Epic Cloud	Taiwan	Software and data processing services	55,000	27,500	5,500	100.00%	61,848	7,346	-	Affiliates
MTG	Corex	South Africa	Sales, purchase, import and export of electronic products	251,872	251,872	1	100.00%	181,325	(65,054)	-	Affiliates
MTG	Statinc	Taiwan	Market research, marketing consultant and data processing service	69,983	69,983	1,754	34.99%	81,103	(1,227)	-	Affiliates
MTG	Grandsys Inc.	Taiwan	Data software and data processing service	94,547	94,547	5,643	20.96%	114,326	42,837	-	Associate
MTG	AdvancedTEK	Taiwan	Applications implement services	30,091	30,091	1,153	34.09%	38,499	13,508	-	Affiliates
MTG	Everlasting Digital ESG Co., Ltd.	Taiwan	Sales and software development	5,000	5,000	500	29.41%	2,307	(3,459)	-	Associate
MTG	MRU	Taiwan	R&D and sales of computer information system	31,000	31,000	2,000	100.00%	28,023	2,442	-	Affiliates
MTG	Brainstorm	USA	Wholesale and retail of computers and peripherals product	530,075	-	233	35.09%	523,206	16,230	-	Affiliates
Epic Cloud	Ginnet	Taiwan	Sales of network and information and communication hardware and software	172	172	10	0.08%	172	9,677	-	Affiliates
Epic Cloud	Statinc	Taiwan	Market research, marketing consultant and data processing service	40	40	1	0.02%	40	(1,227)	-	Affiliates
AdvancedTEK	APEO Human Capital Services Corp.	Taiwan	Implementaion of application software services	2,060	2,060	200	100.00%	2,692	169	-	Affiliates
Statinc	Datta	Taiwan	Market research, marketing consultant and data processing service	20,000	20,000	2,000	100.00%	6,962	(5,488)	-	Affiliates
Simula	Aspire Asia Inc.	British Virgin Islands	Investment and holding activity	286,764	286,764	9,403	100.00%	116,274	(30,688)	-	Affiliates
Simula	Simula Technology Corp.	USA	Sales in North America	15,699	15,699	500	100.00%	44,911	2,739	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
Simula	Simula Company Limited	Hong Kong	Investment and holding activity	187,625	187,625	50,500	52.31%	116,676	(47,289)	-	Affiliates
Simula	Action Star Technology Co.,Ltd.	Taiwan	Manufacture of computer and peripherals products	983,858	983,858	32,001	59.35%	961,481	9,370	-	Affiliates
Aspire Asia Inc.	Aspire Electronics Corp.	Samoa	Investment and holding activity	95,099	95,099	2,188	95.10%	10,079	(8,578)	-	Affiliates
Aspire Asia Inc.	Simula Company Limited	Hong Kong	Investment and holding activity	181,726	181,726	46,033	47.69%	106,357	(47,289)	-	Affiliates
GSC	Bigmin Bio-Tech Company Ltd.	Taiwan	Sale of alcohol and medical disinfectant	20,250	20,250	1,500	100.00%	31,343	4,561	-	Affiliates
GSC	E-Strong Medical Technology Co., Ltd.	Taiwan	Manufacture of alcohol and dialysate	310,112	310,112	23,687	71.03%	308,976	4,521	-	Affiliates
Alpha	AH	Cayman	Investment and holding activity	-	208,500	-	-	-	-	-	Affiliates
Alpha	Alpha Solutions	Japan	Sale of network equipment, components and technical services	5,543	5,543	1	100.00%	17,676	234	-	Affiliates
Alpha	Alpha USA	USA	Sale, marketing and procurement service in USA	51,092	51,092	1,500	100.00%	172,138	13,822	-	Affiliates
Alpha	Alpha HK	Hong Kong	Investment and holding activity	3,143,628	3,143,628	780,911	100.00%	2,256,923	110,387	-	Affiliates
Alpha	ATS	USA	Post-sale service	260,497	260,497	8,100	100.00%	191,730	4,041	-	Affiliates
Alpha	Enrich	Taiwan	Investment and holding activity	400,000	400,000	40,000	100.00%	312,957	1,355	-	Affiliates
Alpha	Hitron	Taiwan	Marketing on system integration of communication production and telecommunication products	4,811,000	4,811,000	200,000	62.24%	3,928,462	4,879	-	Affiliates
Alpha	D-Link Asia	Singapore	Investment in manufacturing business	-	1,692,805	-	-	(Note2)	(20,782)	-	Affiliates
Alpha	Alpha VN	Vietnam	Manufacture and sales of network products	1,195,424	703,056	-	100.00%	929,750	(178,500)	-	Affiliates
Enrich	IDT	Taiwan	Telecommunication and broadband network system services	189,523	189,523	2,575	5.61%	119,772	261,763	-	Affiliates
Enrich	Transnet	Taiwan	Operating in network communication products, provide system support services, integrated supply and import and export of network equipment	50,000	50,000	5,000	100.00%	16,739	44	-	Affiliates
Enrich	APL	Taiwan	Sale of network equipment, components and technical services	80,000	80,000	8,000	98.92%	49,980	(13,295)	-	Affiliates
Enrich	Rapidtek	Taiwan	Antenna design and production and sales of RF testing products	108,750	108,750	1,751	5.84%	107,298	12,223	-	Associate
Hitron	HSM	Samoa	International trade	172,179	642,697	5,850	100.00%	187,851	49,396	-	Affiliates
Hitron	IDT	Taiwan	Telecommunication and broadband network system services	126,091	126,091	16,703	36.39%	638,399	261,763	-	Affiliates
Hitron	HVN	Vietnam	Production and sale of broadband telecommunications products	1,511,735	1,511,735	(Note1)	100.00%	2,798,108	381,925	-	Affiliates
Hitron	HUS	USA	International trade	90,082	90,082	300	100.00%	294,821	(82,795)	-	Affiliates
Hitron	HBV	The Netherlands	International trade	59,604	59,604	15	100.00%	66,652	(35,857)	-	Affiliates
Hitron	HTG	Taiwan	Investment	20,000	20,000	2,000	100.00%	3,440	(4)	-	Affiliates

(Note1)There was no shares as the company is a limited liability company.

(Note2)On December 28, 2023, Alpha entered into a stock transfer agreement to dispose the entire ownership of D-link Asia and Alpha DGF, which were reclassified as non-current assets held for sale.

**QISDA CORPORATION**  
**Information on investments in Mainland China**  
**For the year ended December 31, 2023**  
(Amounts in thousands of New Taiwan dollars and other currencies, unless specified otherwise)

Table 9

A. Qisda Corporation

1. Information on investments in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Qisda (Suzhou) Co., Ltd. ("QCSZ")	Manufacture of monitors and communication devices	2,275,500 (USD 74,000)	(Note 1)	2,183,250 (USD 71,000)	-	-	2,183,250 (USD 71,000)	595,756	100.00%	595,756 (Note 3)	11,597,434	-
BenQ Medical (Shanghai) Co., Ltd. ("BMSH")	Sale of medical consumable and equipment	41,820 (USD 1,360)	(Note 10)	-	-	-	-	(3,995)	100.00%	(3,995) (Note 4)	20,374	-
Qisda Electronics (Suzhou) Co., Ltd. ("QCES")	Manufacture of LCD module	362,850 (USD 11,800)	(Note 1)	362,850 (USD 11,800)	-	-	362,850 (USD 11,800)	64,084	100.00%	64,084 (Note 3)	1,825,130	-
Qisda Optronics (Suzhou) Co., Ltd. ("QCOS")	Manufacture of projectors	383,145 (USD 12,460)	(Note 1)	383,145 (USD 12,460)	-	-	383,145 (USD 12,460)	179,827	100.00%	179,827 (Note 3)	4,420,920	449,042 (USD 14,603)
Qisda (Shanghai) Co., Ltd. ("QCSH")	Manufacture of monitors	2,044,875 (USD 66,500)	(Note 1)	1,476,000 (USD 48,000)	-	-	1,476,000 (USD 48,000) (Note 8)	(15,085)	100.00%	(15,085) (Note 4)	(1,537,050)	-
Qisda Precision Industry (Suzhou) Co., Ltd. ("QPCS")	Manufacture of plastic parts	153,750 (USD 5,000)	(Note 1)	146,063 (USD 4,750)	-	-	146,063 (USD 4,750)	2,830	100.00%	2,830 (Note 4)	451,512	-
BenQ Intelligent Technology (Shanghai) Co., Ltd. ("BQC_RO")	Sales of brand-name electronic products in China markets	92,250 (USD 3,000)	(Note 1)	92,250 (USD 3,000)	-	-	92,250 (USD 3,000)	367,117	100.00%	367,117 (Note 3)	2,059,609	-
BenQ Technology (Shanghai) Co., Ltd. ("BQIs")	Sales of brand-name electronic products	30,750 (USD 1,000)	(Note 1)	6,150 (USD 200)	-	-	6,150 (USD 200) (Note 7)	13,784	100.00%	13,784 (Note 4)	108,840	-
ShengCheng Trading (Shanghai) Co., Ltd. ("BQsha_EC2")	Sales of brand-name electronic products	3,075 (USD 100)	(Note 11)	-	-	-	-	11,402	100.00%	11,402 (Note 4)	67,629	-
Nanjing BenQ Hospital Co., Ltd. ("NMH")	Medical services	5,596,961 (USD 182,015)	(Note 1)	4,249,896 (USD 138,208)	4,268,531 (USD 138,814)	-	8,518,427 (USD 277,022)	380,398	95.02%	361,454 (Note 3)	3,606,493	-
Suzhou BenQ Hospital Co., Ltd. ("SMH")	Medical services	2,610,404 (CNY 601,975)	(Note 1)	1,677,320 (USD 54,547)	1,737,867 (USD 56,516)	-	3,415,187 (USD 111,063)	411,353	95.02%	390,868 (Note 3)	1,614,670	-
BenQ Hospital Management Consulting (Nanjing) Co., Ltd. ("NMHC")	Medical management consulting	30,750 (USD 1,000)	(Note 1)	30,320 (USD 986)	28,382 (USD 923)	-	58,702 (USD 1,909)	(814)	95.02%	(773) (Note 4)	20,835	-
Suzhou BenQ Investment Co., Ltd. ("BIC")	Investment and holding activity	922,500 (USD 30,000)	(Note 9)	194,894 (USD 6,338)	-	-	194,894 (USD 6,338)	141	95.02%	134 (Note 4)	796,445	-
Nanjing Silvertown Health & Development Co., Ltd. ("NSHD")	Medical services	433,640 (CNY 100,000)	(Note 12)	87,238 (USD 2,837)	81,549 (USD 2,652)	-	168,787 (USD 5,489)	(29,572)	14.25%	(4,214) (Note 4)	165,798 (Note 16)	-
BenQ Guru Software Co., Ltd. ("GSS")	R&D and sales of computer information systems	405,900 (USD 13,200)	(Note 1)	298,275 (USD 9,700)	-	-	298,275 (USD 9,700) (Note 6)	4,528	100.00%	4,528 (Note 4)	14,738	-
BenQ Biotech (Shanghai) Co., Ltd. ("BBC")	Manufacture and sales of medical consumables and equipment	867,280 (CNY 200,000)	(Note 2)	888,962 (CNY 205,000)	216,820 (CNY 50,000)	-	1,105,782 (CNY 255,000)	(99,053)	70.00%	(69,337) (Note 4)	667,389	-
Guangxi Youshan Medical Technology Co., Ltd. ("Youshan")	Sales of medical consumables and equipment	26,018 (CNY 6,000)	(Note 14)	-	-	-	(Note 14)	26,815	38.50%	10,324 (Note 4)	25,971	-

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Wangcheng Medical Technology (Chengdu) Co., Ltd (“Wangcheng”)	Sales of medical consumables and equipment	8,673 (CNY 2,000)	(Note 14)	-	-	-	(Note 14)	1,979	49.00%	970 (Note 4)	6,956	-
Shanghai Filter Technology Co.,Ltd (“Filter”)	Sales of medical consumables and equipment	325,230 (CNY 75,000)	(Note 14)	-	-	-	(Note 14)	(7,784)	70.00%	(5,449) (Note 4)	222,123	-
Shanghai Perfusion Medical Technology Co.,Ltd (“Perfusion”)	R&D and manufacture of medical consumables and equipment	21,682 (CNY 5,000)	(Note 14)	-	-	-	(Note 14)	(2,067)	35.70%	(738) (Note 4)	7,012	-
Guigang Donghui Medical Investment Co., Ltd.	Medical services	2,928,236 (CNY 675,269)	(Note 13)	-	-	-	(Note 13)	(690,864)	13.43%	(92,783) (Note 4)	346,238 (Note 16)	-
Shanghai Zhenglang Medical Equipment Co.,Ltd	Sales of medical consumables and equipment	26,018 (CNY 6,000)	(Note 14)	-	-	-	(Note 14)	10,080	35.70%	3,599 (Note 4)	14,504	-
Jiangsu Yudi Optical Co.,Ltd (“Yudi”)	Sales and manufacture of optical lens	350,728 (CNY 80,880)	(Note 15)	-	-	-	(Note 15)	155,307	20.01%	31,077 (Note 4)	452,462 (Note 16)	-

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Direct investment in Mainland China.

(Note 3) Investment income or loss was recognized based on the audited financial statements issued by the auditors of the company or International CPA firm that has a cooperative relationship with ROC CPA firm.

(Note 4) Investment income or loss was recognized based on the unaudited financial statements of the company.

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75 and CNY\$1 = NT\$4.3364.

(Note 6) The amount of GRHK reinvestments US\$3,500 thousand were excluded.

(Note 7) The amount of QCES reinvestments US\$800 thousand were excluded.

(Note 8) The amount of QCES reinvestments US\$18,500 thousand were excluded.

(Note 9) The investment was from the operating capital of BBM.

(Note 10) The reinvestments were from the distribution of dividends of QLLB.

(Note 11) The reinvestments were from the distribution of dividends of BQHK.

(Note 12) NSHD is established by NMH's asset division.

(Note 13) The investment was from the operating capital of NMH.

(Note 14) The investment was from the operating capital of BBC.

(Note 15) The investment was from the operating capital of QCES.

(Note 16) Accounting for investments using equity method.

## 2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
18,409,762 (USD 562,731 and CNY 255,000)	17,610,740 (Note 17) (USD 572,707)	(Note 18)

(Note 17) The investments amount of \$6,116,329 (US\$198,905) have yet to be authorized by Investment Commission, MOEA.

(Note 18) Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limit on investment in Mainland China.

## 3. Significant transactions with investee companies in Mainland China:

The transactions between parent and investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.

B. BenQ Material Corporation

1. Information on investments in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
BenQ Material (Suzhou) Co., Ltd. ("BMS")	Manufacture of optoelectronics film	246,000 (USD8,000)	(Note 1)	891,750 (USD29,000)	-	641,550 (USD 21,000)	246,000 (USD 8,000)	62,933	100.00%	62,933 (Note 2)	1,907,217	-
Daxon Biomedical (Suzhou) Co., Ltd. ("DTB")	Service and sales of medical consumables	47,700 (CNY11,000)	(Note 4)	-	-	-	-	11,963	100.00%	11,963 (Note 2)	37,864	-
BenQ Materials (Wuhu) Co., Ltd. ("BMW")	Manufacture and sales of optoelectronics film and cosmetics	346,912 (CNY80,000)	(Note 1)	173,456 (CNY 40,000)	-	-	173,456 (CNY 40,000) (Note 5)	(84,788)	100.00%	(83,481) (Note 2)	(265,293)	-
BenQ Materials Medical Supplies (Suzhou) Co., Ltd. ("BMM")	Manufacture and sales of medical consumables	65,046 (CNY15,000)	(Note 4)	-	-	-	-	1,175	100.00%	1,175 (Note 2)	46,477	-
Suzhou Sigma Medical Supplies Co., Ltd. ("SMSZ")	Sales of medical consumables and equipment	22,202 (USD722)	(Note 3)	22,202 (USD722)	-	-	22,202 (USD 722)	(1)	100.00%	(1) (Note 2)	1,075	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMC	419,456 (USD8,000 and CNY40,000)	531,986 (USD8,000 and CNY65,950)	(Note 7)
SGM	22,202 (USD722)	22,202 (USD722)	80,000

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements issued by the auditors of BMC.

(Note 3) Direct investment in Mainland China.

(Note 4) The reinvestments were from the distribution of dividends of BMLB.

(Note 5) The amount of BMLB reinvestments CNY\$10,950 thousand were excluded.

(Note 6) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75 and CNY\$1=NT\$4.3364.

(Note 7) Since BenQ Material Corporation has obtained the Certificate of Headquarter Operation, there is no upper limit on investment in Mainland China.

3. Significant transactions with investee companies in Mainland China:

The transactions between BMC and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

C. BenQ Medical Technology Corp.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
BenQ Medical Technology (Shanghai) Ltd. ("BMTS")	Agency of international and entrepot trade business	30,750 ( USD 1,000)	(Note 1)	30,750 ( USD 1,000)	-	-	30,750 ( USD 1,000)	3,913	100.00%	3,913 (Note 6)	20,920	-
LILY Medical (Suzhou) Co., Ltd. ("ALS")	Sales of medical consumables and equipment	6,458 ( USD 210)	(Note 2)	6,458 ( USD 210)	-	-	6,458 ( USD 210)	(593)	100.00%	(593) (Note 5)	1,162	-
TDX Medical Technology (Jiangsu) Co., Ltd. ("TDX")	Sales of medical consumables and equipment	86,720 (CNY 20,000)	(Note 2)	34,688 (CNY 8,000)	-	(Note 4)	34,688 (CNY 8,000)	13,178	40.00%	5,548 (Note 5)	-	-
Suzhou Trident Original Medical Technology Co., Ltd.	Sales of medical consumables and equipment	8,672 (CNY 2,000)	(Note 3)	-	-	-	-	14,108	22.00%	3,104 (Note 5)	-	-
K2 (Shanghai) International Medical Inc.	Sales of medical consumables	38,438 (USD 1,250)	(Note 2)	59,440 ( USD 1,933)	-	-	59,440 ( USD 1,933)	36,887	100.00%	14,775 (Note 6)	50,384	-

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Direct investment in Mainland China.

(Note 3) Invested in Mainland China is through TDX Medical Technology (Jiangsu) Co., Ltd.

(Note 4) In December 2023, BMTS disposed 40% ownership of TDX. As of December 31, 2023, the amount has yet to be collected and were recognized in other receivables.

(Note 5) Investment income or loss was recognized based on the unaudited financial statements of the company.

(Note 6) Investment income or loss was recognized based on the audited financial statements issued by the auditors of BMTS.

(Note 7) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75 and CNY\$1=NT\$4.3364.

(Note 8) There was no shares as the investee company is a limited liability company.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMC	65,438 (USD 1,000 and CNY 8,000)	86,930 (USD 2,827)	659,896
SGM	6,458 (USD 210)	6,458 (USD 210)	121,201
K2	59,440 (USD 1,933)	59,440 (USD 1,933)	380,693

3. Significant transactions with investee companies in Mainland China:

The transactions between BMTS and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.



D. Partner Tech Corp.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Partner Tech (Shanghai) Co., Ltd. ("PTCM")	Sales, purchase, import and export of electronic products	107,625 ( USD 3,500)	(Note 1)	107,625 ( USD 3,500)	-	-	107,625 ( USD 3,500)	(12,850)	100.00%	(12,850) (Note 2)	57,664	-

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements issued by the auditors of PTT.

(Note 3) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
PTT	107,625 (USD 3,500)	212,360 (USD 6,906)	695,962

3. Significant transactions with investee companies in Mainland China:

The transactions between PTT and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

E. DFI Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Yan Tong Infotech (Dongguan) Co., Ltd. ("DYTI")	Manufacture and sales of industrial motherboards and component	-	(Note 1)	-	-	-	-	6,898	-	6,898 (Note 2)	(Note 7)	97,179
Yan Ying Hao Trading (ShenZhen) Co., Ltd. ("DYTH")	Wholesale, import and export of industrial motherboards and component	13,840	(Note 1)	-	-	-	-	(30,156)	100.00%	(30,156) (Note 2)	18,880	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
DFI	- (Note 3)	64,114 (USD 2,085) (Note 5 and 6)	2,989,729 (Note 4)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements issued by the auditors of DFI.

(Note 3) The reinvestments and authorized amount of DFI's subsidiaries is excluded from DFI's accumulated investment amounts and the investment amounts authorized by Investment Commission, MOEA.

(Note 4) Pursuant to "Principle of Investment or Technical Cooperation in Mainland China", investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 5) The investment amount of Dongguan Ri Tong Trading Co., Ltd. that has been liquidated was approved by Investment Commission, MOEA in August 2014 and had been deducted in the investment amount.

(Note 6) The earnings that has been remitted to DFI by DYTI was approved by the Investment Commission of the MOEA in February 2017 and had been deducted in the investment amount.

(Note 7) The liquidation of Yan Tong Infotech (Dongguan) Co., Ltd. had been completed in August 2023 and the deregistration had been completed in November 2023.

(Note 8) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75.

3. Significant transactions with investee companies in Mainland China:

The transactions between DFI and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

F. Aewin Technologies Co., Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Aewin Beijing Technologies Co., Ltd.	Wholesale of computer peripheral products and software	46,129	(Note 1)	46,129	-	-	46,129	(39,601)	100.00%	(39,601) (Note 3)	146,269	-
Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	15,265	(Note 2)	-	-	-	-	1,415	100.00%	1,415 (Note 3)	(741)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
AEWIN	46,129 (USD 1,500)	61,500 (USD 2,000)	753,616 (Note 4)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Invested in Mainland China through Aewin Beijing Technologies Co., Ltd.

(Note 3) Investment income or loss was recognized based on the audited financial statements by the auditors of AEWIN

(Note 4) Pursuant to “Principle of Investment or Technical Cooperation in Mainland China”, investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75.

3. Significant transactions with investee companies in Mainland China:

The transactions between AEWIN and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.

G. Ace Pillar Co., Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	1,085,383	(Note 1)	59,963	-	-	59,963	(43,543)	100.00%	(43,543)	493,717	125,533
Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	7,242	(Note 1)	4,920	-	-	4,920	2	100.00%	2	4,099	-
Advancedtek Ace (TJ) Inc.	Electronic system integration	9,225	(Note 1)	4,613	-	-	4,613	456	100.00%	456	2,568	-
Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	44,588	(Note 1)	(Note 2)	-	-	(Note 2)	1,461	100.00%	1,461	107,603	-
Standard International Trading (Shanghai) Co., Ltd.	Sales of semiconductor optoelectronics equipment and consumables and equipment repair services	14,760	(Note 1)	14,760	-	-	14,760	14,473	100.00%	14,773	107,939	134,972

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
ACE	157,409 (USD 5,119)	157,409 (USD 5,119)	1,238,555 (Note 5)
STC	14,760 (USD 480)	14,760 (USD 480)	113,103 (Note 5)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Established by Cyber South's reinvestment.

(Note 3) Investment income or loss was recognized based on the audited financial statements by the auditors of ACE.

(Note 4) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.75 and CNY\$1 = NT\$4.3364.

(Note 5) Pursuant to "Principle of Investment or Technical Cooperation in Mainland China", investment amounts in Mainland China shall not exceed the 60% net worth of the company.

3. Significant transactions with investee companies in Mainland China:

The transactions between ACE and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

H. Data Image Corporation

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Data Image (Suzhou) Corporation	Manufacture and sales of LCD	534,081	(Note 1)	511,884	-	-	511,884	63,199	100.00%	63,199	470,745	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 15,654	USD 16,952	890,107 (Note 3)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements issued by the auditors of DIC.

(Note 3) Investment amounts in Mainland China shall not exceed the 60% net worth of DIC according to MOEA letter No. 09704604680.

3. Significant transactions with investee companies in Mainland China:

The transactions between DIC and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.

I.DIVA Laboratories, Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	52,643	(Note 1)	52,643	-	-	52,643	1,253	100.00%	1,253	9,602	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 1,725	USD 2,000	619,681 (Note 3)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 3) Investment amounts in Mainland China shall not exceed the limit of net worth of DIVA according to MOEA letter No. 09704604680.

3. Significant transactions with investee companies in Mainland China:

The transactions between DIVA and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.

J. Simula Technology Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	191,437	(Note 1)	141,375	-	-	141,375	(46,191)	100.00%	(46,191)	132,843	-
Opti Cloud Technologies, Inc.	R&D of High-speed optical transmission cable and module product technology	137,336	(Note 1)	95,099	-	-	95,099 (Note 4)	(2,830)	(Note 4)	(1,448) (Note 2)	(Note 3)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Simula	257,755	307,187	1,251,806

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements by the auditors of Simula.

(Note 3) The liquidation procedure of Opti Cloud Technologies, Inc. had been completed on November 9, 2023 .

3. Significant transactions with investee companies in Mainland China:

The transactions between Simula and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” for detail description.

K.Alpha Networks Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Alpha Networks (Chengdu) Co.,Ltd.	Research and development of network products	420,426	(Note 1 and 8)	420,426	-	-	420,426	21,245	100.00%	21,245	463,192	147,231
Alpha Networks (Dongguan) Co., Ltd.	Production and sale of network products	97,023	(Note 1)	741,084	-	626,887	114,197 (Note 6)	(183,206)	100.00%	(183,206)	(21,416)	692,935
Mirac Networks (Dongguan) Co.,Ltd.	Production and sale of network products	107,131 (Note 9)	(Note 1)	307,326	-	-	307,326	29,528	100.00%	29,528	122,511	-
Alpha Networks (Changshu) Co., Ltd.	Production and sale of network products	1,925,920	(Note 1)	1,925,920	-	-	1,925,920	22,942	100.00%	22,942	1,177,637	-
Alpha Networks (Changshu Trading) Co., Ltd.	Production and sale of network products	17,378	(Note 1)	-	-	-	-	(13,388)	100.00%	(13,388)	4,211	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Alpha	2,634,897 (Note 3、4 and 7)	3,496,798	(Note 5)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements by the auditors of Alpha.

(Note 3) Accumulated investments in Alpha Dongguan did not include the previously invested by D-Link Corporation HKD69,387 thousand (equivalent to approximately \$303,055 thousand).

(Note 4) Alpha indirectly investment the subsidiary Tongying Trading (Shenzhen) Co., Ltd., has liquidated all rights and obligations in March 2008 and cancelled the registration. Accumulated outflow of \$9,828 thousand in Tongying Trading (Shenzhen) Co., Ltd., less the remittance amount of \$4,367 thousand equals \$5,461 thousand. It is still necessary to include in the accumulated investment amount by the principle of Investment Commission, MOEA.

(Note 5) As Alpha has obtained the certificate No. 11120417620 of being qualified for operating headquarters issued by Ministry of Economic Affairs on June, 8 2022, the upper limit on investment in mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China" issued by Investment Commission, MOEA on August, 29, 2008 is not applicable.

(Note 6) The investment of \$46,412 thousand is from the operating capital of D-Link Asia, so the accumulated investment amount from Taiwan is excluded at the end of the period.

(Note 7) Alpha indirectly investment the subsidiary Mingzhen (Changshu) has liquidated all rights and obligations on July 23, 2018 and cancelled the registration. Accumulated outflow of \$164,622 thousand is still necessary to include in the accumulated investment amount by the principle of Investment Commission, MOEA.

(Note 8) Alpha CD was previously reinvested through D-Link Asia. D-Link Asia entered into an agreement with Alpha to transfer the entire ownership of Alpha CD to Alpha on June 15, 2023.

(Note 9) On December 19, 2022, the related registration of capital reduction has been completed while the capital has not been remitted as of December 31, 2023.

3. Significant transactions with investee companies in Mainland China:

The transactions between Alpha and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.



L.Hitron Technologies Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
HSZ	Production and sale of broadband telecommunications products	171,245	(Note 1)	641,763	-	470,518	171,245	49,387	100.00%	49,387 (Note 2)	190,836	-
HJT	Sale of broadband network products and related services	31,139	(Note 1)	31,139	-	-	31,139	(11)	100.00%	(11) (Note 2)	3,670	-
IHC	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	5,814	(Note 1 and 3)	12,048	-	-	12,048	2,562	36.39%	1,020	4,945	24,264

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Hitron	214,432	214,432	2,951,701

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Investment income or loss was recognized based on the audited financial statements by the auditors of Hitron.

(Note 3) IHC is a China based investment company which was originally invested by Hitron (Samoa), however, IHC has been 100% owned by IDT due to the Group's restructuring decision resolved in year 2012.

3. Significant transactions with investee companies in Mainland China:

The transactions between Hitron and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

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