

QISDA CORPORATION AND SUBSIDIARIES
Consolidated Financial Statements
With Independent Auditors' Review Report
For the Three Months Ended March 31, 2022 and 2021

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

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Independent Auditors' Review Report

To the Board of Directors
Qisda Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Qisda Corporation and its subsidiaries as of March 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

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

Basis for Qualified Conclusion

As described in Note 4(b) to the consolidated financial statements, the accompanying consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$29,252,095 thousand and \$26,058,195 thousand, constituting 14.81% and 15.22% of the consolidated total assets; as well as the total liabilities amounting to \$11,698,750 thousand and \$10,669,638 thousand, constituting 8.58% and 9.71% of the consolidated total liabilities as of March 31, 2022 and 2021, respectively; and the total comprehensive income amounting to \$340,072 thousand and \$312,152 thousand, constituting 98.15% and 7.70% of the absolute value of consolidated total comprehensive income for the three months then ended, respectively.

Furthermore, as described in Note 6(h) to the consolidated financial statements, the investments accounted for using the equity method amounted to \$1,564,165 thousand and \$1,105,076 thousand as of March 31, 2022 and 2021, respectively, and the share of profits (losses) of associates and joint ventures amounted to \$33,829 thousand and \$9,432 thousand for the three months then ended, respectively. These amounts were based on the unreviewed financial statements of the investee companies.

Qualified Conclusion

Based on our reviews and the review reports of other auditors (please refer to Other Matter section), except for the adjustment, if any, as might have been determined to be necessary had the financial statements of certain non-significant consolidated subsidiaries and equity-method investments described in the Basis for Qualified Conclusion section been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Qisda Corporation and its subsidiaries as of March 31, 2022 and 2021, and their consolidated financial performance and their consolidated cash flows for the three months then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain subsidiaries of Qisda Corporation and its subsidiaries. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements relative to these subsidiaries, is based solely on the reports of other auditors. The financial statements of these subsidiaries reflect the total assets amounting to \$5,966,981 thousand and \$9,403,258 thousand, constituting 3.02% and 5.49% of the consolidated total assets as of March 31, 2022 and 2021, respectively, and the total operating revenue amounting to \$1,530,432 thousand and \$1,835,096 thousand, constituting 2.51% and 3.61% of the consolidated operating revenue for the three months then ended, respectively.

The engagement partners on the reviews resulting in this independent auditors’ review report are Huei-Chen Chang and Wei-Ming Shih.

KPMG

Taipei, Taiwan (Republic of China)
May 6, 2022

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 review such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards as of March 31, 2022 and 2021

QISDA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2022, December 31 and March 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets		March 31, 2022		December 31, 2021		March 31, 2021		Liabilities and Equity		March 31, 2022		December 31, 2021		March 31, 2021	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 19,904,288	10	17,781,480	10	23,628,853	14	2100	Short-term borrowings (notes 6(n) and 8)	\$ 32,772,377	17	24,295,022	13	22,575,916	13
1110	Financial assets at fair value through profit or loss—current (notes 6(b) and (p))	295,752	-	133,212	-	176,885	-	2120	Financial liabilities at fair value through profit or loss—current (note 6(b))	188,206	-	78,178	-	150,758	-
1120	Financial assets at fair value through other comprehensive income—current (note 6(c))	104,211	-	102,037	-	107,943	-	2130	Contract liabilities—current (note 6(y))	2,277,660	1	2,431,400	1	2,193,611	1
1170	Notes and accounts receivable, net (notes 6(d) and (y) and 8)	32,074,845	16	29,999,477	16	27,680,028	16	2170	Notes and accounts payable	41,555,265	21	39,319,708	21	34,935,085	21
1181	Notes and accounts receivable from related parties (notes 6(d) and (y) and 7)	2,916,105	2	3,007,620	2	3,111,903	2	2180	Accounts payable to related parties (note 7)	1,573,061	1	1,465,399	1	1,978,553	1
1200	Other receivables (notes 6(d) and (e))	959,779	-	852,087	-	668,681	-	2200	Other payables (note 6(z))	17,070,572	9	12,863,465	7	10,740,341	6
1210	Other receivables from related parties (notes 6(e) and 7)	576,463	-	304,166	-	687,326	1	2220	Other payables to related parties (note 7)	1,112,012	1	27,307	-	13,288	-
130X	Inventories (notes 6(f) and 8)	56,378,609	29	50,147,906	27	35,897,298	21	2230	Current tax liabilities	1,813,703	1	1,540,749	1	1,626,037	1
1470	Other current assets	3,661,285	2	3,069,555	2	3,761,658	2	2300	Other current liabilities (note 6(o))	735,804	-	878,646	-	589,278	-
1476	Other financial assets—current (notes 6(a) and 8)	3,142,013	2	4,046,389	2	5,026,371	3	2365	Refund liabilities—current	3,027,559	2	2,884,556	2	2,607,434	2
1461	Non-current assets held for sale (note 6(g))	665,444	-	476,511	-	118,474	-	2321	Current portion of bonds payable (note 6(p))	421,310	-	461,471	-	455,931	-
	Total current assets	<u>120,678,794</u>	<u>61</u>	<u>109,920,440</u>	<u>59</u>	<u>100,865,420</u>	<u>59</u>	2322	Current portion of long-term debt (notes 6(o) and 8)	1,024,056	-	714,857	-	551,740	-
	Non-current assets:							2280	Lease liabilities—current (notes 6(q) and 7)	468,424	-	466,245	-	447,390	-
1510	Financial assets at fair value through profit or loss—non-current (note 6(b))	370,402	-	354,333	-	200,513	-	2250	Provisions—current (note 6(r))	916,999	-	906,468	1	789,594	1
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(c))	15,726,771	8	18,047,059	10	2,599,405	1		Total current liabilities	<u>104,957,008</u>	<u>53</u>	<u>88,333,471</u>	<u>47</u>	<u>79,654,956</u>	<u>46</u>
1550	Investments accounted for using the equity method (notes 6(h) and 8)	4,105,398	2	4,067,106	2	16,676,607	10	2503	Financial liabilities at fair value through profit or loss—non-current (note 6(b))	95,628	-	97,986	-	93,346	-
1600	Property, plant and equipment (notes 6(j) and 8)	34,481,952	18	33,037,041	18	30,670,709	18	2540	Long-term debt (notes 6(o) and 8)	25,248,775	13	26,702,353	14	24,149,142	14
1755	Right-of-use assets (notes 6(k) and 7 and 8)	4,671,142	2	4,613,883	2	4,599,658	3	2580	Lease liabilities—non-current (notes 6(q) and 7)	1,609,425	1	1,524,736	1	1,480,876	1
1760	Investment property (notes 6(l) and 8)	3,565,586	2	3,408,285	2	3,527,913	2	2550	Provisions—non-current (note 6(r))	766,653	-	743,366	1	672,368	1
1780	Intangible assets (notes 6(i) and (m))	10,640,377	5	10,538,787	6	9,080,223	5	2570	Deferred income tax liabilities	2,435,174	1	2,355,169	1	1,648,149	1
1840	Deferred income tax assets	1,755,738	1	1,733,297	1	1,727,849	1	2670	Other non-current liabilities	1,275,895	1	1,290,751	1	2,198,319	1
1900	Other non-current assets	257,425	-	386,454	-	277,220	-		Total non-current liabilities	<u>31,431,550</u>	<u>16</u>	<u>32,714,361</u>	<u>18</u>	<u>30,242,200</u>	<u>18</u>
1980	Other financial assets—non-current (note 8)	1,200,392	1	1,103,910	-	989,779	1		Total liabilities	<u>136,388,558</u>	<u>69</u>	<u>121,047,832</u>	<u>65</u>	<u>109,897,156</u>	<u>64</u>
	Total non-current assets	<u>76,775,183</u>	<u>39</u>	<u>77,290,155</u>	<u>41</u>	<u>70,349,876</u>	<u>41</u>		Equity attributable to shareholders of the Company (notes 6(c) and (i) and (v)):						
	Total assets	<u>\$ 197,453,977</u>	<u>100</u>	<u>187,210,595</u>	<u>100</u>	<u>171,215,296</u>	<u>100</u>	3110	Common stock	19,667,820	10	19,667,820	11	19,667,820	12
								3260	Capital surplus	1,847,695	1	1,844,310	1	1,830,010	1
								3300	Retained earnings	16,394,991	8	20,777,515	11	17,330,097	10
								3400	Other equity	(1,873,503)	(1)	(833,222)	(1)	156,378	-
									Total equity attributable to shareholders of the Company	<u>36,037,003</u>	<u>18</u>	<u>41,456,423</u>	<u>22</u>	<u>38,984,305</u>	<u>23</u>
								36XX	Non-controlling interests (note 6(i) and (v))	25,028,416	13	24,706,340	13	22,333,835	13
									Total equity	<u>61,065,419</u>	<u>31</u>	<u>66,162,763</u>	<u>35</u>	<u>61,318,140</u>	<u>36</u>
									Total liabilities and equity	<u>\$ 197,453,977</u>	<u>100</u>	<u>187,210,595</u>	<u>100</u>	<u>171,215,296</u>	<u>100</u>

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

QISDA CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2022 and 2021

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

		For the three months ended March 31			
		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (notes 6(y), 7 and 14)	\$ 60,866,119	100	50,903,681	100
5000	Operating costs (notes 6(f), (j), (q), (t) and (z), 7 and 12)	<u>(52,992,823)</u>	<u>(87)</u>	<u>(43,403,061)</u>	<u>(85)</u>
	Gross profit	<u>7,873,296</u>	<u>13</u>	<u>7,500,620</u>	<u>15</u>
	Operating expenses (notes 6(d), (j), (q), (t) and (z), 7 and 12):				
6100	Selling expenses	(3,465,460)	(6)	(2,928,367)	(6)
6200	Administrative expenses	(1,503,457)	(2)	(1,418,716)	(3)
6300	Research and development expenses	(1,566,576)	(3)	(1,457,245)	(3)
6450	Gain on reversal of impairment loss (expected credit loss)	<u>(14,251)</u>	<u>-</u>	<u>21,582</u>	<u>-</u>
	Total operating expenses	<u>(6,549,744)</u>	<u>(11)</u>	<u>(5,782,746)</u>	<u>(12)</u>
	Operating income	<u>1,323,552</u>	<u>2</u>	<u>1,717,874</u>	<u>3</u>
	Non-operating income and loss:				
7100	Interest income (note 6(aa))	56,525	-	69,294	-
7010	Other income (notes 6(o) and (aa))	36,939	-	28,183	-
7020	Other gains and losses, net (notes 6(g), (h), (i), (q), (aa) and 7)	240,763	1	608,318	1
7050	Finance costs (notes 6(q) and (aa) and 7)	(189,625)	-	(164,946)	-
7060	Share of profits (losses) of associates and joint ventures (note 6(h))	<u>96,885</u>	<u>-</u>	<u>873,870</u>	<u>2</u>
	Total non-operating income and loss	<u>241,487</u>	<u>1</u>	<u>1,414,719</u>	<u>3</u>
	Income before income tax	1,565,039	3	3,132,593	6
7950	Less: Income tax expense (note 6(u))	<u>(495,637)</u>	<u>(1)</u>	<u>(523,950)</u>	<u>(1)</u>
	Net income	<u>1,069,402</u>	<u>2</u>	<u>2,608,643</u>	<u>5</u>
	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans (note 6(v))	545	-	-	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(v))	(2,229,977)	(4)	1,300,151	3
8320	Share of other comprehensive income (loss) of associates (notes 6(h) and (v))	33,404	-	57,180	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss (note 6(u))	<u>17,298</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>(2,178,730)</u>	<u>(4)</u>	<u>1,357,331</u>	<u>3</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations (note 6(v))	1,340,547	2	111,198	-
8370	Share of other comprehensive income (loss) of associates and joint ventures (notes 6(h) and (v))	115,255	1	(24,039)	-
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>1,455,802</u>	<u>3</u>	<u>87,159</u>	<u>-</u>
	Other comprehensive income (loss) for the period, net of income tax	<u>(722,928)</u>	<u>(1)</u>	<u>1,444,490</u>	<u>3</u>
	Total comprehensive income for the period	<u>\$ 346,474</u>	<u>1</u>	<u>4,053,133</u>	<u>8</u>
	Net income attributable to:				
8610	Shareholders of the Company	\$ 534,431	1	2,111,632	4
8620	Non-controlling interests	<u>534,971</u>	<u>1</u>	<u>497,011</u>	<u>1</u>
		<u>\$ 1,069,402</u>	<u>2</u>	<u>2,608,643</u>	<u>5</u>
	Total comprehensive income attributable to:				
8710	Shareholders of the Company	\$ (505,850)	(1)	3,561,676	7
8720	Non-controlling interests	<u>852,324</u>	<u>2</u>	<u>491,457</u>	<u>1</u>
		<u>\$ 346,474</u>	<u>1</u>	<u>4,053,133</u>	<u>8</u>
	Earnings per share (in New Taiwan Dollars) (note 6(x)):				
9750	Basic earnings per share	<u>\$ 0.27</u>		<u>1.07</u>	
9850	Diluted earnings per share	<u>\$ 0.27</u>		<u>1.06</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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QISDA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Company												
	Retained earnings						Other equity interest						
	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 interest	Total equity of the Company	Non-controlling interests	Total equity
Balance at January 1, 2021	\$ 19,667,820	1,879,501	2,183,984	608,508	12,950,333	15,742,825	(1,413,867)	-	571,329	(422,107)	36,025,501	22,937,719	58,963,220
Net income for the period	-	-	-	-	2,111,632	2,111,632	-	-	-	-	2,111,632	497,011	2,608,643
Other comprehensive income for the period	-	-	-	-	-	-	95,122	1,354,922	-	-	1,450,044	(5,554)	1,444,490
Total comprehensive income for the period	-	-	-	-	2,111,632	2,111,632	95,122	1,354,922	-	-	1,450,044	491,457	4,053,133
Share of changes in equity of associates and joint ventures	-	(55,615)	-	-	-	-	-	-	-	-	(55,615)	-	(55,615)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(228,790)	(228,790)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	64,874	64,874
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	-	-	-	-	(553,381)	(553,381)	-	-	-	-	(553,381)	(883,676)	(1,437,057)
Changes in ownership interests in subsidiary	-	6,124	-	-	-	-	-	-	-	-	6,124	(6,124)	-
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,360	2,360
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(43,985)	(43,985)
Disposal of financial assets at fair value through other comprehensive income	-	-	-	-	29,021	29,021	-	(29,021)	-	(29,021)	-	-	-
Balance at March 31, 2021	\$ 19,667,820	1,830,010	2,183,984	608,508	14,537,605	17,330,097	(1,318,745)	1,897,230	(422,107)	156,378	38,984,305	22,333,835	61,318,140
Balance at January 1, 2022	\$ 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 for the period	-	-	-	-	534,431	534,431	-	-	-	-	534,431	534,971	1,069,402
Other comprehensive income (loss) for the period	-	-	-	-	-	-	1,140,704	(2,181,294)	309	(1,040,281)	(1,040,281)	317,353	(722,928)
Total comprehensive income (loss) for the period	-	-	-	-	534,431	534,431	1,140,704	(2,181,294)	309	(1,040,281)	(505,850)	852,324	346,474
Appropriation of earnings:													
Cash dividends distributed to shareholders	-	-	-	-	(4,916,955)	(4,916,955)	-	-	-	-	(4,916,955)	-	(4,916,955)
Shares of changes in equity of associates and joint ventures	-	(883)	-	-	-	-	-	-	-	-	(883)	31	(852)
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,098,928)	(1,098,928)
Changes in ownership interests in subsidiaries	-	4,268	-	-	-	-	-	-	-	-	4,268	(4,268)	-
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,003	2,003
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	570,914	570,914
Balance at March 31, 2022	\$ 19,667,820	1,847,695	2,639,376	1,264,645	12,490,970	16,394,991	(582,533)	(802,727)	(488,243)	(1,873,503)	36,037,003	25,028,416	61,065,419

See accompanying notes to consolidated financial statements.

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

QISDA CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2022	2021
Cash flows from operating activities:		
Income before income tax	\$ 1,565,039	3,132,593
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	1,008,829	918,518
Amortization	270,861	222,414
Expected credit loss (gain on reversal of impairment loss)	14,251	(21,582)
Interest expense	189,625	164,946
Interest income	(56,525)	(69,294)
Dividend income	(22,411)	(8,199)
Share-based compensation cost	2,003	2,360
Share of profits of associates and joint ventures	(96,885)	(873,870)
Loss on disposal of property, plant and equipment	8,020	2,653
Gain on disposal of non-current assets and the related liabilities held for sale	(110,738)	(84,232)
Gain on disposal of investments	-	(385,317)
Gain on bargain purchase	(81,089)	-
Impairment loss on non-financial assets	1,579	-
Total adjustments for profit or loss	<u>1,127,520</u>	<u>(131,603)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets at fair value through profit or loss	(178,609)	(2,219)
Decrease (increase) in notes and accounts receivable	(1,665,791)	5,629,906
Decrease in notes and accounts receivable from related parties	106,850	168,466
Decrease (increase) in other receivables	(79,517)	42,255
Increase in other receivables from related parties	(16,898)	(5,794)
Increase in inventories	(6,069,004)	(758,015)
Increase in other current assets	(560,310)	(657,722)
Decrease in other non-current assets	103,062	91,864
Net changes in operating assets	<u>(8,360,217)</u>	<u>4,508,741</u>
Changes in operating liabilities:		
Increase in financial liabilities at fair value through profit or loss	107,670	3,022
Increase (decrease) in notes and accounts payable	1,885,228	(3,482,568)
Increase (decrease) in accounts payable to related parties	107,662	(148,983)
Increase (decrease) in other payables to related parties	241	(2,863)
Increase (decrease) in provisions	33,818	(34,462)
Increase (decrease) in contract liabilities	(165,847)	295,530
Decrease in other payables and other current liabilities	(891,650)	(1,431,442)
Increase (decrease) in other non-current liabilities	13,620	(12,315)
Net changes in operating liabilities	<u>1,090,742</u>	<u>(4,814,081)</u>
Total changes in operating assets and liabilities	<u>(7,269,475)</u>	<u>(305,340)</u>
Total adjustments	<u>(6,141,955)</u>	<u>(436,943)</u>
Cash provided by (used in) operations	(4,576,916)	2,695,650
Interest received	60,176	34,246
Dividends received	22,411	8,199
Interest paid	(178,867)	(174,919)
Income taxes paid	(223,579)	(239,935)
Net cash provided by (used in) operating activities	<u>(4,896,775)</u>	<u>2,323,241</u>

See accompanying notes to consolidated financial statements.

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

QISDA CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Continued)
For the three months ended March 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31	
	2022	2021
Cash flows from investing activities:		
Purchase of financial assets at fair value through other comprehensive income	\$ (2,286)	(33,900)
Proceeds from disposal of financial assets at fair value through other comprehensive income	87,514	106,800
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	11,042	-
Proceeds from disposal of financial assets at fair value through profit or loss	-	164,578
Purchase of investments accounted for using the equity method	(49,364)	(5,000)
Proceeds from disposal of investments accounted for using the equity method	-	441,589
Proceeds from disposal of subsidiaries	-	46,246
Proceeds from disposal of non-current assets and related liabilities held for sale	298,283	265,795
Additions to property, plant and equipment	(1,778,856)	(1,332,714)
Proceeds from disposal of property, plant and equipment	28,103	135,568
Additions to intangible assets	(104,710)	(89,910)
Decrease (increase) in other financial assets	836,662	(2,343,452)
Net cash received from (paid for) acquisition of subsidiaries	(46,266)	60,431
Net cash used in investing activities	(719,878)	(2,583,969)
Cash flows from financing activities:		
Increase in short-term borrowings	10,067,289	1,912,737
Repayments of short-term borrowings	(1,741,669)	(477,039)
Increase in long-term debt	2,761,974	5,298,822
Repayments of long-term debt	(4,003,844)	(3,494,704)
Decrease in guarantee deposits received	(37,867)	(436,233)
Payment of lease liabilities	(150,706)	(142,263)
Acquisition of subsidiary's interests from non-controlling interests	-	(1,437,057)
Capital injection from non-controlling interests	-	64,874
Net cash provided by financing activities	6,895,177	1,289,137
Effects of foreign exchange rate changes	844,284	60,026
Net increase in cash and cash equivalents	2,122,808	1,088,435
Cash and cash equivalents at beginning of period	17,781,480	22,540,418
Cash and cash equivalents at end of period	\$ 19,904,288	23,628,853

See accompanying notes to consolidated financial statements.

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

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2022 and 2021

(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 Road, Gueishan, Taoyuan, 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 May 6, 2022.

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 Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

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

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Standards or Interpretations</u>	<u>Content of amendment</u>	<u>Effective date per IASB</u>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	<p>The amendments aim to promote consistency in applying the standards by helping companies determine whether, in balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.</p> <p>The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.</p>	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other 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 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”

4. Summary of significant accounting policies

(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 guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance endorsed and issued into effect by the FSC (collectively as “Taiwan-IFRSs”) for a complete set of the annual consolidated financial statements.

Except for the following accounting policies mentioned below, the significant accounting policies adopted in the accompanying consolidated financial statements are the same as those in the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Basis of consolidation

(i) 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
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company	Qisda Sdn. Bhd. (“QLPG”)	Leasing and management services	100.00 %	100.00 %	100.00 %	Note 1
The Company	Qisda America Corp. (“QALA”)	Sales of electronic products	100.00 %	100.00 %	100.00 %	-
The Company	Qisda Japan Co., Ltd. (“QJTO”)	Sales and maintenance of electronic products in Japanese market	100.00 %	100.00 %	100.00 %	Note 1
The Company	BenQ Dialysis Technology Corp. (“BDT”)	Manufacture and sales of medical consumables and equipment	100.00 %	100.00 %	100.00 %	Note 1
The Company	Qisda Optronics Corp. (“QTOS”)	Manufacture of computer peripheral products	100.00 %	100.00 %	100.00 %	Note 1
The Company	Darly Venture (L) Ltd. (“Darly”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
The Company	Darly Venture Inc. (“APV”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
The Company	Qisda Vietnam Co., Ltd (“QVH”)	Manufacture of monitors	100.00 %	100.00 %	100.00 %	-
The Company	Qisda (L) Corp. (“QLLB”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	-
QLLB	Qisda (Suzhou) Co., Ltd. (“QCSZ”)	Manufacture of monitors and communication devices	100.00 %	100.00 %	100.00 %	-
QLLB	Qisda (Hong Kong) Limited (“QCHK”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
QLLB	BenQ Medical (Shanghai) Co., LTD (“BMSH”)	Sales of medical consumables and equipment	100.00 %	100.00 %	100.00 %	Note 1
QCHK/ QCES	Qisda (Shanghai) Co., Ltd. (“QCSH”)	Manufacture of monitors	100.00 %	100.00 %	100.00 %	Note 1
QCHK	Qisda Electronics (Suzhou) Co., Ltd. (“QCES”)	Manufacture of monitors	100.00 %	100.00 %	100.00 %	Note 1
QCHK	Qisda Optronics (Suzhou) Co., Ltd. (“QCOS”)	Manufacture of projectors	100.00 %	100.00 %	100.00 %	-
QCHK	Qisda Precision Industry (Suzhou) Co., Ltd. (“QCPS”)	Manufacture of plastic parts	100.00 %	100.00 %	100.00 %	Note 1
APV/Darly 2/ Darly C	BenQ ESCO Corp. (“BES”)	Energy service	83.00 %	83.00 %	83.00 %	Note 1
The Company	BenQ Corp. (“BenQ”)	Manufacture and sales of brand name electronic products	100.00 %	100.00 %	100.00 %	-
BenQ	BenQ (Hong Kong) Limited (“BQHK”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1

(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
			March 31, 2022	December 31, 2021	March 31, 2021	
BenQ	BenQ Europe B.V. (“BQE”)	Sales of brand-name electronic products in European markets	100.00 %	100.00 %	100.00 %	-
BenQ	BenQ Asia Pacific Corp. (“BQP”)	Sales of brand-name electronic products in Asia markets	100.00 %	100.00 %	100.00 %	-
BenQ	BenQ America Corporation (“BQA”)	Sales of brand-name electronic products in North America markets	100.00 %	100.00 %	100.00 %	Note 1
BenQ	BenQ Latin America Corp. (“BQL”)	Sales of brand-name electronic products in Latin America markets	100.00 %	100.00 %	100.00 %	Note 1
BenQ	Mainteq Europe B.V. (“MQE”)	Maintenance of brand-name monitors and projectors in European markets	100.00 %	100.00 %	100.00 %	Note 1
BenQ	Darly2 Venture Co., Ltd. (“Darly 2”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
BenQ	BenQ Intelligent Technology (Hong Kong) Co., Ltd. (“BQHK_HLD”)	Sales of brand-name electronic products in HK markets	100.00 %	100.00 %	100.00 %	Note 1
BenQ	BenQ INFY Lab Ltd. (“INF”)	Assembly and sales of gaming electronic products	100.00 %	100.00 %	100.00 %	Note 1
BenQ/Darly/Darly 2	BenQ Guru Holding Limited (“GSH”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
BenQ/BQP	PT BenQ Teknologi Indonesia (“BQid”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Korea Co., Ltd. (“BQkr”)	Providing administration and management service to affiliates	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Japan Co., Ltd. (“BQjp”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Australia Pty Ltd. (“BQau”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ (M.E.) FZE (“BQme”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ India Private Ltd. (“BQin”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Singapore Pte Ltd. (“BQsg”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Service & Marketing (M) Sdn. Bhd (“BQmy”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1

(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
			March 31, 2022	December 31, 2021	March 31, 2021	
BQP	BenQ (Thailand) Co., Ltd. (“BQth”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Vietnam Co., Ltd. (“BQvn”)	Sales of brand-name electronic products	100.00 %	100.00 %	-	Notes 1 and 5
BQHK	BenQ Co., Ltd. (“BQC”)	Lease of real estate	100.00 %	100.00 %	100.00 %	-
BQHK_HLD	BenQ Technology (Shanghai) Co., Ltd. (“BQIs”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQHK_HLD	ShengCheng Trading (Shanghai) Co., Ltd (“BQsha_EC2”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQHK_HLD	BenQ Intelligent Technology (Shanghai) Co., Ltd (“BQC_RO”)	Sales of brand name electronic products in China markets	100.00 %	100.00 %	100.00 %	-
GSH	Guru Systems (Suzhou) Co., Ltd. (“GSS”)	R&D and sales of computer information systems	100.00 %	100.00 %	100.00 %	Note 1
GSH/APV	BenQ GURU Corp. (“GST”)	R&D and sales of computer information systems	99.96 %	99.96 %	99.96 %	Note 1
BQA	BenQ Canada Corp. (“BQca”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BenQ/BQL	BenQ Mexico S. de R.L. de C.V. (“BQmx”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQL	Joytech LLC. (“Joytech”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
BQL	Vividtech LLC. (“Vividtech”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
Joytech/Vividtech	MaxGen Comercio Industrial Imp E Exp Ltda. (“MaxGen”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
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 %	100.00 %	Note 1
BQE	BenQ UK Limited (“BQuk”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Deutschland GmbH (“BQde”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Iberica S.L. Unipersonal (“BQib”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Austria GmbH (“BQat”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1

(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
			March 31, 2022	December 31, 2021	March 31, 2021	
BQE	BenQ Benelux B.V. (“BQnl”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Italy S.R.L. (“BQit”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ France SAS (“BQfr”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Nordic A.B. (“BQse”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ LLC. (“BQru”)	Providing administration and management service to affiliates	100.00 %	100.00 %	100.00 %	Note 1
APV/Darly 2	Darly Consulting Corporation (“Darly C”)	Investment management consulting	100.00 %	100.00 %	100.00 %	Note 1
The Company/ BenQ/Darly/ APV/ Darly2	BenQ BM Holding Cayman Corp. (“BBHC”)	Investment and holding activity	70.05 %	70.05 %	70.05 %	-
BBHC	BenQ BM Holding Corp. (“BBM”)	Investment and holding activity	70.05 %	70.05 %	70.05 %	-
BBM	Nanjing BenQ Hospital Co., Ltd. (“NMH”)	Medical services	70.05 %	70.05 %	70.05 %	-
BBM/BIC	Suzhou BenQ Hospital Co., Ltd. (“SMH”)	Medical services	70.05 %	70.05 %	70.05 %	-
BBM	BenQ Hospital Management Consulting (Nanjing) Co., Ltd. (“NMHC”)	Medical management consulting	70.05 %	70.05 %	70.05 %	Note 1
BBM	BenQ Healthcare Consulting Corporation (“BHCC”)	Medical management consulting	70.05 %	70.05 %	70.05 %	Note 1
BBM	Suzhou BenQ Investment Co., Ltd. (“BIC”)	Investment and holding activity	70.05 %	70.05 %	70.05 %	Note 1
The Company	BenQ Biotech (Shanghai) Co., Ltd (“BBC”)	Manufacture and sales of medical consumables and equipment	70.00 %	70.00 %	70.00 %	Note 1
BBC	Guangxi Youshan Medical Technology Co., Ltd. (“Youshan”)	Medical services	38.50 %	38.50 %	38.50 %	Notes 1 and 3
BBC	Wangcheng Medical Technology (Chengdu) Co., Ltd. (“Wangcheng”)	Medical services	49.00 %	49.00 %	49.00 %	Notes 1 and 3
BBC	Shanghai Filter Technology Co., Ltd. (“Filter”)	Medical services	70.00 %	70.00 %	70.00 %	Note 1
BBC	Shanghai Zhenglang Medical Equipment Co., Ltd. (“Zhenglang”)	Sales of medical consumables and equipment	35.70 %	35.70 %	-	Notes 1, 3 and 5
BenQ/APV/ Darly 2	BenQ Medical Technology Corp. (“BMTC”)	Manufacture and sales of medical consumables and equipment	54.96 %	54.96 %	54.96 %	-

(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
			March 31, 2022	December 31, 2021	March 31, 2021	
BMTC	Highview Investments Limited (“Highview”)	Investment and holding activity	54.96 %	54.96 %	54.96 %	-
BMTC	Asiacconnect International Company (“Asiacconnect”)	Sales of medical consumables and equipment	54.82 %	54.82 %	54.82 %	-
BMTC	LILY Medical Corporation (“LILY”)	Sales of medical consumables and equipment	54.96 %	54.96 %	54.96 %	-
BMTC	BenQ AB DentCare Corporation (“BABD”)	Sales of medical consumables and equipment	48.36 %	48.36 %	48.36 %	Note 3
BMTC	BenQ Healthcare Corporation (“BHS”)	Sales of medical consumables and equipment	54.96 %	54.96 %	54.96 %	-
BMTC	EASTECH CO., LTD. (“EASTECH”)	Sales of medical consumables and equipment	38.47 %	38.47 %	38.47 %	Note 3
BMTC	Concord Medical Co., Ltd. (“Concord”)	Sales of medical products, medical equipment leasing, and management consulting	21.98 %	-	-	Notes 7 and 11
Highview	BenQ Medical Technology (Shanghai) Ltd. (“BMTS”)	Agency of international and entrepot trade business	54.96 %	54.96 %	54.96 %	-
LILY	LILY Medical (Suzhou) Co., Ltd. (“ALS”)	Sales of medical consumables and equipment	54.96 %	54.96 %	54.96 %	-
BHS	New Best Hearing International Trade Co., Ltd. (“NBHIT”)	Sales of medical consumables and equipment	28.58 %	28.58 %	28.58 %	Note 3
BHS	HeYue Life Co. Ltd. (“HeYue”)	Sales of medical products	32.97 %	-	-	Notes 3 and 7
The Company/ BenQ/APV/ Darly C	BenQ Material Corp. (“BMC”)	R&D, manufacture and sales of optoelectronics film	43.56 %	43.56 %	43.56 %	Note 4
BMC	BenQ Materials (L) Co. (“BMLB”)	Investment and holding activity	43.56 %	43.56 %	43.56 %	Note 4
BMC	Sigma Medical Supplies Corp. (“SGM”)	Manufacture and sales of medical consumables and equipment	43.56 %	43.56 %	43.56 %	Note 4
BMC	Genejet Biotech Co., Ltd. (“GJB”)	R&D, manufacture and sales of medical consumables and equipment	30.49 %	30.49 %	-	Notes 3, 4 and 8
BMC	Cenfom Corp.	R&D, manufacture and sales of medical consumables and equipment	15.17 %	15.17 %	-	Notes 2, 4 and 8
BMLB	BenQ Material (Suzhou) Co., Ltd. (“BMS”)	Manufacture of optoelectronics film	43.56 %	43.56 %	43.56 %	Note 4

(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
			March 31, 2022	December 31, 2021	March 31, 2021	
BMLB	Daxon Biomedical (Suzhou) Co., Ltd. (“DTB”)	Service and sales of medical consumables	43.56 %	43.56 %	43.56 %	Note 4
BMLB	BenQ Materials (Wuhu) Co., Ltd. (“BMW”)	Manufacture and sales of optoelectronics film	43.56 %	43.56 %	43.56 %	Note 4
BMLB	BenQ Materials Medical Supplies (Suzhou) Co., Ltd (“BMM”)	Manufacture and sales of medical consumables	43.56 %	43.56 %	43.56 %	Note 4
SGM	Suzhou Sigma Medical Supplies Co., Ltd. (“SGS”)	Manufacture and sales of medical consumables and equipment	43.56 %	43.56 %	43.56 %	Note 4
The Company/ APV/ Darly2	Partner Tech Corp. (“PTT”)	Manufacture, sales and import and export of POS terminals and peripherals	68.23 %	68.23 %	68.23 %	Note 1
PTT	P&J Investment Holding Co., Ltd. (B.V.I) (“P&J”)	Investment and holding activity	68.23 %	68.23 %	68.23 %	Note 1
PTT/PTE	Partner Tech UK Corp., Ltd. (“PTUK”)	Sales, import and export of electronic products	64.34 %	64.34 %	64.34 %	Note 1
PTT	Webest Solution Corporation (“WEBEST”)	Sales, import and export of electronic products	68.23 %	68.23 %	68.23 %	Note 1
PTT	Mace Digital Corporation (“PTMG”)	Software development and Sales of product	35.74 %	35.74 %	35.74 %	Notes 1 and 3
PTT/WEBEST	Partner Tech Middle East FZCO (“PTME”)	Sales, import and export of electronic products	68.23 %	68.23 %	68.23 %	Note 1
PTT	Partner-Tech Europe GmbH (“PTE”)	Sales, import and export of electronic products	34.13 %	34.13 %	34.13 %	Notes 1 and 3
PTT/WEBEST	Partner Tech North Africa (“PTNA”)	Sales, import and export of electronic products	39.70 %	39.70 %	39.70 %	Notes 1 and 3
PTT	Epoint Systems Pte. Ltd. (“PTSE”)	Software development and Sales of product	47.68 %	47.68 %	34.18 %	Notes 1 and 3
PTE	Sloga Team D.o.o (“Sloga”)	Sales, import and export of electronic products	30.72 %	30.72 %	30.72 %	Notes 1 and 3
PTE	Retail Solution & System S.L. (“RSS”)	Sales, import and export of electronic products	23.21 %	23.21 %	23.21 %	Notes 1 and 3
PTME	E-POS International LLC (“E-POS”)	Sales, import and export of electronic products	68.23 %	68.23 %	68.23 %	Notes 1 and 10
P&J	P&S Investment Holding Co., Ltd. (B.V.I) (“P&S”)	Investment and holding activity	68.23 %	68.23 %	68.23 %	Note 1
P&S	Partner Tech USA Inc. (“PTU”)	Sales, import and export of electronic products	68.23 %	68.23 %	68.23 %	Note 1

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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
			March 31, 2022	December 31, 2021	March 31, 2021	
P&S	Partner Tech (Shanghai) Co., Ltd. (“PTCM”)	Sales, import and export of electronic products	68.23 %	68.23 %	68.23 %	Note 1
PTT/WEBEST	La Fresh information Co., Ltd. (“PTTN”)	Software development and Sales of product	34.55 %	34.55 %	34.55 %	Notes 1 and 3
The Company/APV/ Daryl2	DFI Inc. (“DFI”)	Manufacture and sales of industrial motherboards and component	55.09 %	55.09 %	55.09 %	-
DFI	DFI AMERICA, LLC	Sales, import and export of electronic products	55.09 %	55.09 %	55.09 %	Note 1
DFI	DFI Co., Ltd.	Sales, import and export of electronic products	55.09 %	55.09 %	55.09 %	Note 1
DFI	Yan Tong Technology (“Yan Tong”)	Investment and holding activity	55.09 %	55.09 %	55.09 %	Note 1
DFI	Diamond Flower Information (NL) B.V.	Sales of industrial motherboards	55.09 %	55.09 %	55.09 %	Note 1
DFI	Brainstorm Corporation (“Brainstorm”)	Wholesale and retail of computers and peripherals products	19.33 %	19.33 %	-	Notes 8 and 13
Yan Tong	Yan Tong Infotech (Dongguan) Co., Ltd.	Manufacture and sale of industrial motherboards and component	55.09 %	55.09 %	55.09 %	Note 1
Yan Tong	Yan Ying Hao Trading (ShenZhen) Co., Ltd	Wholesale, import and export of industrial motherboards and component	55.09 %	55.09 %	55.09 %	Note 1
DFI	Aewin Technologies Co., Ltd. (“AEWIN”)	Manufacture and sale of industrial motherboards and component	28.31 %	28.31 %	28.29 %	Note 3
AEWIN	Wise Way	Investment and holding activity	28.31 %	28.31 %	28.29 %	Note 3
AEWIN	Aewin Tech Inc.	Wholesale of computer peripheral products and software	28.31 %	28.31 %	28.29 %	Note 3
Wise Way	Bright Profit	Investment and holding activity	28.31 %	28.31 %	28.29 %	Note 3
Bright Profit	Aewin Beijing Technologies Co., Ltd.	Wholesale of computer peripheral products and software	28.31 %	28.31 %	28.29 %	Note 3
Aewin Beijing Technologies Co., Ltd.	Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	28.31 %	28.31 %	28.29 %	Note 3
DFI	Ace Pillar Co., Ltd. (“ACE”)	Sales of automation mechanical transmission system and component	26.48 %	26.48 %	18.88 %	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
			March 31, 2022	December 31, 2021	March 31, 2021	
ACE	Cyber South Management Ltd. (“Cyber South”)	Investment and holding activity	26.48 %	26.48 %	18.88 %	Note 2
ACE/Proton	Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	26.48 %	26.48 %	18.88 %	Note 2
ACE	Hong Kong Ace Pillar Enterprise Company Limited	Sales of automation mechanical transmission system and component	26.48 %	26.48 %	18.88 %	Note 2
ACE	Standard Technology Corp. (“STC”)	Sales of semiconductor, optoelectronics and machinery equipment and equipment repair	15.89 %	-	-	Notes 1, 3 and 7
STC	Standard Technology Corp. (“STCBVI”)	Investment and holding activity	15.89 %	-	-	Notes 1, 3 and 7
Standard Technology Corp.	Standard International Trading (Shanghai) Co., Ltd.	Sales of semiconductor, optoelectronics and machinery equipment and equipment repair	15.89 %	-	-	Notes 1, 3 and 7
Cyber South	Proton Inc. (“Proton”)	Investment and holding activity	26.48 %	26.48 %	18.88 %	Note 2
Cyber South	Ace Tek (HK) Holding Co., Ltd. (“Ace Tek”)	Investment and holding activity	26.48 %	26.48 %	18.88 %	Note 2
Cyber South	Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	26.48 %	26.48 %	18.88 %	Note 2
Cyber South	Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	26.48 %	26.48 %	18.88 %	Note 2
Cyber South	Xuchang Ace AI Equipment Co., Ltd.	Wholesale of industrial robot and component	26.48 %	26.48 %	18.88 %	Note 2
Ace Tek	Advancedtek Ace (TJ) Inc.	Electronic system integration	26.48 %	26.48 %	18.88 %	Note 2
The Company/Darly2	K2 International Medical Inc. (“K2”)	Sales of medical consumables and equipment	40.00 %	40.00 %	40.00 %	Notes 1 and 2
K2	K2 Medical (Thailand) Co., Ltd.	Sales of medical consumables	19.60 %	19.60 %	19.60 %	Notes 1 and 2
K2	K2 (Shanghai) International Medical Inc. (“K2SH”)	Sales of medical consumables	40.00 %	40.00 %	24.04 %	Notes 1 and 2
K2	PT. Frismed Hoslab Indonesia	Sales of medical consumables	26.80 %	26.80 %	26.80 %	Notes 1 and 2
The Company/APV/Darly2	Data Image Corporation (“DIC”)	Manufacture and sales of marine display modules	38.35 %	38.35 %	38.35 %	Notes 1 and 2
DIC	Data Image (Mauritius) Corporation (“DMC”)	Investment and holding activity	38.35 %	38.35 %	38.35 %	Notes 1 and 2

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Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
DIC	DIVA Laboratories. Ltd. (“DIVA”)	R&D, manufacture and sales of medical consumables and computer peripheral products	13.63 %	13.63 %	-	Notes 1, 2 and 8
DIVA	DIVA Laboratories GmbH	Sales of monitor	13.63 %	13.63 %	-	Notes 1, 2 and 8
DIVA	DIVA Laboratories U.S., LLC	Sales of monitor	13.63 %	13.63 %	-	Notes 1, 2 and 8
DIVA	Panoramic Imaging Solutions Inc.	Sales of monitor	13.63 %	13.63 %	-	Notes 1, 2 and 8
DIVA	Diva Capital Inc.	Investment and holding activity	13.63 %	13.63 %	-	Notes 1, 2 and 8
Diva Capital Inc.	Diva Holding Inc.	Investment and holding activity	13.63 %	13.63 %	-	Notes 1, 2 and 8
Diva Holding Inc.	Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	13.63 %	13.63 %	-	Notes 1, 2 and 8
Data Image (Mauritius) Corporation	Data Image (Suzhou) Corporation	Manufacture and sales of LCD	38.35 %	38.35 %	38.35 %	Notes 1 and 2
The Company	Expert Alliance Systems & Consultancy (HK) Company Limited (“EASC”)	Sales of brand-name electronic products and smart services	54.00 %	54.00 %	54.00 %	Note 1
EASC	Expert Alliance Smart Technology Co. Ltd.	Sales of brand-name electronic products and smart services	54.00 %	54.00 %	54.00 %	Note 1
The Company/APV/ Darly2	Topview Optronics Corporation (“Topview”)	Manufacture, sales and import and export of video surveillance cameras	33.56 %	33.56 %	33.56 %	Note 2
Topview	Messoa Technologies Inc. (“Messoa”)	Sales, and import and export of video surveillance cameras	13.69 %	13.69 %	13.69 %	Note 2
Messoa	Messoa Technologies Inc. (USA)	Sales, and import and export of video surveillance cameras and maintenance services	13.69 %	13.69 %	13.69 %	Notes 1 and 2
The Company	Sysage Technology Co., Ltd. (“Sysage”)	The distribution and reselling of software and hardware equipment of ICT infrastructures and digitalization and software	51.41 %	51.41 %	51.41 %	-

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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
			March 31, 2022	December 31, 2021	March 31, 2021	
Sysage/Epic Cloud	Global Intelligence Network Co., Ltd. (“Ginnet”)	Sales of network and information and communication hardware and software	40.84 %	40.84 %	40.84 %	Notes 1 and 3
Sysage	Epic Cloud Information Integration Corporation (“Epic Cloud”)	Software and data processing services	51.41 %	51.41 %	51.41 %	Note 1
Sysage	Corex (Pty) Ltd. (“Corex”)	Sales and import and export of electronic products	51.41 %	51.41 %	51.41 %	Notes 1 and 9
Sysage	AdvancedTEK International Corp. (“AdvancedTEK”)	Implementation of application software services	17.53 %	17.53 %	17.53 %	Notes 1, 2, 8 and 12
Sysage/Epic Cloud	Statinc Company (“Statinc”)	Market research, marketing consultant and big data cloud database services	18.00 %	18.00 %	18.00 %	Notes 1, 2 and 8
Advanced TEK	APEO Human Capital Services Corp.	Implementation of application software services	17.53 %	17.53 %	17.53 %	Notes 1, 2 and 8
Statinc	DKABio Co., Ltd. (“Dataa”)	Market research, marketing consultant and big data cloud database services	51.41 %	51.41 %	-	Notes 1 and 5
The Company/APV/ Daryl2	Simula Technology Inc. (“Simula”)	Manufacture and sales of electronic material	51.13 %	51.13 %	51.27 %	-
Simula	Aspire Asia Inc.	Investment and holding activity	51.13 %	51.13 %	51.27 %	-
Simula	Simula Technology Corp.	Sales in North America	51.13 %	51.13 %	51.27 %	-
Simula	Action Star Technology Co., Ltd. (“AST”)	R&D & development manufacture and sale of USB docking station product	30.34 %	30.34 %	-	Notes 3 and 8
Simula /Aspire Asia Inc.	Simula Company Limited	Investment and holding activity	51.13 %	51.13 %	51.27 %	-
Aspire Asia Inc.	Aspire Electronics Corp.	Investment and holding activity	48.62 %	48.62 %	48.76 %	Note 3
Aspire Electronics Corp.	Opti Cloud Technologies, Inc	R&D & development of High-speed optical transmission cable and module product technology	26.17 %	26.17 %	26.24 %	Note 3
Simula Company Limited	Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	51.13 %	51.13 %	51.27 %	-

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Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2022	December 31, 2021	March 31, 2021	
The Company/APV	Golden Spirit Co., Ltd. (“GSC”)	Sale of alcohol and medical disinfectant	100.00 %	100.00 %	100.00 %	Note 1
GSC	Bigmin Bio-Tech Company Ltd.	Sale of alcohol and medical disinfectant	100.00 %	100.00 %	100.00 %	Note 1
GSC	E-Strong Medical Technology Co., Ltd. (“ESM”)	Manufacture of alcohol and dialysate	66.57 %	66.57 %	66.57 %	Note 1
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 %	59.98 %	-
Alpha	Alpha Holdings Inc. (“Alpha Holdings”)	Investment holding	59.98 %	59.98 %	59.98 %	-
Alpha	Alpha Solutions Co., Ltd. (“Alpha Solutions”)	Sale of network equipment, components and technical services	59.98 %	59.98 %	59.98 %	-
Alpha	Alpha Networks Inc. (“Alpha USA”)	Sale, marketing and procurement service in USA	59.98 %	59.98 %	59.98 %	-
Alpha	Alpha Technical Services Inc. (“ATS”)	Post-sale service	59.98 %	59.98 %	59.98 %	-
Alpha	Alpha Networks (Hong Kong) Limited (“Alpha HK”)	Investment holding	59.98 %	59.98 %	59.98 %	-
Alpha	Alpha Networks Vietnam Company Limited (“Alpha VN”)	Production and sale of network products	59.98 %	-	-	Note 6
Alpha	Enrich Investment Corporation (“Enrich Investment”)	Investment holding	59.98 %	59.98 %	59.98 %	-
Alpha	D-Link Asia Investment Pte, Ltd. (“D-Link Asia”)	Investment in manufacturing business	59.98 %	59.98 %	59.98 %	-
D-Link Asia	Alpha Networks (Dongguan) Co., Ltd. (“Alpha Dongguan”)	Production and sale of network products	59.98 %	59.98 %	59.98 %	-
D-Link Asia	Alpha Networks (Chengdu) Co., Ltd. (“Alpha Chengdu”)	Research and development of network products	59.98 %	59.98 %	59.98 %	-
Alpha Dongguan	Mirac Networks (Dongguan) Co., Ltd. (“Mirac”)	Production and sale of network products	59.98 %	59.98 %	59.98 %	-
Alpha HK	Alpha Networks (Changshu) Co., Ltd. (“Alpha Changshu”)	Production and sale of network products	59.98 %	59.98 %	59.98 %	-
Enrich Investment	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 %	59.98 %	-

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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
			March 31, 2022	December 31, 2021	March 31, 2021	
Enrich Investment	Aespula Technologies Inc. ("Aespula")	Sale of network equipment, components and technical services	59.34 %	59.34 %	-	Notes 5 and 8
Alpha	Hitron Technologies Inc. ("Hitron Technologies")	Marketing on system integration and production and sales of telecommunication products	37.33 %	37.33 %	37.33 %	Note 3
Hitron Technologies	Hitron Technologies (Samoa) Inc ("Hitron Samoa")	International trade	37.33 %	37.33 %	37.33 %	Note 3
Hitron Technologies	Hitron Technologies Europe Holding B.V. ("Hitron Europe")	International trade	37.33 %	37.33 %	37.33 %	Notes 1 and 3
Hitron Technologies	Hitron Technologies (Americas) Inc. ("Hitron Americas")	International trade	37.33 %	37.33 %	37.33 %	Note 3
Hitron Technologies	Innoauto Technologies Inc. ("Innoauto Technologies")	Investment and automotive electronics products	37.33 %	37.33 %	37.33 %	Note 3
Hitron Technologies	Hitron Technologies (Vietnam) Inc. ("Hitron Vietnam")	Production and sale of broadband telecommunications products	37.33 %	37.33 %	37.33 %	Note 3
Hitron Samoa	Hitron Technologies (SIP) Inc. ("Hitron Suzhou")	Production and sale of broadband telecommunications products	37.33 %	37.33 %	37.33 %	Note 3
Hitron Samoa	Jietech Trading (Suzhou) Inc. ("Jietech Suzhou")	Sale of broadband network products and related services	37.33 %	37.33 %	37.33 %	Note 3
Hitron Technologies/ Enrich Investment	Interactive Digital Technologies Inc. ("Interactive Digital")	Telecommunication and broadband network system services	19.75 %	20.07 %	20.02 %	Note 3
Interactive Digital	Hwa Chi Technologies (Shanghai) Inc. ("Hwa Chi Technologies")	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	20.07 %	20.07 %	20.02 %	Note 3

Note 1: This is a non-significant subsidiary for which financial statements were not reviewed as of and for the three months ended March 31, 2022 and 2021.

Note 2: Although the Group did not own more than half of the voting rights of the entities, the Group owns more than half of their total number of directors; therefore, it is determined that the Group has control over these entities. Hence, the entities have been included in the Group's consolidated entities.

Note 3: The Group did not own more than half of the ownership of the entities. As the Group owns more than half of the voting rights, directly and indirectly, and has the power to control the management and operating policies of the entities, the entities have been included in the Group's consolidated entities.

Note 4: The Group owned 43.56% of the voting rights and is the single largest shareholder of BMC. Since the remaining 56.44% ownership was not concentrated within specific shareholders and there was no indication that all other shareholders exercise their votes collectively, the Group can obtain more than half of the voting rights at BMC's shareholders' meeting and has control over BMC and its subsidiaries, who have been included in the Group's consolidated entities.

Note 5: BQvn, Zhenglang, Dataa and Aespula were newly established in 2021.

Note 6: Alpha VN was newly established in 2022.

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- Note 7: In 2022, the Group obtained control over the entities. Therefore, the entities have been included in the Group's consolidated entities.
- Note 8: In 2021, the Group obtained control over the entities. Therefore, the entities have been included in the Group's consolidated entities.
- Note 9: In 2021, PTT sold all of its investment in Corex to Sysage due to organizational restructuring.
- Note 10: PTME originally held 100% 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 11: BMTC owned 40% of the voting rights and is the single largest shareholder of Concord. Since the remaining 60% ownership was not concentrated within specific shareholders and there was no indication that all other shareholders exercise their votes collectively, the Group can obtain more than half of the voting rights at Concord's shareholders' meeting and has control over Concord. Therefore, Concord has been included in the Group's consolidated entities.
- Note 12: In January 2021, Sysage obtained letters of support signed by shareholders, who represent 20.36% ownership of AdvancedTEK, authorizing Sysage to direct the significant operating relevant activities and assisted Sysage to obtain more than half of the total number of Directors of AdvancedTEK. It is determined that the Group has control over AdvancedTEK, AdvancedTEK has been included in the Group's consolidated entities since then.
- Note 13: Referring to note 6(i), on May 1, 2021 (the acquisition date), DFI acquired 35.09% equity ownership of Brainstorm. According to the stock purchase agreement and Articles of Incorporation of Brainstorm, DFI obtained 55.29% of voting rights of Brainstorm and owned more than half of Brainstorm's total number of directors, resulting in DFI to obtain control over Brainstorm. Thereafter, Brainstorm has been included in the Group's consolidated entities.

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

(c) Employee benefits

The defined benefit pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year, adjusted for significant market fluctuations since that time, as well as significant curtailments, settlements, or other significant one-time events.

(d) Income taxes

The income tax expenses in the interim financial statements have been measured and disclosed in accordance with paragraph B12 of IAS 34 "Interim Financial Reporting".

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

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

5. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

When preparing the interim consolidated financial statements, same critical accounting judgments and key sources of estimation uncertainties as mentioned in the note 5 of the consolidated financial statements for the year ended December 31, 2021 have been followed.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

6. Significant account disclosures

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2021. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2021.

(a) Cash and cash equivalents

	March 31, 2022	December 31, 2021	March 31, 2021
Cash on hand	\$ 86,948	129,192	195,510
Demand deposits and checking accounts	17,634,721	15,946,167	15,098,306
Bonds with repurchase agreement	-	-	185,590
Time deposits with original maturities less than three months	<u>2,182,619</u>	<u>1,706,121</u>	<u>8,149,447</u>
	<u>\$ 19,904,288</u>	<u>17,781,480</u>	<u>23,628,853</u>

As of March 31, 2022, December 31 and March 31, 2021, the time deposits with original maturities more than three months amounted to \$3,028,530, 3,817,538 and \$4,948,544, respectively, which were classified as other financial assets – current.

(b) Financial assets and liabilities at fair value through profit or loss

	March 31, 2022	December 31, 2021	March 31, 2021
Financial assets at fair value through profit or loss – current:			
Foreign currency forward contracts	\$ 42,082	28,504	82,264
Foreign exchange swaps	160,996	14,788	6,466
Listed stocks	65,002	63,776	57,612
Open-end mutual funds	27,672	26,144	30,402
Derivative instrument – call and put option of convertible bonds (note 6(p))	<u>-</u>	<u>-</u>	<u>141</u>
	<u>\$ 295,752</u>	<u>133,212</u>	<u>176,885</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
Financial assets at fair value through profit or loss – non-current:			
Privately held equity securities	\$ 354,365	338,296	184,476
Put option	10,504	10,504	10,504
Contingent consideration arising from business combinations	<u>5,533</u>	<u>5,533</u>	<u>5,533</u>
	<u>\$ 370,402</u>	<u>354,333</u>	<u>200,513</u>
Financial liabilities at fair value through profit or loss – current:			
Foreign currency forward contracts	\$ (133,104)	(46,842)	(109,317)
Foreign exchange swaps	(47,387)	(26,100)	(30,372)
Contingent consideration arising from business combinations	<u>(7,715)</u>	<u>(5,236)</u>	<u>(11,069)</u>
	<u>\$ (188,206)</u>	<u>(78,178)</u>	<u>(150,758)</u>
	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
Financial liabilities at fair value through profit or loss – non-current:			
Contingent consideration arising from business combinations	<u>\$ (95,628)</u>	<u>(97,986)</u>	<u>(93,346)</u>

The above contingent consideration was arising from the acquisitions of EASC, PTSE, PTTN, PTE, Corex and Statinc 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.

Refer to note 6(aa) for the amounts of gain (loss) recognized related to financial assets measured at fair value.

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:

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Notes to the Consolidated Financial Statements

(i) Foreign currency forward contracts

			March 31, 2022	
			Contract amount	Maturity period
			(in thousands)	
USD	Buy/ EUR	Sell	EUR 29,712	2022/04~2022/07
JPY	Buy/ USD	Sell	USD 40,000	2022/04~2022/06
USD	Buy/ CAD	Sell	CAD 9,000	2022/04~2022/06
USD	Buy/ INR	Sell	USD 25,000	2022/04~2022/06
TWD	Buy/ USD	Sell	USD 45,371	2022/04~2022/07
TWD	Buy/ EUR	Sell	EUR 9,280	2022/04~2022/07
EUR	Buy/ GBP	Sell	GBP 5,000	2022/05~2022/06
EUR	Buy/ USD	Sell	USD 6,126	2022/05~2022/06
USD	Buy/ BRL	Sell	USD 18,000	2022/05~2022/06
USD	Buy/ JPY	Sell	USD 430	2022/04
USD	Buy/ JPY	Sell	JPY 2,200,000	2022/04~2022/06
USD	Buy/ MXN	Sell	USD 4,000	2022/05
USD	Buy/ CNY	Sell	USD 91,701	2022/04~2022/05
CNY	Buy/ USD	Sell	USD 70,600	2022/04~2022/08
MYR	Buy/ USD	Sell	MYR 34,000	2022/04~2022/05
SEK	Buy/ EUR	Sell	EUR 2,000	2022/06
USD	Buy/ THB	Sell	USD 5,000	2022/06
EUR	Buy/ USD	Sell	EUR 2,018	2022/04
USD	Buy/ TWD	Sell	USD 9,927	2022/04~2022/07
USD	Buy/ GBP	Sell	GBP 760	2022/04
USD	Buy/ ZAR	Sell	USD 1,492	2022/04
USD	Buy/ AUD	Sell	AUD 2,000	2022/04

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Notes to the Consolidated Financial Statements

			December 31, 2021	
			Contract amount	Maturity period
			(in thousands)	
USD	Buy/ EUR	Sell	EUR 24,099	2022/01~2022/03
JPY	Buy/ USD	Sell	USD 33,000	2022/01~2022/02
JPY	Buy/ USD	Sell	JPY 34,034	2022/01
USD	Buy/ CAD	Sell	CAD 9,000	2022/02~2022/04
USD	Buy/ INR	Sell	USD 20,000	2022/02~2022/03
TWD	Buy/ USD	Sell	USD 54,560	2022/01~2022/04
TWD	Buy/ EUR	Sell	EUR 3,479	2022/01~2022/03
EUR	Buy/ GBP	Sell	GBP 5,000	2022/02~2022/03
EUR	Buy/ USD	Sell	USD 1,248	2022/01
USD	Buy/ BRL	Sell	USD 18,000	2021/02~2021/03
USD	Buy/ JPY	Sell	JPY 2,200,000	2022/02~2022/04
USD	Buy/ MXN	Sell	USD 7,500	2022/02
USD	Buy/ CNY	Sell	USD 75,379	2022/01~2022/02
TWD	Buy/ CNY	Sell	CNY 1,000	2022/03~2022/04
CNY	Buy/ USD	Sell	CNY 6,156	2022/01
CNY	Buy/ USD	Sell	USD 51,950	2022/01~2022/04
MYR	Buy/ USD	Sell	MYR 34,000	2022/01~2022/02
SEK	Buy/ EUR	Sell	EUR 2,000	2022/03
USD	Buy/ THB	Sell	USD 3,000	2022/03
EUR	Buy/ USD	Sell	EUR 2,537	2022/01
USD	Buy/ TWD	Sell	USD 18,740	2022/01~2022/03
USD	Buy/ GBP	Sell	GBP 847	2022/01
USD	Buy/ ZAR	Sell	USD 1,850	2022/01
USD	Buy/ AUD	Sell	AUD 2,000	2022/04

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			March 31, 2021	
			Contract amount	Maturity period
			(in thousands)	
USD	Buy/ EUR	Sell	EUR 58,252	2021/04~2021/06
JPY	Buy/ USD	Sell	USD 50,000	2021/04~2021/07
JPY	Buy/ USD	Sell	JPY 186,208	2021/04
USD	Buy/ CAD	Sell	CAD 9,000	2021/04~2021/06
USD	Buy/ INR	Sell	USD 20,000	2021/04~2021/06
TWD	Buy/ USD	Sell	USD 32,681	2021/04~2021/07
TWD	Buy/ EUR	Sell	EUR 5,629	2021/04
EUR	Buy/ GBP	Sell	GBP 5,000	2021/06
EUR	Buy/ USD	Sell	USD 7,855	2021/04~2021/06
USD	Buy/ BRL	Sell	USD 18,000	2021/04~2021/06
USD	Buy/ JPY	Sell	JPY 800,000	2021/06
USD	Buy/ MXN	Sell	USD 7,500	2021/05
USD	Buy/ CNY	Sell	USD 9,300	2021/04~2021/06
USD	Buy/ CNY	Sell	CNY 90,868	2021/04
CNY	Buy/ USD	Sell	USD 89,901	2021/04~2021/06
MYR	Buy/ USD	Sell	MYR 14,000	2021/06
SEK	Buy/ EUR	Sell	EUR 2,000	2021/06
USD	Buy/ THB	Sell	USD 3,000	2021/06
USD	Buy/ TWD	Sell	USD 20,840	2021/04~2021/06
USD	Buy/ GBP	Sell	GBP 286	2021/04
USD	Buy/ ZAR	Sell	USD 744	2021/04
USD	Buy/ AUD	Sell	AUD 2,000	2021/06

(ii) Foreign exchange swaps

			March 31, 2022	
			Contract amount	Maturity period
			(in thousands)	
Swap in USD/Swap out TWD			USD 314,000	2022/04~2022/07
Swap in USD/Swap out AUD			AUD 3,000	2022/06
Swap in USD/Swap out JPY			JPY 400,000	2022/06
Swap in TWD/Swap out USD			USD 125,900	2022/04~2022/05

			December 31, 2021	
			Contract amount	Maturity period
			(in thousands)	
Swap in USD/Swap out TWD			USD 308,000	2022/01~2022/06
Swap in USD/Swap out AUD			AUD 3,000	2022/03
Swap in USD/Swap out JPY			JPY 400,000	2022/03
Swap in TWD/Swap out USD			USD 122,670	2022/01

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2021		
	Contract amount		Maturity period
	(in thousands)		
Swap in USD/Swap out TWD	USD	80,000	2021/04
Swap in USD/Swap out AUD	AUD	3,000	2021/06
Swap in USD/Swap out JPY	JPY	400,000	2021/06
Swap in TWD/Swap out USD	USD	148,750	2021/04~2021/05

(c) Financial assets at fair value through other comprehensive income

	March 31,	December 31,	March 31,
	2022	2021	2021
Equity investments at fair value through other comprehensive income:			
Domestic listed stocks	\$ 15,435,161	17,742,517	300,242
Domestic emerging stocks	116,686	117,727	1,918,863
Privately held stocks	279,135	288,852	488,243
	\$ 15,830,982	18,149,096	2,707,348
Current	\$ 104,211	102,037	107,943
Non-current	15,726,771	18,047,059	2,599,405
	\$ 15,830,982	18,149,096	2,707,348

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.

On May 12, 2021, the Group lost significant influence over AU Optronics Corp (“AU”). Hence, the investment in AU was reclassified from investments accounted for using the equity method to financial assets at fair value through other comprehensive income. Please refer to note 6(h).

For the three months ended March 31, 2022 and 2021, the Group sold part of its financial assets at fair value through other comprehensive income for \$87,514 and \$106,800, respectively. The realized gains accumulated in other comprehensive income of \$0 and \$21,512, respectively, have been transferred from other equity to retained earnings.

(d) Notes and accounts receivable

	March 31,	December 31,	March 31,
	2022	2021	2021
Notes and accounts receivable	\$ 32,430,374	30,288,125	27,930,211
Notes and accounts receivable from related parties	2,916,105	3,007,620	3,111,903
	35,346,479	33,295,745	31,042,114
Less: loss allowance	(355,529)	(288,648)	(250,183)
	\$ 34,990,950	33,007,097	30,791,931

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (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 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:

	March 31, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 33,221,480	0.06%	18,654
Past due 1-90 days	1,697,117	4.02%	68,251
Past due 91-180 days	182,817	78.13%	142,831
Past due over 181 days	245,065	51.33%	125,793
	\$ 35,346,479		355,529
	December 31, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 31,105,342	0.06%	19,566
Past due 1-90 days	1,808,420	3.22%	58,237
Past due 91-180 days	82,772	36.75%	30,420
Past due over 181 days	299,211	60.30%	180,425
	\$ 33,295,745		288,648
	March 31, 2021		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 28,786,893	0.09%	26,186
Past due 1-90 days	1,838,160	1.11%	20,354
Past due 91-180 days	128,181	54.59%	69,979
Past due over 181 days	288,880	46.27%	133,664
	\$ 31,042,114		250,183

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (ii) Movements of the loss allowance for notes and accounts receivable (including receivables from related parties) were as follows:

	For the three months ended March 31,	
	2022	2021
Balance at January 1	\$ 288,648	287,066
Impairment losses (gain on reversal of impairment loss)	14,251	(21,582)
Write-off	(1,044)	(7,328)
Effect of exchange rate changes	3,895	(8,135)
Acquisition through business combination	5,409	162
Insurance claims for accounts receivable	44,370	-
Balance at March 31	\$ 355,529	250,183

- (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 receivables. Details of these contracts at each reporting date were as follows:

March 31, 2022						
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
CTBC Bank	\$ 6,477,280	-	6,369,695	107,585		None -
Taishin International Bank	8,481,848	-	8,481,848	-		None -
Taipei Fubon Bank	238,826	-	214,943	23,883		None -
Mega International Commercial Bank	959,863	-	863,877	95,986		Promissory note 230,000
E.SUN Commercial Bank	153,845	-	138,460	15,385		None -
Crefo Factoring Nord GmbH	41,230	-	34,591	6,639		None -
KGI Commercial Bank	174,015	-	156,614	17,401		Promissory note 858,000
	\$ 16,526,907	-	16,260,028	266,879	0.64%~3.5%	1,088,000
December 31, 2021						
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
CTBC Bank	\$ 5,812,413	-	5,695,217	117,196		None -
Taishin International Bank	8,903,357	-	8,903,357	-		None -
Taipei Fubon Bank	210,752	-	186,970	23,782		None -
Mega International Commercial Bank	775,428	10,856	687,030	88,398		Promissory note 230,000
E.SUN Commercial Bank	168,587	-	151,728	16,859		None -
Crefo Factoring Nord GmbH	40,546	-	33,242	7,304		None -
KGI Commercial Bank	116,177	-	104,559	11,618		Promissory note 830,400
	\$ 16,027,260	10,856	15,762,103	265,157	0.54%~3.5%	1,060,400

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2021							
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral	
CTBC Bank	\$ 3,796,974	-	3,753,305	43,669		Promissory note	51,354
Taishin International Bank	6,087,216	-	6,087,216	-		None	-
Taipei Fubon Bank	665,118	-	571,696	93,422		None	-
Mega International Commercial Bank	591,134	-	532,020	59,114		Promissory note	150,000
E.SUN Commercial Bank	122,589	-	110,244	12,345		None	-
KGI Commercial Bank	243,131	-	218,755	24,376		None	-
Crefo Factoring Nord GmbH	106,790	-	96,112	10,678		None	-
	\$ 11,612,952	-	11,369,348	243,604	0.58%~3.5%		201,354

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

	March 31, 2022	December 31, 2021	March 31, 2021
The factored accounts receivable, net of advance amount	\$ 266,879	265,157	243,604
Other receivables—others	721,443	614,555	453,548
	988,322	879,712	697,152
Less: loss allowance	(28,543)	(27,625)	(28,471)
	959,779	852,087	668,681
Other receivables from related parties	576,463	304,166	687,326
	\$ 1,536,242	1,156,253	1,356,007

As of March 31, 2022, December 31 and March 31, 2021, except for other receivables amounting to \$28,543, \$27,625 and \$28,471, respectively, wherein the loss allowances were fully provided, no loss allowance was provided for the remaining receivables after the management's assessment.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(f) Inventories

	March 31, 2022	December 31, 2021	March 31, 2021
Raw materials	\$ 20,783,570	17,701,524	13,975,685
Work in process	2,817,869	3,206,842	2,158,795
Finished goods and merchandise	22,685,245	19,149,059	14,262,162
Inventories in transit	10,091,925	10,090,481	5,500,656
	<u>\$ 56,378,609</u>	<u>50,147,906</u>	<u>35,897,298</u>

For the three months ended March 31, 2022 and 2021, the amounts of inventories recognized as cost of revenue were as follows:

	For the three months ended March 31,	
	2022	2021
Cost of inventories sold	\$ 51,153,316	41,811,300
Write-downs of inventories	134,632	136,473
	<u>\$ 51,287,948</u>	<u>41,947,773</u>

(g) Non-current assets or disposal groups classified as held for sale

- (i) The disposal of the shareholdings of Dawningtech, one of Sysage's subsidiaries, had been conducted through a sales and purchase agreement entered into by Sysage, Dawningtech, and Ginnet, another subsidiary of Sysage, in January 2021 based on a resolution approved during the board meeting of Sysage held on November 5, 2020. Thereafter, the assets and liabilities of Dawningtech amounting to \$770,609 and \$358,207, respectively, were recognized as non-current assets or disposal groups classified as held-for-sale as of December 31, 2020. The details were as follows:

Non-current assets or disposal groups classified as held for sale	December 31, 2020
Cash and cash equivalents	\$ 107,704
Notes and accounts receivable, net	423,595
Inventories	177,319
Prepayments	1,546
Other current assets	5,773
Property, plant and equipment	9,315
Right-of-use assets	33,630
Deferred income tax assets	8,683
Other non-current assets	3,044
	<u>\$ 770,609</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Liabilities directly related to non-current assets or disposal groups classified as held for sale	December 31, 2020
Short-term borrowings	43,022
Financial liabilities at fair value through profit or loss—current	330
Contract liabilities	3,050
Accounts and notes payable	230,008
Other payables	51,564
Lease liabilities (current and non-current)	22,609
Advance receipts	6,907
Other current liabilities	582
Other non-current liabilities	135
	358,207

In addition, no impairment loss was recognized after measuring the abovementioned net assets at the lower of carrying amount and fair value less costs to sale.

The above net assets have been sold in the first quarter of 2021 for a consideration of \$265,795. A disposal gain of \$84,232, net of derecognition of non-controlling interests of \$227,162 of Dawningtech and intragroup receivables of \$3,677 was recognized and included in the other gains and losses, net in the accompanying consolidated financial statements.

- (ii) In June 2020, the Board of Directors of QLPG approved a resolution to dispose its land and building located in Penang, Malaysia, to one of the Group's associates, Visco Technology Sdn. Bhd. The aforesaid assets, with the carrying amount of \$118,474, were classified as non-current assets held-for-sale as of March 31, 2021, and have been sold in the second quarter of 2021.
- (iii) In 2021, the Board of Directors of Tianjin Ace Pillar Co., Ltd. approved a resolution to dispose the real estate including land (including right-of-use assets), buildings and the factory located in China (Tianjin) Pilot Free Trade Zone. Since the abovementioned assets are expected to be disposed within one year, their carrying amounts of \$266,263 and \$239,149 as of March 31, 2022 and December 31, 2021, were classified as non-current assets held-for-sale, respectively.
- (iv) In 2021, the Board of Directors of ACE approved a resolution to dispose of land and buildings located in Sanchong District of New Taipei City. The carrying amount of the assets amounting to \$117,125 and \$73,452, respectively, was reclassified as non-current assets held-for-sale as of March 31, 2022 and December 31, 2021. Part of the abovementioned assets have been sold in the first quarter of 2022, of which the consideration and carrying amount amounted to \$24,583 and \$23,635, respectively. A disposal gain of \$948 was recognized and included in other gains and losses, net.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (v) In 2021, the Board of Directors of SGM approved a resolution to dispose of land, buildings and machinery located in Ruifang District of New Taipei City. The carrying amount of these assets was \$163,910, which was reclassified as non-current assets held-for-sale as of December 31, 2021. The abovementioned assets have been sold in the first quarter of 2022 for a consideration of \$273,700. A disposal gain of \$109,790 was recognized and included in the other gains and losses, net.
- (vi) In the first quarter of 2022, the Board of directors of BMS approved a resolution to dispose part of real estate and related assets including right-of-use assets, buildings, machinery and deferred charges located in Suzhou Industrial Park. In March 2022, BMS has entered into an asset sale agreement with the buyer and expects to dispose the assets within one year, the abovementioned assets, with the carrying amount of \$305,691, was reclassified as non-current assets held-for-sale as of March 31, 2022.

(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:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Associates	\$ 4,074,859	4,035,990	16,646,714
Joint ventures	<u>30,539</u>	<u>31,116</u>	<u>29,893</u>
	<u>\$ 4,105,398</u>	<u>4,067,106</u>	<u>16,676,607</u>

(i) Investments in associates

Name of Associates	Main Business and Relationship	Location	March 31, 2022		December 31, 2021		March 31, 2021	
			Percentage of voting rights	Carrying amount	Percentage of voting rights	Carrying amount	Percentage of voting rights	Carrying amount
AU Optronics Corp. ("AU")	R & D, manufacture and sale of TFT-LCD panels, the Group's strategic partners	Taiwan	-	\$ -	-	-	6.98 %	13,240,617
Darfon Electronics Corp. ("DFN")	Manufacture and sale of power devices, peripheral equipment, and integrated communication devices, the Group's strategic partners	Taiwan	25.73 %	2,479,440	25.73 %	2,533,438	25.73 %	2,293,870
Others			-	<u>1,595,419</u>	-	<u>1,502,552</u>	-	<u>1,112,227</u>
				<u>\$ 4,074,859</u>		<u>4,035,990</u>		<u>16,646,714</u>

The equity-method was used to account for the Group's investments in AU, in which the Group holds less than 20% of the voting rights but has significant influence over AU as the chairman of the Company was elected as director and participates in the decision-making on the Board of AU before May 11, 2021. However, the chairman of the Company resigned as the director of AU on May 11, 2021, which caused the Group to lose significant influence over AU's financial and operating policy decisions. As a result, the investment in AU has been reclassified to financial assets at fair value through other comprehensive income—non-current.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

BBM originally held 30% 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. As of March 31, 2022, 5.175% ownership of NSHD had been sold and \$441,589 (CNY 103,000 thousand) of consideration was received, resulting in a gain on disposal of investments of \$373,549. The Group still has significant influence over NSHD.

The fair value of the investment in associates which are publicly traded were as follows:

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
AU	\$ -	-	13,968,759
DFN	3,579,444	3,651,465	3,413,795

The summarized financial information in respect of each of the Group’s material associate is set out below:

- 1) The summarized financial information of AU:

	<u>March 31,</u> <u>2022</u>
Current assets	\$ 191,275,548
Non-current assets	238,673,727
Current liabilities	(108,837,949)
Non-current liabilities	<u>(118,195,618)</u>
Equity	<u>\$ 202,915,708</u>
Equity attributable to non-controlling interests of AU	<u>\$ 11,800,674</u>
Equity attributable to shareholders of AU	<u>\$ 191,115,034</u>
	<u>For the three months</u> <u>ended March 31,</u> <u>2022</u>
Net sales	<u>\$ 82,940,619</u>
Net income	\$ 11,841,515
Other comprehensive loss	<u>(98,520)</u>
Total comprehensive income	<u>\$ 11,742,995</u>
Total comprehensive loss attributable to non-controlling interests of AU	<u>\$ (72,129)</u>
Total comprehensive income attributable to shareholders of AU	<u>\$ 11,815,124</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31,
	2022
The Group's share of equity of associates at January 1	\$ 12,804,784
Net income attributable to the Group	812,852
Other comprehensive loss attributable to the Group	(19,040)
Capital surplus attributable to the Group	(55,616)
Reversal of dividend received from associates	(199,080)
Cumulative effect of net loss recognized under treasury stock method	(103,283)
The carrying amount of investments in the associates at March 31	\$ 13,240,617

2) The summarized financial information of DFN:

	March 31, 2022	December 31, 2021	March 31, 2021
Current assets	\$ 21,666,126	21,078,564	15,338,308
Non-current assets	12,522,984	12,116,710	9,432,120
Current liabilities	(17,295,510)	(16,153,908)	(12,144,589)
Non-current liabilities	(4,394,535)	(4,320,029)	(2,374,321)
Equity	\$ 12,499,065	12,721,337	10,251,518
Equity attributable to non-controlling interests of DFN	\$ 2,859,621	2,879,152	1,334,936
Equity attributable to shareholders of DFN	\$ 9,639,444	9,842,185	8,916,582

	For the three months ended March 31,	
	2022	2021
Net sales	\$ 7,415,327	5,995,441
Net income	\$ 289,281	225,750
Other comprehensive income	404,336	224,285
Total comprehensive income	\$ 693,617	450,035
Total comprehensive income attributable to non-controlling interests of DFN	\$ 58,415	24,519
Total comprehensive income attributable to shareholders of DFN	\$ 635,202	425,516

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31,	
	2022	2021
The Group's share of equity of associates at January 1	\$ 2,533,438	2,364,486
Net income attributable to the Group	63,461	51,746
Other comprehensive income attributable to the Group	99,521	57,691
Capital surplus attributable to the Group	(916)	-
Dividend received from associates	<u>(216,064)</u>	<u>(180,053)</u>
The carrying amount of investments in the associates at March 31	<u>\$ 2,479,440</u>	<u>2,293,870</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.

	March 31, 2022	December 31, 2021	March 31, 2021
The aggregate carrying amount of associates that were not individually material to the Group	<u>\$ 1,595,419</u>	<u>1,502,552</u>	<u>1,112,227</u>

	For the three months ended March 31,	
	2022	2021
Attributable to the Group:		
Net income	\$ 33,948	9,433
Other comprehensive income (loss)	<u>48,030</u>	<u>(5,609)</u>
Total comprehensive income	<u>\$ 81,978</u>	<u>3,824</u>

- (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:

	March 31, 2022	December 31, 2021	March 31, 2021
The aggregate carrying amount of joint ventures that were not individually material to the Group	<u>\$ 30,539</u>	<u>31,116</u>	<u>29,893</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended March 31,	
	2022	2021
Attributable to the Group:		
Net loss	\$ (524)	(161)
Other comprehensive income	<u>1,108</u>	<u>99</u>
Total comprehensive income (loss)	<u>\$ 584</u>	<u>(62)</u>

(iii) Pledge as collateral

Refer to note 8 for a description of the Group's investments accounted for using the equity method pledged as collateral for long-term debt and credit facilities.

(i) Business combination

(i) 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") and acquired 25% of Concord's ownership. In addition, on January 20, 2022, BMTC acquired 15% of Concord's ownership through public tender offer. Accordingly, 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 there was no indication that all other shareholders exercised their votes collectively. As such, the Group can obtain more than half of the voting rights at Concord's shareholders' meeting and has control over Concord. Concord has been included in the Group's consolidated entities.

Concord is engaged in the trading of medical products, medical equipment leasing, and management consulting. 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 service in terms of medical care, and enhance the diversification of medical services.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable net assets acquired in a business combination

On January 20, 2022 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was 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		6,036
Other non-current assets		3,656
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)
		<u>677,722</u>
Gain on bargain purchase	\$	<u><u>(81,089)</u></u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The fair value of the abovementioned assets and liabilities was the provisional amount and will be finalized until the completion of valuation.

If there is any information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which leads to an adjustment to the above provisional amounts, or any additional liability provisions existed as at the acquisition date, the acquisition accounting will be revised.

3) Pro forma information

From January 20, 2022 (the acquisition date) to March 31, 2022, Concord had contributed the revenue of \$154,293 and the net income of \$9,353 to the Group. If this acquisition had occurred on January 1, 2022, the management estimates that consolidated revenue would have been \$60,907,223, and consolidated income after income tax would have been \$1,071,231.

(ii) Acquisition of subsidiary by DIC – DIVA Laboratories. Ltd. (“DIVA”)

1) Consideration transferred

On October 27, 2021 (the acquisition date), DIC invested in DIVA for a cash consideration of \$625,680, wherein it obtained 35.55% ownership of DIVA. The management considered the relative percentage of ownership, and the dispersion of ownership by the other stockholders and concluded that DIC has power to direct the operating relevant activities of DIVA, resulting in DIC to obtain control of DIVA. Thereafter, DIVA has been included in the Group’s consolidated entities.

The acquisition of DIVA is to enhance the capability of vertical integration, strengthen the ability to penetrate into the display market, and serve the needs of medical customers.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable net assets acquired in a business combination

On October 27, 2021 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:

Cash	\$	625,680	
Less: Dividends receivable from acquisition		(5,423)	
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of DIVA's identifiable net assets)			825,767
Less: identifiable net assets acquired at fair value:			
Cash and cash equivalents	\$	314,312	
Notes and accounts receivable, net		203,977	
Other receivables		16,462	
Other financial assets		706	
Inventories		337,669	
Prepayments and other current assets		26,723	
Financial assets at fair value through other comprehensive income		4,206	
Investments accounted for using the equity method		27,541	
Property, plant and equipment		468,565	
Right-of-use assets		428	
Intangible assets — trademarks		107,376	
Intangible assets — computer software		2,284	
Deferred income tax assets		35,069	
Other non-current assets		2,974	
Contract liabilities		(5,935)	
Accounts payable		(98,335)	
Other payables		(81,176)	
Current tax liabilities		(5,593)	
Provisions		(6,505)	
Other current liabilities		(18,680)	
Lease liabilities (including current and non-current)		(432)	
Deferred income tax liabilities		(49,888)	
Other non-current liabilities		(514)	1,281,234
Goodwill		<u>\$</u>	<u>164,790</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The fair value of the abovementioned assets and liabilities was the provisional amount and will be finalized until the completion of valuation.

If there is any information discovered within one year from the acquisition date about facts and circumstances that existed at the acquisition date which leads to an adjustment to the above provisional amounts, or any additional liability provisions existed as at the acquisition date, the acquisition accounting will be revised.

3) Intangible assets

Intangible assets – trademarks are amortized on a straight-line basis over the estimated future economic useful life of 5 to 10 years.

Goodwill arising from the acquisition of DIVA is due to the control premium, the synergies of the business combination, future market development and value of assembled workforce, neither of which qualifies as an identifiable intangible asset.

(iii) Acquisition of subsidiary by DFI – Brainstorm Corporation (“Brainstorm”)

1) Consideration transferred

On May 1, 2021 (the acquisition date), DFI acquired 35.09% equity ownership of Brainstorm. According to the stock purchase agreement and Articles of Incorporation of Brainstorm, DFI obtained 55.29% of voting rights of Brainstorm and owned more than half of Brainstorm’s total number of directors, resulting in DFI to obtain control over Brainstorm. Thereafter, Brainstorm has been included in the Group’s consolidated entities.

The acquisition of Brainstorm is to implement its channel-first strategy and accelerate its development in the U.S. market.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable net assets acquired in a business combination

On May 1, 2021 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:

Cash	\$	501,582	
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of Brainstorm's identifiable net assets)			641,433
Less: identifiable net assets acquired at fair value:			
Cash and cash equivalents	\$	460,381	
Notes and accounts receivable, net		191,888	
Inventories		803,582	
Prepayments and other current assets		4,613	
Property, plant and equipment		7,026	
Right-of-use assets		51,212	
Intangible assets — trademarks		562,692	
Intangible assets — computer software		129	
Other non-current assets		4,573	
Accounts payable		(784,344)	
Other payables		(143,260)	
Current tax liabilities		(2,055)	
Other current liabilities		(311)	
Lease liabilities (including current and non-current)		(51,212)	
Deferred income tax liabilities		(112,538)	
Long-term debt		(4,187)	988,189
Goodwill			<u>\$ 154,826</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
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The Group continuously reviews the abovementioned items during the measurement period. The adjustments on the abovementioned intangible assets and goodwill on March 31, 2022 were as follows:

Increase in intangible assets – trademarks	\$ 6,577
Increase in deferred income tax liabilities	(1,315)
Increase in non-controlling interests	<u>(3,415)</u>
Decrease in goodwill	<u>\$ 1,847</u>

3) Intangible assets

Intangible assets – trademarks are amortized on a straight-line basis over the estimated future economic useful life of 10 years.

Goodwill arising from the acquisition of Brainstorm is due to the profitability, control premium over Brainstorm, the synergies of the business combination, future U.S. market development and value of assembled workforce. None of the goodwill recognized is expected to be deductible for income tax purposes.

(iv) Acquisition of subsidiaries by Simula – Action Star Technology Co., Ltd. (“AST”)

1) Consideration transferred

On April 12, 2021 (the acquisition date), Simula invested in AST for a cash consideration of \$983,857, wherein it obtained 59.35% ownership of AST. In addition, Simula owned more than half of AST’s total number of directors, resulting in Simula to obtain control over AST. Thereafter, AST has been included in the Group’s consolidated entities. The acquisition of AST is to enhance the capability of vertical integration and strengthen the Group’s ability to penetrate into the smart connector solution market and serve the needs of customers in terms of smart enterprise, medical care and automotive industry.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable net assets acquired in a business combination

On April 12, 2021 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:

Cash	\$	983,857
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of fair value of AST's identifiable net assets)		622,503

Less: identifiable net assets acquired at fair value:

Cash and cash equivalents	\$	263,113
Notes and accounts receivable, net		304,033
Other receivables		9,052
Inventories		446,515
Other current assets		20,390
Other financial assets — current		221,754
Property, plant and equipment		531,417
Right-of-use assets		488
Intangible assets — customer relationships		115,236
Intangible assets — computer software		1,324
Intangible assets — expertise		356,326
Other non-current assets		7,854
Short-term borrowings		(230,400)
Notes and accounts payable		(345,077)
Contract liabilities		(4,177)
Other payables		(18,067)
Other current liabilities		(27,598)
Current portion of long-term debt		(11,340)
Long-term debt		(108,400)
Deferred income tax liabilities		(702)
Lease liabilities		(474)
Other non-current liabilities		(2)
		<u>1,531,265</u>
Goodwill	\$	<u><u>75,095</u></u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Intangible assets

Goodwill arising from the acquisition of AST is due to the profitability, future market development and value of workforce, neither of which qualifies as an identifiable intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

(v) Acquisition of subsidiaries by Sysage – STATINC and AdvancedTEK

1) Consideration transferred

On February 4, 2021, Sysage invested in Statinc for a cash consideration of \$70,023 and contingent consideration of \$23,298, wherein it obtained 35.01% of voting shares of Statinc. In addition, Sysage became the largest shareholder and owned more than half of Statinc's total number of directors, resulting in Sysage to obtain control over Statinc. Thereafter, Statinc has been included in the Group's consolidated entities.

The Group previously held 34.09% ownership and was the largest shareholder of AdvancedTEK. On January 4, 2021, the Group obtained letters of support signed by shareholders, who represent 20.36% ownership of AdvancedTEK, authorizing the Group to direct AdvancedTEK's significant operating activities and to obtain more than half of the total number of Directors of the Board of AdvancedTEK. Therefore, the Group obtained control over AdvancedTEK and its subsidiaries. Thereafter, AdvancedTEK had been included in the Group's consolidated entities.

QISDA CORPORATION AND SUBSIDIARIES
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2) Identifiable net assets acquired in a business combination

The fair value of identifiable assets acquired and liabilities assumed from the abovementioned subsidiaries' acquisition was as follows:

Consideration transferred:

Cash	\$	70,023	
Non-controlling interests (measured at non-controlling interest's proportionate share of fair value of identifiable net assets)			119,701
Fair value of contingent consideration			23,298
Fair value of pre-existing interest in the acquiree			32,120
Less: identifiable net assets acquired at fair value:			
Cash and cash equivalents	\$	130,454	
Notes and accounts receivable, net		56,273	
Other current assets		28,339	
Property, plant and equipment		1,686	
Right-of-use assets		22,860	
Intangible assets — patent		2,317	
Intangible assets — trademarks		3,201	
Intangible assets — customer relationship		1,827	
Intangible assets — computer software		43	
Intangible assets — others		27,872	
Deferred income tax assets		1,849	
Other non-current assets		19,732	
Contract liabilities — current		(35,974)	
Short-term borrowings		(6,000)	
Notes and accounts payable		(12,103)	
Other payables		(23,662)	
Lease liabilities — current		(7,129)	
Other current liabilities		(5,275)	
Lease liabilities — non-current		(15,884)	
Other non-current liabilities		(1,402)	189,024
Goodwill		<u>\$</u>	<u><u>56,118</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Intangible assets

Intangible assets included customer relationship, trademarks, patent, and others, which are amortized on a straight-line basis over the estimated future economic useful life of 5.9, 10, 10, and 10 years, respectively.

Goodwill arising from the acquisition is due to the control premium, the synergies of the business combination, the profitability, future market development and value of assembled workforce, neither of which qualifies as an identifiable intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

(vi) Change in ownership interest in subsidiaries without losing control

In March 2021, the Group increased its investments in Sysage for cash of \$1,387,856 through public tender offer, resulting in the Group's ownership interest in Sysage to increase to 51.41%. In addition, the Group acquired additional ownerships of ACE, AEWIN, and Alpha for total cash considerations of \$49,201 for the three months ended March 31, 2021.

Please refer to note 4(b) for the related changes in the percentage of ownership.

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:

	For the three months ended	
	March 31,	
	2022	2021
Capital surplus — arising from changes in ownership interests in subsidiaries	\$ 4,268	6,124
Retained earnings	-	(553,381)
	<u>\$ 4,268</u>	<u>(547,257)</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Loss of control in subsidiary

On February 26, 2021, the Chairman of Sysage approved to dispose the entire ownership of Neo Trend. The contract of sale of share had been signed at a disposal price of \$50,000, wherein the gain on disposal of \$20,696 was recorded as other gains and losses, net. All disposal related matters had been completed, resulting in the Group to lose control over Neo Trend. The relevant details are as follows:

1) Consideration received

Total consideration received	\$ 50,000
Expenditure associated with consideration received	<u>(150)</u>
Net consideration received	<u><u>\$ 49,850</u></u>

2) Identifiable net assets of Neo Trend

Cash and cash equivalents	\$ 3,604
Financial assets at fair value through profit or loss—current	23,017
Notes and accounts receivable, net	29
Inventories	50
Other current assets	1,221
Right-of-use assets	20,809
Other non-current assets	1,837
Notes and accounts payable	(108)
Accrued expenses	(3,860)
Lease liabilities—current	(4,065)
Lease liabilities—non-current	<u>(13,380)</u>
	<u><u>\$ 29,154</u></u>

(viii) Subsidiaries that have material non-controlling interest:

There were no significant changes in the Group's subsidiaries that have material non-controlling interest for the three months ended March 31, 2022 and 2021. Please refer to note 6(i) of the consolidated financial statements for the year ended December 31, 2021 for the related information.

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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</u>	<u>Total</u>
Cost:						
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	184,832	171,841	1,016,269	156,796	1,758,068
Acquisition through business combination	64,368	-	268,518	130,954	-	463,840
Disposals	(1,419)	(91)	(160,826)	(66,341)	-	(228,677)
Reclassification to non-current assets held for sale	(29,755)	(32,886)	(16,318)	-	-	(78,959)
Other reclassification and effect of exchange rate changes	(2,926)	725,939	522,179	(173,800)	(28,809)	1,042,583
Balance at March 31, 2022	<u>\$ 6,671,028</u>	<u>30,325,003</u>	<u>21,843,133</u>	<u>7,387,291</u>	<u>1,046,690</u>	<u>67,273,145</u>
Balance at January 1, 2021	\$ 6,437,888	26,766,386	19,425,297	5,844,304	1,109,635	59,583,510
Additions	-	98,943	298,177	496,980	392,419	1,286,519
Acquisition through business combination	-	-	-	19,133	-	19,133
Disposals	-	(8,198)	(335,453)	(59,743)	-	(403,394)
Other reclassification and effect of exchange rate changes	(1,497)	488,231	175,903	(533,326)	46,404	175,715
Balance at March 31, 2021	<u>\$ 6,436,391</u>	<u>27,345,362</u>	<u>19,563,924</u>	<u>5,767,348</u>	<u>1,548,458</u>	<u>60,661,483</u>
Accumulated depreciation and impairment loss:						
Balance at January 1, 2022	\$ -	12,860,657	14,446,425	3,972,167	-	31,279,249
Depreciation	-	272,516	425,841	121,186	-	819,543
Impairment loss	-	-	-	1,579	-	1,579
Acquisition through business combination	-	-	158,649	83,555	-	242,204
Disposals	-	(3)	(147,225)	(43,419)	-	(190,647)
Reclassification to non-current assets held for sale	-	(2,205)	(16,318)	-	-	(18,523)
Other reclassification and effect of exchange rate changes	-	316,561	287,347	53,880	-	657,788
Balance at March 31, 2022	<u>\$ -</u>	<u>13,447,526</u>	<u>15,154,719</u>	<u>4,188,948</u>	<u>-</u>	<u>32,791,193</u>
Balance at January 1, 2021	\$ -	11,874,445	13,561,891	3,958,946	-	29,395,282
Depreciation	-	250,215	373,681	105,713	-	729,609
Acquisition through business combination	-	-	-	17,447	-	17,447
Disposals	-	(4,528)	(225,944)	(34,701)	-	(265,173)
Other reclassification and effect of exchange rate changes	-	39,420	72,604	1,585	-	113,609
Balance at March 31, 2021	<u>\$ -</u>	<u>12,159,552</u>	<u>13,782,232</u>	<u>4,048,990</u>	<u>-</u>	<u>29,990,774</u>
Carrying amount:						
Balance at March 31, 2022	<u>\$ 6,671,028</u>	<u>16,877,477</u>	<u>6,688,414</u>	<u>3,198,343</u>	<u>1,046,690</u>	<u>34,481,952</u>
Balance at January 1, 2022	<u>\$ 6,412,430</u>	<u>16,586,552</u>	<u>6,611,314</u>	<u>2,508,042</u>	<u>918,703</u>	<u>33,037,041</u>
Balance at March 31, 2021	<u>\$ 6,436,391</u>	<u>15,185,810</u>	<u>5,781,692</u>	<u>1,718,358</u>	<u>1,548,458</u>	<u>30,670,709</u>

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Please refer to note 6(j) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

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</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Carrying amount:				
Balance at March 31, 2022	\$ 3,392,341	1,247,489	31,312	4,671,142
Balance at January 1, 2022	\$ 3,355,774	1,225,095	33,014	4,613,883
Balance at March 31, 2021	\$ 3,285,099	1,287,860	26,699	4,599,658

There were no significant additions, disposals, or recognition and reversal of impairment losses of right-of-use assets for the three months ended March 31, 2022 and 2021. Please refer to note 6(k) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

(l) Investment property

	<u>Buildings</u>	<u>Land use rights</u>	<u>Total</u>
Carrying amount:			
Balance at March 31, 2022	\$ 2,769,276	796,310	3,565,586
Balance at January 1, 2022	\$ 2,707,247	701,038	3,408,285
Balance at March 31, 2021	\$ 2,838,126	689,787	3,527,913

There were no significant additions, disposals, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2022 and 2021. Please refer to note 6(l) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

Investment property comprises a number of commercial properties, land use rights and factories that the Group leased to third parties under operating lease.

There is no significant difference as compared with the fair value of the investment property disclosed in the note 6(l) of the consolidated financial statements for the year ended December 31, 2021.

Refer to note 8 for a description of the Group's investment property pledged as collateral for bank loans.

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QISDA CORPORATION AND SUBSIDIARIES
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(m) Intangible assets

Carrying amount:	<u>Goodwill</u>	<u>Computer software</u>	<u>Patents</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Others</u>	<u>Total</u>
Balance at March 31, 2022	\$ <u>5,872,878</u>	<u>515,293</u>	<u>623,532</u>	<u>1,394,401</u>	<u>1,476,949</u>	<u>757,324</u>	<u>10,640,377</u>
Balance at January 1, 2022	\$ <u>5,751,632</u>	<u>491,962</u>	<u>672,944</u>	<u>1,439,552</u>	<u>1,432,745</u>	<u>749,952</u>	<u>10,538,787</u>
Balance at March 31, 2021	\$ <u>5,335,889</u>	<u>230,842</u>	<u>872,555</u>	<u>1,013,022</u>	<u>1,428,266</u>	<u>199,649</u>	<u>9,080,223</u>

There were no significant additions, disposals, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2022 and 2021. Information on amortization for the period is presented in note 12(a). Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

According to IAS 36, goodwill arising from a business combination is tested at least annually. Based on the results of impairment tests conducted by the Group as of December 31, 2021, there were no impairment losses. Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2021. As of March 31, 2022, the Group assessed the achievement of expected revenue for the three months ended March 31, 2022, and there were no indications of impairment.

(n) Short-term borrowings

(i) The details of short-term borrowings were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Unsecured bank loans	\$ 32,456,398	23,981,166	22,367,105
Secured bank loans	315,979	313,856	208,811
	<u>\$ 32,772,377</u>	<u>24,295,022</u>	<u>22,575,916</u>
Unused credit facilities	<u>\$ 78,822,457</u>	<u>70,387,923</u>	<u>65,811,458</u>
Interest rate	<u>0.18%~4.2%</u>	<u>0.18%~4.25%</u>	<u>0.18%~4.25%</u>

(ii) Refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Long-term debt

	March 31, 2022	December 31, 2021	March 31, 2021
Unsecured bank loans	\$ 23,668,568	24,490,080	18,706,038
Secured bank loans	2,604,263	2,927,130	5,994,844
Less: current portion of long-term debt	<u>(1,024,056)</u>	<u>(714,857)</u>	<u>(551,740)</u>
Long-term debt	<u>\$ 25,248,775</u>	<u>26,702,353</u>	<u>24,149,142</u>
Unused credit facilities	<u>\$ 39,654,903</u>	<u>25,957,471</u>	<u>16,372,725</u>
Interest rate	<u>0.5%~3.85%</u>	<u>0.8%~3.85%</u>	<u>0.67%~4.60%</u>
Maturity year	<u>2022~ 2040</u>	<u>2022~ 2040</u>	<u>2021~ 2040</u>

(i) Collateral for bank borrowings

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 0.63% to 0.8128%. As of March 31, 2022, the related loan amount was \$2,828,176. The estimated fair value of the loan was \$2,786,591, using the prevailing market interest rate ranged from 1.05% to 1.30%. The difference of \$41,585 was regarded as government grant and was recognized as deferred income. For the three months ended March 31, 2022, the deferred income of \$2,278 was transferred and recognized in other income.

(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.

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QISDA CORPORATION AND SUBSIDIARIES
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For the years ended March 31, 2022 and 2021, the Company's and QLLB's and BMC's financial ratio was in compliance with the syndicated loan agreement.

(p) Bonds payable

The details of Interactive Digital's unsecured convertible corporate bonds were as follows:

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Total convertible corporate bonds issued	\$ 600,000	600,000	600,000
Unamortized bond discount	(4,790)	(7,229)	(13,069)
Cumulative converted amount	<u>(173,900)</u>	<u>(131,300)</u>	<u>(131,000)</u>
Bonds payable	<u>\$ 421,310</u>	<u>461,471</u>	<u>455,931</u>
Embedded derivative – call and put options, included in financial assets at fair value through profit or loss	<u>\$ -</u>	<u>-</u>	<u>141</u>

As of March 31, 2022, the above convertible corporate bonds have been converted into 2,447 thousand shares of Interactive Digital's common stock.

In response to future operational needs, purchase of office buildings and warehouses, Interactive Digital issued unsecured convertible corporate bonds and the bond issuance was approved by the Financial Supervisory Commission of the Republic of China on November 6, 2019. The related conditions are as follows:

Par value	\$600,000
Issued date	November 22, 2019
Coupon rate	0%
Issued period	November 22, 2019 to November 22, 2022
Redemption at maturity	Other than converting as Interactive Digital's ordinary share, or exercising put option, or early redeeming or repurchasing the bonds from securities dealers to write off, Interactive Digital will repay the convertible bond in cash at par value upon maturity.
Redemption at the option of Digital Interactive	<p>1.If the closing price of the Interactive Digital'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, Digital Interactive shall redeem the outstanding bonds at par value.</p> <p>2.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, Digital Interactive shall redeem the outstanding bonds at par value.</p>
Repurchase at the option of bondholder	If the bond has been issued for 2 years, the bondholder may request Interactive Digital to redeem the bond at par value, plus interest, within 40th day before maturity. The interest rate for the bond issued for 2 years was 0.5% at par value.

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Conversion period	The bondholder may request the stock agency of Interactive Digital 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.
Conversion price	The conversion price was set at \$ 78.5 (New Taiwan Dollars) at the time of issuance. Starting July 27, 2020, the conversion price had been adjusted to \$72.5 (New Taiwan Dollars). Starting August 30, 2022, the conversion price had been adjusted to \$67 (New Taiwan Dollars).

(q) Lease liabilities

The carrying amount of lease liabilities were as follows:

	March 31, 2022	December 31, 2021	March 31, 2021
Current	<u>\$ 468,424</u>	<u>466,245</u>	<u>447,390</u>
Non-current	<u>\$ 1,609,425</u>	<u>1,524,736</u>	<u>1,480,876</u>

Please refer to note 6(ac) for the maturity analysis.

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2022	2021
Expenses relating to short-term leases	<u>\$ 35,720</u>	<u>29,470</u>
Income from sub-leasing right-of-use assets	<u>\$ 8,790</u>	<u>11,539</u>
Interest on lease liabilities	<u>\$ 10,328</u>	<u>9,899</u>

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

	For the three months ended March 31,	
	2022	2021
Total cash outflow for leases	<u>\$ 196,754</u>	<u>181,632</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.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
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(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.

(r) Provisions

	<u>Warranties</u>	<u>Restructuring</u>	<u>Litigation</u>	<u>Total</u>
Balance at March 31, 2022	\$ <u>1,604,834</u>	<u>38</u>	<u>78,780</u>	<u>1,683,652</u>
Current	\$ <u>838,181</u>	<u>38</u>	<u>78,780</u>	<u>916,999</u>
Non-current	\$ <u>766,653</u>	<u>-</u>	<u>-</u>	<u>766,653</u>
Balance at December 31, 2021	\$ <u>1,562,059</u>	<u>216</u>	<u>87,559</u>	<u>1,649,834</u>
Current	\$ <u>818,693</u>	<u>216</u>	<u>87,559</u>	<u>906,468</u>
Non-current	\$ <u>743,366</u>	<u>-</u>	<u>-</u>	<u>743,366</u>
Balance at March 31, 2021	\$ <u>1,461,962</u>	<u>-</u>	<u>-</u>	<u>1,461,962</u>
Current	\$ <u>789,594</u>	<u>-</u>	<u>-</u>	<u>789,594</u>
Non-current	\$ <u>672,368</u>	<u>-</u>	<u>-</u>	<u>672,368</u>

There was no significant change in provision for the three months ended March 31, 2022 and 2021. Please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

(s) Operating lease—the Group acts as a lessor

There were no significant additions in operating lease contracts for the three months ended March 31, 2022 and 2021. Please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

(t) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material curtailment and settlement or other material one-time events occurred during the three months ended March 31, 2022 and 2021. As a result, the pension cost in the accompanying interim periods was measured and disclosed according to the actuarial report as of December 31, 2021 and 2020.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The expenses recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2022	2021
Operating cost	\$ 3,593	996
Operating expenses	3,068	984
	\$ 6,661	1,980

(ii) Defined contribution plans

The pension expenses recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2022	2021
Operating cost	\$ 153,743	123,423
Operating expenses	131,284	122,024
	\$ 285,027	245,447

(u) Income taxes

(i) The components of income tax expense were as follows:

	For the three months ended March 31,	
	2022	2021
Income tax expense	\$ 495,637	523,950

(ii) The components of income tax expense (benefit) recognized in other comprehensive income were as follows:

	For the three months ended March 31	
	2022	2021
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	\$ (17,298)	-

(iii) The Company's income tax returns for the years through 2018 have been examined and approved by the R.O.C. income tax authorities.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
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(v) Capital and other equity

(i) Common stock

As of March 31, 2022, December 31 and March 31, 2021, the Company's authorized shares of common stock consisted of 5,000,000,000 shares, of which 1,966,781,958 shares were issued and outstanding. The par value of the Company's common stock is \$10 (Dollars) per share.

As of March 31, 2022, December 31 and March 31, 2021, 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

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
Share of changes in equity of associates and joint ventures	\$ 53,169	54,052	41,997
Changes in ownership interests in subsidiaries	<u>1,794,526</u>	<u>1,790,258</u>	<u>1,788,013</u>
	<u>\$ 1,847,695</u>	<u>1,844,310</u>	<u>1,830,010</u>

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 net income 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.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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. According to the Company Act and the Company's articles of Incorporation, 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.

2) Special reserve

In accordance with Rule issued by the Financial Supervisory Commission, a special reserve equal to the total amount of items that were accounted for as deductions from stockholders' equity shall be set aside from current and prior-year earnings. This special reserve shall revert to the retained earnings and be made available for distribution when the items that are accounted for as deductions from stockholders' equity are reversed in subsequent periods.

3) Earnings distribution

The appropriation of 2021 and 2020 earnings were approved by the Company's Board of Directors on March 7, 2022 and May 11, 2021, respectively. The resolved appropriation of the dividend per share were as follows:

	<u>2021 earnings</u>		<u>2020 earnings</u>	
	<u>Dividends per share (in dollars)</u>	<u>Amount</u>	<u>Dividends per share (in dollars)</u>	<u>Amount</u>
Dividends per share:				
Cash dividends	\$ 2.50	<u><u>4,916,955</u></u>	1.50	<u><u>2,950,173</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other equity items (net after tax)

1) Foreign currency translation differences:

	For the three months ended March 31,	
	2022	2021
Balance at January 1	\$ (1,723,237)	(1,413,867)
Foreign exchange differences arising from translation of foreign operations	1,025,449	119,161
Shares of foreign currency translation differences of associates and joint ventures	115,255	(24,039)
Balance at March 31	<u>\$ (582,533)</u>	<u>(1,318,745)</u>

2) Unrealized gains (losses) on financial assets at fair value through other comprehensive income:

	For the three months ended March 31,	
	2022	2021
Balance at January 1	\$ 1,378,567	571,329
Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	(2,214,492)	1,297,742
Disposal of financial assets at fair value through other comprehensive income	-	(29,021)
Share of other comprehensive income (loss) of associates	33,198	57,180
Balance at March 31	<u>\$ (802,727)</u>	<u>1,897,230</u>

3) Remeasurement of defined benefit plans:

	For the three months ended March 31,	
	2022	2021
Balance at January 1	\$ (488,552)	(422,107)
Remeasurement of the defined benefit plans	103	-
Shares of remeasurement of the defined benefit plans of the associates accounted for using the equity method	206	-
Balance at March 31	<u>\$ (488,243)</u>	<u>(422,107)</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Non-controlling interests (net after tax)

	For the three months ended March 31,	
	2022	2021
Balance at January 1	\$ 24,706,340	22,937,719
Equity attributable to non-controlling interests		
Net income	534,971	497,011
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	-	(883,676)
Stock option compensation cost of subsidiary	2,003	2,360
Changes in ownership interest in subsidiaries	(4,268)	(6,124)
Foreign currency translation differences	315,098	(7,963)
Capital surplus—share of changes in equity of associates and joint ventures	31	-
Remeasurement of the defined benefit plans—share of changes in equity of associates	442	-
Unrealized gain from financial assets measured at fair value through other comprehensive income	1,813	2,409
Distribution of cash dividend by subsidiaries	(1,098,928)	(228,790)
Capital injection from non-controlling interests	-	64,874
Changes in non-controlling interests	570,914	(43,985)
Balance at December 31	\$ 25,028,416	22,333,835

(w) Share-based payment

There was no significant change in share-based payment for the three months ended March 31, 2022 and 2021. Please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2021 for other related information.

(x) Earnings per share (“EPS”)

(i) Basic earnings per share

	For the three months ended March 31,	
	2022	2021
Profit attributable to shareholders of the Company	\$ 534,431	2,111,632
Weighted-average number of ordinary shares outstanding (in thousands)	1,966,782	1,966,782
Basic earnings per share (in New Taiwan Dollars)	\$ 0.27	1.07

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

	For the three months ended March 31,	
	2022	2021
Profit attributable to shareholders of the Company	<u>\$ 534,431</u>	<u>2,111,632</u>
Weighted-average number of ordinary shares outstanding (in thousands)	1,966,782	1,966,782
Effect of dilutive potential common stock:		
Remuneration to employee	<u>17,348</u>	<u>19,687</u>
Weighted-average number of ordinary shares outstanding (including effect of dilutive potential common stock)	<u>1,984,130</u>	<u>1,986,469</u>
Diluted earnings per share (in New Taiwan Dollars)	<u>\$ 0.27</u>	<u>1.06</u>

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2022					
	<u>DMS</u>	<u>Brand</u>	<u>Material</u>	<u>Networks</u>	<u>Medical</u>	<u>Total</u>
Primary geographical markets:						
Asia	\$ 17,498,690	8,544,603	4,119,448	1,537,260	2,238,278	33,938,279
Europe	3,100,434	2,776,065	11,247	649,566	-	6,537,312
America	10,829,330	4,321,306	29,124	4,688,064	-	19,867,824
Others	201,516	319,309	1,879	-	-	522,704
	<u>\$ 31,629,970</u>	<u>15,961,283</u>	<u>4,161,698</u>	<u>6,874,890</u>	<u>2,238,278</u>	<u>60,866,119</u>
Major products/services lines:						
Electronic products	\$ 31,337,233	15,490,357	4,161,156	6,780,319	-	57,769,065
Medical services	-	-	-	-	2,238,278	2,238,278
Others	292,737	470,926	542	94,571	-	858,776
	<u>\$ 31,629,970</u>	<u>15,961,283</u>	<u>4,161,698</u>	<u>6,874,890</u>	<u>2,238,278</u>	<u>60,866,119</u>
	For the three months ended March 31, 2021					
	<u>DMS</u>	<u>Brand</u>	<u>Material</u>	<u>Networks</u>	<u>Medical</u>	<u>Total</u>
Primary geographical markets:						
Asia	\$ 14,992,860	8,446,485	4,060,545	1,297,630	2,116,805	30,914,325
Europe	2,573,389	3,106,175	5,572	1,276,859	-	6,961,995
America	6,284,775	1,875,779	5,345	4,435,860	-	12,601,759
Others	64,314	176,907	1,443	182,938	-	425,602
	<u>\$ 23,915,338</u>	<u>13,605,346</u>	<u>4,072,905</u>	<u>7,193,287</u>	<u>2,116,805</u>	<u>50,903,681</u>
Major products/services lines:						
Electronic products	\$ 23,695,663	13,294,146	4,072,905	7,109,273	-	48,171,987
Medical services	-	-	-	-	2,116,805	2,116,805
Others	219,675	311,200	-	84,014	-	614,889
	<u>\$ 23,915,338</u>	<u>13,605,346</u>	<u>4,072,905</u>	<u>7,193,287</u>	<u>2,116,805</u>	<u>50,903,681</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	March 31, 2022	December 31, 2021	March 31, 2021
Notes and accounts receivable (including related parties)	\$ 35,346,479	33,295,745	31,042,114
Less: loss allowance	(355,529)	(288,648)	(250,183)
	\$ 34,990,950	33,007,097	30,791,931
	March 31, 2022	December 31, 2021	March 31, 2021
Contract liabilities	\$ 2,277,660	2,431,400	2,193,611

For details on notes and accounts receivable and related loss allowance, please refer to note 6(d).

The amount of revenue recognized for the three months ended March 31, 2022 and 2021 that were included in the contract liability balance at January 1, 2022 and 2021, were \$1,294,534 and \$615,140, 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 three months ended March 31, 2022 and 2021, the Company estimated its remuneration to employees amounting to \$59,619 and \$236,597, respectively, and the remuneration to directors amounting to \$4,471 and \$17,745, 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 2021 were \$682,594 and \$68,964, respectively, which were the same as the amount approved by the Company's Board of Directors on March 7, 2022 and paid in cash. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Non-operating income and loss

(i) Interest income

	For the three months ended March 31,	
	2022	2021
Interest income from bank deposits	\$ 56,525	69,294

(ii) Other income

	For the three months ended March 31,	
	2022	2021
Government grants income	\$ 14,528	19,984
Dividend income	22,411	8,199
	\$ 36,939	28,183

(iii) Other gains and losses, net

	For the three months ended March 31,	
	2022	2021
Loss on disposal of property, plant and equipment	\$ (8,020)	(2,653)
Gain on disposal of investments (notes 6(h) and (i))	-	385,317
Foreign currency exchange gains (losses)	43,348	(56,703)
Gains (losses) on financial instruments at fair value through profit or loss	(59,814)	120,884
Gain on disposal of non-current assets/liabilities held for sale (note 6(g))	110,738	84,232
Gain on bargain purchase (note 6(i))	81,089	-
Impairment losses on non-financial assets	(1,579)	-
Others	75,001	77,241
	\$ 240,763	608,318

(iv) Finance costs

	For the three months ended March 31,	
	2022	2021
Interest expense of bank loans	\$ 179,297	155,047
Interest expense on lease liabilities	10,328	9,899
	\$ 189,625	164,946

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ab) Financial instruments

Except for the contents mentioned below, there were no significant changes in the fair value of the Group's financial instruments and the degree of exposure to credit risk and market risk arising from financial instruments. For the related information, please refer to notes 6(ab) and 6(ac) of the consolidated financial statements for the year ended December 31, 2021.

(i) 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 March 31, 2022, December 31 and March 31, 2021, the Group had unused credit facilities of \$118,477,360, \$96,345,394 and \$82,184,183, 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>
March 31, 2022						
Non-derivative financial liabilities:						
Short-term borrowings (floating interest rates)	\$ 32,857,013	30,364,045	2,492,968	-	-	-
Financial liabilities at fair value through profit or loss – contingent consideration	144,249	7,715	-	24,668	111,866	-
Lease liabilities	2,192,623	266,304	247,468	384,587	913,465	380,799
Long-term debt (floating interest rates)	26,875,821	439,556	710,125	7,103,289	17,962,328	660,523
Bonds payable (fixed interest rates)	426,100	426,100	-	-	-	-
Notes and accounts payable	43,128,326	43,128,326	-	-	-	-
Other payables	18,182,584	18,182,584	-	-	-	-
Guarantee deposits	241,487	-	-	-	241,487	-
	<u>\$ 124,048,203</u>	<u>92,814,630</u>	<u>3,450,561</u>	<u>7,512,544</u>	<u>19,229,146</u>	<u>1,041,322</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 11,763,826	11,763,826	-	-	-	-
Inflow	(11,672,804)	(11,672,804)	-	-	-	-
Foreign exchange swaps:						
Outflow	12,625,652	12,625,652	-	-	-	-
Inflow	(12,739,261)	(12,739,261)	-	-	-	-
	<u>\$ (22,587)</u>	<u>(22,587)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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QISDA CORPORATION AND SUBSIDIARIES
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	<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>
December 31, 2021						
Non-derivative financial liabilities:						
Short-term borrowings (floating interest rates)	\$ 24,334,291	23,329,522	1,004,769	-	-	-
Financial liabilities at fair value through profit or loss – contingent consideration	147,776	5,609	-	31,663	110,504	-
Lease liabilities	2,073,170	260,821	249,504	362,721	756,115	444,009
Long-term debt (floating interest rates)	27,890,852	367,779	521,096	4,254,652	22,078,078	669,247
Bonds payable (fixed interest rates)	468,700	468,700	-	-	-	-
Notes and accounts payable	40,785,107	40,785,107	-	-	-	-
Other payables	12,890,772	12,890,772	-	-	-	-
Guarantee deposits	279,354	-	-	-	279,354	-
	<u>\$ 108,870,022</u>	<u>78,108,310</u>	<u>1,775,369</u>	<u>4,649,036</u>	<u>23,224,051</u>	<u>1,113,256</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 10,169,377	10,169,377	-	-	-	-
Inflow	(10,151,039)	(10,151,039)	-	-	-	-
Foreign exchange swaps:						
Outflow	12,088,673	12,088,673	-	-	-	-
Inflow	(12,077,361)	(12,077,361)	-	-	-	-
	<u>\$ 29,650</u>	<u>29,650</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
March 31, 2021						
Non-derivative financial liabilities:						
Short-term borrowings (floating interest rates)	\$ 22,621,033	21,402,205	1,218,828	-	-	-
Financial liabilities at fair value through profit or loss – contingent consideration	185,556	5,848	5,848	10,054	15,081	148,725
Lease liabilities	2,114,388	229,563	235,983	349,222	797,037	502,583
Long-term debt (floating interest rates)	26,208,293	426,969	509,514	3,670,123	20,568,487	1,033,200
Bonds payable (fixed interest rates)	469,000	469,000	-	-	-	-
Notes and accounts payable	36,913,638	36,913,638	-	-	-	-
Other payables	10,753,629	10,753,629	-	-	-	-
Guarantee deposits	1,185,578	-	-	-	1,185,578	-
	<u>\$ 100,451,115</u>	<u>70,200,852</u>	<u>1,970,173</u>	<u>4,029,399</u>	<u>22,566,183</u>	<u>1,684,508</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 10,854,267	10,854,267	-	-	-	-
Inflow	(10,827,214)	(10,827,214)	-	-	-	-
Foreign exchange swaps:						
Outflow	6,718,497	6,718,497	-	-	-	-
Inflow	(6,694,591)	(6,694,591)	-	-	-	-
	<u>\$ 50,959</u>	<u>50,959</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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QISDA CORPORATION AND SUBSIDIARIES
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(ii) Foreign currency risk

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):

	March 31, 2022				
	Foreign currency (in thousands)	Exchange rate	TWD (in thousands)	Change in magnitude	Effect on profit or loss (in thousands)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 1,767,022	28.6000	50,536,829	1 %	505,368
EUR	74,994	31.9750	2,397,933	1 %	23,979
CNY	1,803,547	4.4969	8,110,371	1 %	81,104
JPY	5,377,613	0.2349	1,263,201	1 %	12,632
<u>Non-monetary items</u>					
CNY	9,553	4.4969	42,959	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	2,078,640	28.6000	59,449,104	1 %	594,491
EUR	65,894	31.9750	2,106,961	1 %	21,070
CNY	2,283,377	4.4969	10,268,118	1 %	102,681
JPY	9,570,102	0.2349	2,248,017	1 %	22,480

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QISDA CORPORATION AND SUBSIDIARIES
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December 31, 2021						
	Foreign currency (in thousands)	Exchange rate	TWD (in thousands)	Change in magnitude	Effect on profit or loss (in thousands)	
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 1,638,335	27.6800	45,349,113	1 %	453,491	
EUR	72,510	31.4440	2,280,004	1 %	22,800	
CNY	1,986,333	4.3454	8,631,411	1 %	86,314	
JPY	3,751,961	0.2404	901,971	1 %	9,020	
<u>Non-monetary items</u>						
CNY	9,847	4.3454	42,789	-	-	
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	1,839,403	27.6800	50,914,675	1 %	509,147	
EUR	60,068	31.4440	1,888,778	1 %	18,888	
CNY	1,826,756	4.3454	7,937,986	1 %	79,380	
JPY	7,164,283	0.2404	1,722,294	1 %	17,223	
March 31, 2021						
	Foreign currency (in thousands)	Exchange rate	TWD (in thousands)	Change in magnitude	Effect on profit or loss (in thousands)	
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$ 1,193,717	28.5300	34,056,746	1 %	340,567	
EUR	77,637	33.6080	2,609,224	1 %	26,092	
CNY	1,833,152	4.3359	7,948,364	1 %	79,484	
JPY	3,229,585	0.2579	832,910	1 %	8,329	
<u>Non-monetary items</u>						
CNY	65,460	4.3359	283,830	-	-	
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	1,447,937	28.5300	41,309,643	1 %	413,096	
EUR	41,148	33.6080	1,382,902	1 %	13,829	
CNY	1,562,465	4.3359	6,774,692	1 %	67,747	
JPY	8,179,488	0.2579	2,109,490	1 %	21,095	

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

As the Group deals in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. Refer to note 6(aa) for the aggregate of realized and unrealized foreign exchange gain (loss) for the three months ended March 31, 2022 and 2021.

(iii) Categories of financial instruments

1) Financial assets

	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Financial assets at fair value through profit or loss (including current and non-current)	\$ 666,154	487,545	377,398
Financial assets at fair value through other comprehensive income (including current and non-current)	<u>15,830,982</u>	<u>18,149,096</u>	<u>2,707,348</u>
Financial assets measured at amortized cost:			
Cash and cash equivalents	19,904,288	17,781,480	23,628,853
Notes and accounts receivable and other receivables (including related parties)	36,527,192	34,163,350	32,147,938
Other financial assets (including current and non-current)	<u>4,342,405</u>	<u>5,150,299</u>	<u>6,016,150</u>
Subtotal	<u>60,773,885</u>	<u>57,095,129</u>	<u>61,792,941</u>
Total	<u>\$ 77,271,021</u>	<u>75,731,770</u>	<u>64,877,687</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Financial liabilities

	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>March 31,</u> <u>2021</u>
Financial liabilities at fair value through profit or loss:			
Held-for-trading	\$ 180,491	72,942	139,689
Contingent consideration arising from business combinations	<u>103,343</u>	<u>103,222</u>	<u>104,415</u>
Subtotal	<u>283,834</u>	<u>176,164</u>	<u>244,104</u>
Financial liabilities measured at amortized cost:			
Short-term borrowings	32,772,377	24,295,022	22,575,916
Notes and accounts payable and other payables (including related parties)	61,310,910	53,675,879	47,667,267
Lease liabilities (including current portion and related parties)	2,077,849	1,990,981	1,928,266
Long-term debt (including current portion)	26,272,831	27,417,210	24,700,882
Bonds payable (including current portion)	421,310	461,471	455,931
Other non-current liabilities — guarantee deposits	<u>241,487</u>	<u>279,354</u>	<u>1,185,578</u>
Subtotal	<u>123,096,764</u>	<u>108,119,917</u>	<u>98,513,840</u>
Total	<u>\$ 123,380,598</u>	<u>108,296,081</u>	<u>98,757,944</u>

(iv) 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.

(v) 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 is reasonable.

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QISDA CORPORATION AND SUBSIDIARIES
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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).

	March 31, 2022			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	42,082	-	42,082
Foreign exchange swaps	-	160,996	-	160,996
Open-end mutual funds	27,672	-	-	27,672
Listed stocks	65,002	-	-	65,002
Privately held equity securities	-	-	354,365	354,365
Put option	-	-	10,504	10,504
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	<u>92,674</u>	<u>203,078</u>	<u>370,402</u>	<u>666,154</u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	15,435,161	-	-	15,435,161
Domestic emerging stock	-	116,686	-	116,686
Privately held equity securities	-	-	279,135	279,135
Subtotal	<u>15,435,161</u>	<u>116,686</u>	<u>279,135</u>	<u>15,830,982</u>
Total	<u>\$ 15,527,835</u>	<u>319,764</u>	<u>649,537</u>	<u>16,497,136</u>
Financial liabilities at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	(133,104)	-	(133,104)
Foreign exchange swaps	-	(47,387)	-	(47,387)
Contingent consideration arising from business combinations	-	-	(103,343)	(103,343)
Total	<u>\$ -</u>	<u>(180,491)</u>	<u>(103,343)</u>	<u>(283,834)</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	December 31, 2021			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	28,504	-	28,504
Foreign exchange swaps	-	14,788	-	14,788
Open-end mutual funds	26,144	-	-	26,144
Listed stocks	63,776	-	-	63,776
Privately held equity securities	-	-	338,296	338,296
Put option	-	-	10,504	10,504
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	<u>89,920</u>	<u>43,292</u>	<u>354,333</u>	<u>487,545</u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	17,742,517	-	-	17,742,517
Domestic emerging stock	-	117,727	-	117,727
Privately held equity securities	-	-	288,852	288,852
Subtotal	<u>17,742,517</u>	<u>117,727</u>	<u>288,852</u>	<u>18,149,096</u>
Total	<u>\$ 17,832,437</u>	<u>161,019</u>	<u>643,185</u>	<u>18,636,641</u>
Financial liabilities at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	(46,842)	-	(46,842)
Foreign exchange swaps	-	(26,100)	-	(26,100)
Contingent consideration arising from business combinations	-	-	(103,222)	(103,222)
Total	<u>\$ -</u>	<u>(72,942)</u>	<u>(103,222)</u>	<u>(176,164)</u>

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QISDA CORPORATION AND SUBSIDIARIES
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	March 31, 2021			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	82,264	-	82,264
Foreign exchange swaps	-	6,466	-	6,466
Open-end mutual funds	30,402	-	-	30,402
Listed stocks	57,612	-	-	57,612
Embedded derivative— call and put options of convertible bonds	-	141	-	141
Privately held equity securities	-	-	184,476	184,476
Put option	-	-	10,504	10,504
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	88,014	88,871	200,513	377,398
Financial assets at fair value through other comprehensive income:				
Domestic listed stock	300,242	-	-	300,242
Domestic emerging stock	-	1,918,863	-	1,918,863
Privately held equity securities	-	-	488,243	488,243
Subtotal	300,242	1,918,863	488,243	2,707,348
Total	\$ 388,256	2,007,734	688,756	3,084,746
Financial liabilities at fair value through profit and loss:				
Foreign currency forward contracts	-	(109,317)	-	(109,317)
Foreign exchange swaps	-	(30,372)	-	(30,372)
Contingent consideration arising from business combinations	-	-	(104,415)	(104,415)
Total	\$ -	(139,689)	(104,415)	(244,104)

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.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 stock 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 stock 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 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.

3) Transfers between levels of the fair value hierarchy

There was no transfer among fair value hierarchies for the three months ended March 31, 2022 and 2021.

4) Movement in financial assets included in Level 3 fair value hierarchy

Financial assets at fair value through profit or loss:

	For the three months ended March 31,	
	2022	2021
Balance at January 1	\$ 354,333	173,731
Recognized in profit or loss	16,069	26,782
Balance at March 31	<u>\$ 370,402</u>	<u>200,513</u>

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Financial assets at fair value through other comprehensive income:

	For the three months ended March 31,	
	2022	2021
Balance at January 1	\$ 288,852	420,505
Acquisition through business combination	1,644	-
Additions	2,286	33,900
Reclassification	-	-
Proceeds from capital reduction	(11,042)	-
Recognized in other comprehensive income	<u>(2,605)</u>	<u>33,838</u>
Balance at March 31	<u><u>\$ 279,135</u></u>	<u><u>488,243</u></u>

Financial liabilities at fair value through profit or loss:

	For the three months ended March 31,	
	2022	2021
Balance at January 1	\$ 103,222	80,518
Recognized in profit or loss	<u>121</u>	<u>23,897</u>
Balance at March 31	<u><u>\$ 103,343</u></u>	<u><u>104,415</u></u>

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 March 31, 2022 and 2021 were as follows:

	For the three months ended March 31,	
	2022	2021
Total gains or losses:		
Recognized in profit or loss (included in other gains and losses, net)	\$ 15,948	2,885
Recognized in other comprehensive income (included in “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”)	(2,605)	33,838

(ac) Financial risk management

There were no significant changes in the Group’s financial risk management and policies as disclosed in note 6(ac) of the consolidated financial statements for the year ended December 31, 2021.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ad) Capital management

The objectives, policies and processes of capital management of the Group are in conformity with those disclosed in the consolidated financial statements for the year ended December 31, 2021. There were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2021. Please refer to note 6(ad) of the consolidated financial statements for the year ended December 31, 2021 for related details.

(ae) Investing and financing activities not affecting current cash flow

- (i) For acquisition of right-of-use assets under lease for the three months ended March 31, 2022 and 2021, please refer to note 6(k).
- (ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2021	Cash flows	Non-cash changes			March 31, 2022
			Acquisition through business combination	Additions	Effect of foreign exchange rate	
Short-term borrowings	\$ 24,295,022	8,325,620	151,461	-	274	32,772,377
Long-term debt (including current portion)	27,417,210	(1,241,870)	-	-	97,491	26,272,831
Bonds payable (including current portion)	461,471	-	-	-	(40,161)	421,310
Lease liabilities	1,990,981	(150,706)	211,197	57,295	(30,918)	2,077,849
Guarantee deposits	279,354	(37,867)	-	-	-	241,487
	<u>\$ 54,444,038</u>	<u>6,895,177</u>	<u>362,658</u>	<u>57,295</u>	<u>26,686</u>	<u>61,785,854</u>

	January 1, 2020	Cash flows	Non-cash changes			March 31, 2021
			Acquisition through business combination	Additions	Effect of foreign exchange rate	
Short-term borrowings	\$ 21,131,930	1,435,698	6,000	-	2,288	22,575,916
Long-term debt (including current portion)	22,903,335	1,804,118	-	-	(6,571)	24,700,882
Bonds payable (including current portion)	526,507	-	-	-	(70,576)	455,931
Lease liabilities	2,020,636	(142,263)	23,013	50,148	(23,268)	1,928,266
Guarantee deposits	1,621,811	(436,233)	-	-	-	1,185,578
	<u>\$ 48,204,219</u>	<u>2,661,320</u>	<u>29,013</u>	<u>50,148</u>	<u>(98,127)</u>	<u>50,846,573</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 following 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”)	Prior to May 12, 2021, AU was an associate of the Company. However, starting May 12, 2021, AU was no longer an associate of the Company. Since January 2021, AU accounted the investments in the Company using the equity method.
Darfon Electronics Corp. (“DFN”)	The Group’s associates
Visco Vision Inc. (“Visco Vision”)	The Group’s associates
Cenefom Corp. (“CENEFOM”)	Prior to October 25, 2021, CENEFOM was an associate of the Group. Starting October 25, 2021, CENEFOM has been included in the Group’s consolidated entities
MLK Bioscience Co., Ltd.	The Group’s associates
Q.S.Control Corp.	The Group’s associates
TDX Medical Technology (Jiangsu) Co., Ltd (“TDX”)	The Group’s joint venture
Nanjing Silvertown Health & Development Co., Ltd (“NSHD”)	The Group’s associates
DMC Components International, LLC. (“DMC”)	The Group’s associates
Grandsys Inc. (“Grandsys”)	The Group’s associates
Darwin Precisions Corporation (“Darwin”)	AU’s subsidiaries
AU Optronics (L) Corp. (“AUL”)	AU’s subsidiaries
AFPD Pte., Ltd	AU’s subsidiaries
AU Optronics (Suzhou) Corp. (“AUSZ”)	AU’s subsidiaries
AU Optronics (Kunshan) Co., Ltd. (“AUKS”)	AU’s subsidiaries
a.u. Vista Inc. (“AUVI”)	AU’s subsidiaries
AU Optronics (Xiamen) Corp. (“AUXM”)	AU’s subsidiaries
AU Optronics Manufacturing (Shanghai) Corp.	AU’s subsidiaries
AU Optronics (Slovakia) s.r.o.	AU’s subsidiaries
AUO Care Information Tech. (Suzhou) Co., Ltd.	AU’s subsidiaries
BriView (Hefei) Co., Ltd. (“BVHF”)	AU’s subsidiaries
Darwin Precisions (Xiamen) Corp. (“DPXM”)	AU’s subsidiaries
Darwin Precisions (Suzhou) Corp.	AU’s subsidiaries
Fortech Electronics (Kunshan) Co., Ltd. (“FTKS”)	AU’s subsidiaries
Fortech Electronics (Suzhou) Co., Ltd. (“FTWJ”)	AU’s subsidiaries

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QISDA CORPORATION AND SUBSIDIARIES
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<u>Name of related party</u>	<u>Relationship with the Group</u>
Mega Insight Smart Manufacturing (Suzhou) Corp., Ltd.	AU's subsidiaries
Edgetech Data Technologies (Suzhou) Corp., Ltd.	AU's subsidiaries
U-Fresh Technology (Suzhou) Co., Ltd.	AU's subsidiaries
AUO Display Plus Corporation	AU's subsidiaries
AUO Digitech (Suzhou) Co., Ltd.	AU's subsidiaries
AUO Crystal Corp. ("ACTW")	AU's subsidiaries
AUO Education Service Corp.	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
Visco Technology Sdn. Bhd. ("VVM")	Visco Vision's subsidiaries
Suzhou Trident Original Medical Technology (Jiangsu) Co., Ltd.	TDX's subsidiaries
BenQ Foundation	Substantive related party

(b) Significant related-party transactions

(i) Revenue

	For the three months ended March 31,	
	2022	2021
Associates:		
AU	\$ -	2,347,967
AUSZ	-	811,406
Other associates	<u>311,960</u>	<u>415,634</u>
	<u>311,960</u>	<u>3,575,007</u>
Joint ventures	<u>1,011</u>	<u>1,121</u>
The entity who has significant influence over the Group:		
AU	2,427,450	-
AUSZ	795,225	-
Other	<u>177,217</u>	<u>-</u>
	<u>3,399,892</u>	<u>-</u>
	<u>\$ 3,712,863</u>	<u>3,576,128</u>

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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

	For the three months ended March 31,	
	2022	2021
Associates:		
AU	\$ -	2,936,966
Other associates	255,935	202,384
	<u>255,935</u>	<u>3,139,350</u>
Joint ventures	7,497	14,321
The entity who has significant influence over the Group:		
AU	2,169,942	-
	\$ 2,433,374	3,153,671

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 Group leased factory and office from AU, and the rent is paid monthly with reference to the nearby office rental rates. For the three months ended March 31, 2022 and 2021, the related interest expense on lease liabilities amounted to \$403 and \$2,006, respectively. As of March 31, 2022, December 31, March 31, 2021, the balance of the lease liabilities amounted to \$77,296, \$101,388, and \$162,960, respectively.

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The Group leased its plant and office to associates. For the three months ended March 31, 2022 and 2021, the rental income were as follows:

	For the three months ended March 31,	
	2022	2021
Associates	\$ 3,428	6,524

(iv) Donation

For the three months ended March 31, 2022, the Group made a donation to substantive related party (BenQ Foundation) amounting to \$7,000.

(v) Receivables

The receivables from related parties due to the abovementioned sales, disposal of assets due to spin-off, distribution of cash dividends, and payment made on behalf of associates were as follows:

<u>Account</u>	<u>Related-party categories</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accounts receivable	The entity who has significant influence over the Group:			
	AU	\$ 1,616,072	1,788,712	-
	AUSZ	845,719	799,884	-
	Other	235,004	65,741	-
		<u>2,696,795</u>	<u>2,654,337</u>	<u>-</u>
	Joint ventures	<u>16,610</u>	<u>16,987</u>	<u>7,840</u>
	Associates:			
	AU	-	-	1,851,479
	AUSZ	-	-	957,286
	Other associates	202,700	336,296	295,298
		<u>202,700</u>	<u>336,296</u>	<u>3,104,063</u>
		\$ 2,916,105	3,007,620	3,111,903
Other receivables	Associates:			
	NSHD	\$ 302,193	292,012	289,423
	Other associates	15,864	12,154	10,414
		<u>\$ 318,057</u>	<u>304,166</u>	<u>299,837</u>
Other receivables (dividend)	Associates:			
	AU	\$ -	-	199,080
	DFN	216,064	-	180,053
	Other associates	42,342	-	8,356
		<u>\$ 258,406</u>	<u>-</u>	<u>387,489</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Payables

The payables to related parties due to the abovementioned purchases, cash dividends and advance payments made by associates on behalf of the Group were as follows:

<u>Account</u>	<u>Related party categories</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Accounts payable	The entity who has significant influence over the Group:			
	AU	\$ 1,265,258	1,152,322	-
	Joint ventures	1,171	1,581	1,872
	Associates:			
	AU	-	-	1,718,045
	Other associates	306,632	311,496	258,636
		<u>\$ 1,573,061</u>	<u>1,465,399</u>	<u>1,978,553</u>
Other payables (dividend)	AU	\$ 838,076	-	-
	Other associates	246,388	-	-
		<u>\$ 1,084,464</u>	<u>-</u>	<u>-</u>
Other payables	Associates	<u>\$ 27,548</u>	<u>27,307</u>	<u>13,288</u>
Lease liabilities—current		<u>\$ 73,931</u>	<u>96,767</u>	<u>94,030</u>
Lease liabilities—non-current		<u>\$ 3,365</u>	<u>4,621</u>	<u>68,930</u>

(c) Compensation for key management personnel

	<u>For the three months ended March 31,</u>	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 32,024	49,073
Post-employment benefits	297	198
	<u>\$ 32,321</u>	<u>49,271</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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>March 31, 2022</u>	<u>December 31, 2021</u>	<u>March 31, 2021</u>
Other financial assets – current (time deposits)	Credit lines of bank loans and guarantee for tax clearance certificate and performance guarantee	\$ 145,244	58,852	75,322
Other financial assets – non-current (special deposit account)	Restrictions on utilization of repatriated offshore funds	625,737	668,202	521,682
Other financial assets – non-current	Guarantee for construction project, guarantee to lawsuits, and guarantee for land lease	316,522	127,378	217,599
Common stock of investments accounted for using the equity method	Credit lines of bank loans	-	-	2,593,857
Land and buildings	Credit lines of bank loans	5,022,085	4,948,215	4,148,831
Investment property	Credit lines of bank loans	404,045	204,004	125,481
Right-of-use assets (land use rights)	Credit lines of bank loans	-	-	926,558
Notes and accounts receivable	Credit lines of bank loans	70,605	18,196	147,080
Inventory	Credit lines of bank loans and deposit of customs	2,000	2,000	-
		<u>\$ 6,586,238</u>	<u>6,026,847</u>	<u>8,756,410</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

9. Significant commitments and contingencies

(a) Significant unrecognized commitments

	March 31, 2022	December 31, 2021	March 31, 2021
Unused letters of credit	\$ 1,138,461	870,076	1,307,394

(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. However, the final outcome is still pending approval of the Court.

10. Significant loss from disaster: None.

11. Significant subsequent events

In response to the long-term operational development, accelerate the transformation and focus on the core business, on April 1, 2022, the Board of Director of BenQ approved a resolution to sell 100% ownership of BenQ (Hong Kong) Limited, wherein the expected total transaction amount was CNY 2,753,178 thousand converted to the equivalent USD, resulting in a gain on disposal of a subsidiary approximately CNY 1,200,000 thousand.

12. Others

(a) Employee benefits, depreciation, and amortization categorized by function were as follows:

	For the three months ended March 31, 2022			For the three months ended March 31, 2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits:						
Salaries	2,797,965	3,006,745	5,804,710	2,427,663	2,827,236	5,254,899
Insurance	228,454	285,149	513,603	191,556	246,171	437,727
Pension	157,336	134,352	291,688	124,419	123,008	247,427
Others	205,828	213,970	419,798	260,822	194,249	455,071
Depreciation	641,689	367,140	1,008,829	603,431	315,087	918,518
Amortization	28,014	242,847	270,861	14,276	208,138	222,414

(b) Seasonality operations

The Group's operations were not significantly influenced by seasonality or cyclicity factors.

(Continued)

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: None
 - (v) Acquisition of real estate which exceeds \$300 million or 20% of the paid-in capital: None
 - (vi) Disposal of real estate which exceeds \$300 million or 20% of the paid-in capital: Table 4 (attached)
 - (vii) Total purchases from and sales to related parties which exceed \$100 million or 20% of the paid-in capital: Table 5 (attached)
 - (viii) Receivables from related parties which exceed \$100 million or 20% of the paid-in capital: Table 6 (attached)
 - (ix) Transactions about derivative instruments: Refer to note 6(b)
 - (x) Business relationships and significant intercompany transactions: Table 7 (attached)
- (b) Information on investees: Table 8 (attached)
- (c) Information on investment in Mainland China: Table 9 (attached)
- (d) Major shareholders:

Shareholder's Name	Shares	Percentage
AU Optronics Corp.	335,230,510	17.04 %

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

14. Segment information

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

	For the three months ended March 31, 2022							
	DMS	Brand	Material	Medical	Networks	Others	Eliminations	Total
External revenue	\$ 31,629,970	15,961,283	4,161,698	2,238,278	6,874,890	-	-	60,866,119
Intra-group revenue	<u>2,555,227</u>	<u>133,204</u>	<u>2,362</u>	<u>398</u>	<u>-</u>	<u>-</u>	<u>(2,691,191)</u>	<u>-</u>
Total segment revenue	<u>\$ 34,185,197</u>	<u>16,094,487</u>	<u>4,164,060</u>	<u>2,238,676</u>	<u>6,874,890</u>	<u>-</u>	<u>(2,691,191)</u>	<u>60,866,119</u>
Segment profit (loss)	<u>\$ 226,137</u>	<u>645,654</u>	<u>206,254</u>	<u>(7,943)</u>	<u>220,725</u>	<u>(93)</u>	<u>32,818</u>	<u>1,323,552</u>

	For the three months ended March 31, 2021							
	DMS	Brand	Material	Medical	Networks	Others	Eliminations	Total
External revenue	\$ 23,915,338	13,605,346	4,072,905	2,116,805	7,193,287	-	-	50,903,681
Intra-group revenue	<u>2,533,365</u>	<u>132,993</u>	<u>3,377</u>	<u>370</u>	<u>-</u>	<u>-</u>	<u>(2,670,105)</u>	<u>-</u>
Total segment revenue	<u>\$ 26,448,703</u>	<u>13,738,339</u>	<u>4,076,282</u>	<u>2,117,175</u>	<u>7,193,287</u>	<u>-</u>	<u>(2,670,105)</u>	<u>50,903,681</u>
Segment profit (loss)	<u>\$ 605,749</u>	<u>823,114</u>	<u>148,502</u>	<u>10,664</u>	<u>101,661</u>	<u>(368)</u>	<u>28,552</u>	<u>1,717,874</u>

QISDA CORPORATION AND SUBSIDIARIES
Financing provided to other parties
For the three months ended March 31, 2022
(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	257,400	257,400	257,400	-	2	-	Operating requirements	-	-	-	3,739,960	3,739,960
1	BenQ	Darly Venture (L) Ltd	Other receivables from related parties	Yes	143,000	143,000	143,000	0.75%	2	-	Operating requirements	-	-	-	3,739,960	3,739,960
2	APV	BenQ	Other receivables from related parties	Yes	200,000	200,000	200,000	0.50%	2	-	Operating requirements	-	-	-	1,347,928	1,347,928
3	Darly 2	BenQ	Other receivables from related parties	Yes	400,000	400,000	350,000	0.50%	2	-	Operating requirements	-	-	-	1,505,450	1,505,450
4	Darly C	BenQ	Other receivables from related parties	Yes	100,000	100,000	100,000	0.50%	2	-	Operating requirements	-	-	-	182,253	182,253
5	QLLB	Qisda (Shanghai) Co., Ltd. ("QCSH")	Other receivables from related parties	Yes	1,658,800	1,658,800	1,658,800	-	2	-	Operating requirements	-	-	-	6,170,480	6,170,480
6	QLPG	QLLB	Other receivables from related parties	Yes	557,985	557,985	238,165	3.20%	2	-	Operating requirements	-	-	-	7,207,401	14,414,801
7	BBM	Suzhou BenQ Hospital Co., Ltd. ("SMH")	Other receivables from related parties	Yes	112,100	-	-	-	2	-	Operating requirements	-	-	-	2,106,412	2,106,412
7	BBM	Nanjing BenQ Hospital Co., Ltd. ("NMH")	Other receivables from related parties	Yes	886,600	886,600	514,800	-	2	-	Operating requirements	-	-	-	2,106,412	2,106,412
8	BIC	Suzhou BenQ Hospital Co., Ltd. ("SMH") (Note 20)	Other receivables from related parties	Yes	22,485	22,485	22,485	1.00%	2	-	Operating requirements	-	-	-	347,576	347,576
9	NMHC	Nanjing BenQ Hospital Co., Ltd. ("NMH") (Note 20)	Other receivables from related parties	Yes	23,384	23,384	23,384	1.00%	2	-	Operating requirements	-	-	-	24,005	24,005
10	QCOS	Suzhou BenQ Hospital Co., Ltd. ("SMH") (Note 20)	Other receivables from related parties	Yes	764,473	764,473	764,473	3.60%	2	-	Operating requirements	-	-	-	1,642,288	1,642,288
10	QCOS	Qisda (Shanghai) Co., Ltd. ("QCSH") (Note 20)	Other receivables from related parties	Yes	89,938	89,938	89,938	2.00%	2	-	Operating requirements	-	-	-	3,603,700	36,037,003
11	BMS	BenQ Materials (Wuhu) Co., Ltd. (Note 20)	Other receivables from related parties	Yes	1,191,679	1,191,679	835,524	1.30%	2	-	Operating requirements	-	-	-	2,017,746	2,017,746
11	BMS	BenQ Materials Medical Supplies (Suzhou) Co., Ltd. ("BMM") (Note 20)	Other receivables from related parties	Yes	134,907	134,907	13,491	1.30%	2	-	Operating requirements	-	-	-	2,017,746	2,017,746

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		
12	Ace Pillar Co., Ltd.	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	252,225	171,600	171,600	-	2	-	Operating requirements	-	-	-	404,004	808,008
12	Ace Pillar Co., Ltd.	Suzhou Super Pillar Automation Equipment Co., Ltd.	Other receivables from related parties	Yes	28,600	28,600	28,600	-	2	-	Operating requirements	-	-	-	404,004	808,008
13	AEWIN	Aewin Beijing Technologies Co., Ltd.	Other receivables from related parties	Yes	92,869	21,653	21,653	-	1	450,065	Business transaction	-	-	-	229,194	458,387
14	Alpha HK	Alpha Changshu	Other receivables from related parties	Yes	998,140	998,140	998,140	-	2	-	Operating requirements	-	-	-	2,350,613	2,350,613
15	Mirac	Alpha Changshu	Other receivables from related parties	Yes	179,876	179,876	179,876	2.00%	2	-	Operating requirements	-	-	-	598,190	598,190
16	Hitron Technologies	Hitron Vietnam	Other receivables from related parties	Yes	858,000	858,000	629,200	1.00%	2	-	Operating requirements	-	-	-	940,456	1,880,912
17	Alpha Dongguan	Alpha Changshu	Other receivables from related parties	Yes	307,423	271,613	271,613	2.00%	2	-	Operating requirements	-	-	-	1,130,607	1,130,607
18	D-Link Asia	Alpha Changshu	Other receivables from related parties	Yes	143,000	143,000	143,000	-	2	-	Operating requirements	-	-	-	1,894,501	1,894,501

(Note 1)The aggregate financing amount and the individual financing amount of BenQ to subsidiaries shall not exceed 40%, respectively, of the most recent net worth of BenQ.

(Note 2)The aggregate financing amount and the individual financing amount of APV to subsidiaries shall not exceed 40% of the most recent net worth of APV.

(Note 3)The aggregate financing amount and the individual financing amount of Darly 2 to subsidiaries shall not exceed 40% of the most recent net worth of Darly 2.

(Note 4)The aggregate financing amount and the individual financing amount of Darly C to subsidiaries shall not exceed 40% of the most recent net worth of Darly C.

(Note 5)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 6)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 7)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 8)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 9)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 10)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 reviewed 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 11)The aggregate financing amount to subsidiaries wholly owned by BMC and the individual financing amount of BMS shall not exceed 100% , respectively, of the most recent audited and reviewed net worth of BMS.

(Note 12)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 13)The aggregate financing amount and the individual financing amount of AEWIN to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent audited and reviewed net worth of AEWIN.

(Note 14)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 15)The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Alpha Networks (Chengdu) Co., Ltd. shall not exceed 100% of the most recent net worth of Alpha Networks (Chengdu) Co., Ltd.

(Note 16)The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Alpha Networks (Dongguan) Co., Ltd. shall not exceed 100% of the most recent net worth of Alpha Networks (Dongguan) Co., Ltd.

(Note 17)The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of D-Link Asia shall not exceed 100% of the most recent net worth of D-Link Asia.

(Note 18)The aggregate financing amount of Hitron Technologies 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 Technologies, the individual financing amount shall not exceed 20% of the most recent net worth of Hitron Technologies 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 Technologies has 100% of direct or indirect voting rights, or foreign subsidiaries which Hitron Technologies has 100% of direct or indirect voting rights financing to Hitron Technologies, there is no limit to the financing amount and period of lending, but should state the financing limit and term of lending.

(Note 19)Purpose of Fund Financing: 1.Business transaction purpose. 2. Short-term financing purpose.

(Note 20)To decrease the interest expense of the Group, certain subsidiaries using special purpose trust account through financial intermediaries offer idle fund to other subsidiaries in need.

(Note 21)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 three months ended March 31, 2022
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

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	7,207,401	3,394,650	3,031,600	3,031,600	-	8.41%	18,018,502	Y	-	-
1	BenQ	MaxGen	Parent/Subsidiary	1,869,980	105,023	105,023	105,023	-	1.12%	9,349,901	N	-	-
2	PTT	Partner Tech Middle East FZCO	Parent/Subsidiary	201,389	57,200	57,200	57,200	-	5.68%	503,472	N	-	-
2	PTT	Partner-Tech Europe GmbH	Parent/Subsidiary	201,389	57,200	57,200	57,200	-	5.68%	503,472	N	-	-
2	PTT	Partner Tech USA Inc.	Parent/Subsidiary	201,389	28,600	28,600	28,600	-	2.84%	503,472	N	-	-
3	DIC	Data Image (Suzhou) Corporation	Parent/Subsidiary	248,907	28,600	28,600	4,639	-	2.30%	622,267	N	-	Y
4	ACE	Tianjin Ace Pillar Co., Ltd.	Parent/Subsidiary	808,008	190,125	107,200	29,230	-	5.31%	1,010,011	N	-	Y
5	AEWIN	Aewin Beijing Technologies Co., Ltd.	Parent/Subsidiary	229,194	67,454	67,454	67,454	-	5.89%	527,984	N	-	Y
6	Alpha	Alpha Dongguan	Parent/Subsidiary	4,761,670	57,200	57,200	5,686	-	0.60%	9,523,340	N	-	Y
6	Alpha	Alpha Changshu	Parent/Subsidiary	4,761,670	200,200	200,200	9,590	-	2.08%	9,523,340	N	-	Y
7	Hitron Technologies	Hitron Europe	Parent/Subsidiary	4,702,279	675,190	675,190	150,283	-	14.36%	7,053,419	N	-	-
7	Hitron Technologies	Hitron Americas	Parent/Subsidiary	4,702,279	572,000	572,000	-	-	12.16%	7,053,419	N	-	-
7	Hitron Technologies	Hitron Vietnam	Parent/Subsidiary	4,702,279	2,030,600	2,030,600	286,000	-	43.18%	7,053,419	N	-	-
8	Sysage	Corex	Parent/Subsidiary	789,152	222,600	143,000	142,971	-	3.62%	1,972,881	N	-	-
8	Sysage	Ginnet	Parent/Subsidiary	789,152	100,000	100,000	100,000	-	2.53%	1,972,881	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 ACE to ACE's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 40%, respectively, of the net worth of ACE.

(Note 6)The aggregate endorsement/guarantee amount provided by AEWIN to Aewin Beijing Technologies Co., Ltd. and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the recent net worth of AEWIN.

(Note 7)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 8)The aggregate endorsement/guarantee amount provided by Hitron Technologies to Hitron Technologies' subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 150% and 20%, respectively, of the net worth of Hitron Technologie.

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 Technologies 100% of the net worth of the most recent financial statements.

(Note 9)The aggregate endorsement/guarantee amount provided by Sysage to Sysage's subsidiaries 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 Sysage.

QISDA CORPORATION AND SUBSIDIARIES
Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures)
March 31, 2022
(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	March 31, 2022				
				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	59,385	4.61%	59,385	-
The Company	Stock: AU	-	Financial assets at fair value through other comprehensive income-non-current	663,599	13,172,433	6.93%	13,172,433	-
QLLB	CPEC Huachuang Private Equity Fund (Fujian) Co., Ltd. Fund	-	Financial assets at fair value through other comprehensive income-non-current	-	42,959	2.50%	42,959	-
BMC	Stock: Lagis Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	1,680	57,506	5.25%	57,506	-
BMC	Stock: Biodenta Corporation	-	Financial assets at fair value through profit or loss-non-current	225	(Note 1)	2.50%	-	-
BMC	Stock: YiLeLaFa Corporation	-	Financial assets at fair value through other comprehensive income-non-current	300	3,000	2.73%	3,000	-
BMC	Stock: CUUMed Catheter Medical Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	399	8,473	2.08%	8,473	-
APV	Stock: Hi-Clearance Inc.	-	Financial assets at fair value through other comprehensive income-current	317	46,705	0.83%	46,705	-
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	672	32,121	2.77%	32,121	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2022				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
APV	Stock: Gigastone Corporation	-	Financial assets at fair value through other comprehensive income-non-current	31	354	0.06%	354	-
APV	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	2,000	10,680	6.17%	10,680	-
APV	Stock: CDIB Capital Innovation Advisors Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	16,999	3.33%	16,999	-
APV	Preferred Stock: D8AI Holdings Coporation	-	Financial assets at fair value through other comprehensive income-non-current	10,000	3,295	6.56%	3,295	-
APV	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	2,144	91,782	7.13%	91,782	-
APV	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	2,309	1,177,469	3.04%	1,177,469	-
Darly 2	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	470	22,466	1.94%	22,466	-
Darly 2	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	1,407	717,339	1.85%	717,339	-
Darly 2	Stock: Fong Huang Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	6,000	78,846	18.75%	78,846	-
Darly 2	Stock: Fong Huang 2 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	34,262	7.01%	34,262	-
Darly 2	Stock: Fong Huang 3 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	30,220	13.04%	30,220	-
Darly C	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	34	1,625	0.14%	1,625	-
Darly C	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	1,000	5,340	3.09%	5,340	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2022				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
Darly C	Stock: Anqing Innovation	-	Financial assets at fair value through other comprehensive income-non-current	1,033	5,409	2.24%	5,409	-
Darly C	Stock: Visco Vision Inc.	-	Financial assets at fair value through other comprehensive income-non-current	285	58,826	0.52%	58,826	-
BenQ	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	1,487	71,078	6.13%	71,078	-
PTT	Preferred Stock: D8AI Holdings Coporation	-	Financial assets at fair value through other comprehensive income-non-current	3,500	5,196	2.30%	5,196	-
DFI	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	999	42,758	3.32%	42,758	-
DFI	Fund: Cathay No 1 REIT	-	Financial assets at fair value through profit or loss-current	1,442	27,672	-	27,672	-
DFI	Stock: Asia Tech Venture Fund	-	Financial assets at fair value through other comprehensive income-non-current	USD 225	(Note 1)	-	-	-
DFI	Bond: WM 7.25% Perpetual	-	Financial assets at fair value through other comprehensive income-non-current	USD 200	(Note 1)	-	-	-
AEWIN	Stock: Aewin Korea Technologies Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	10	1,288	16.67%	1,288	-
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)	2.64%	-	-
STC	Stock: COMPITEK CORP PTE LTD. (CPL)	-	Financial assets at fair value through other comprehensive income-non-current	36	1,434	6.28%	1,434	-
Sysage	Stock: CDS Holdings Limited	-	Financial assets at fair value through profit or loss-non-current	600	(Note 1)	1.11%	-	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2022				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
Sysage	Stock: Yobon Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	3	(Note 1)	0.42%	-	-
Sysage	Stock: Dynasafe Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	3,906	246,354	19.53%	246,354	-
Sysage	Stock: Touch Cloud, Inc.	-	Financial assets at fair value through profit or loss-non-current	200	850	1.50%	850	-
Sysage	Stock: Gemini Data, Inc.	-	Financial assets at fair value through profit or loss-non-current	2,706	9,505	1.70%	9,505	-
Sysage	Stock: Kingtel Corporation	-	Financial assets at fair value through profit or loss-non-current	443	1,192	18.09%	1,192	-
Sysage	Limited Partnership Equity: Taiwan Capital Buffalo Fund V, LP.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	96,464	12.78%	96,464	-
Simula	Stock: Optomedia Technology Inc.	-	Financial assets at fair value through other comprehensive income-non-current	817	2,411	3.26%	2,411	-
Simula	Stock: Taiwan Competition Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	500	2,469	16.67%	2,469	-
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%	-	-
HitronTechnologies	Stock: Senao International Co., Ltd.	-	Financial assets at fair value through profit or loss-current	152	5,259	-	5,259	-
HitronTechnologies	Stock: Transcend Information Inc.	-	Financial assets at fair value through profit or loss-current	441	32,810	-	32,810	-
HitronTechnologies	Stock: Chao Long Motor Parts Corp.	-	Financial assets at fair value through other comprehensive income-non-current	668	19,094	1.79%	19,094	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2022				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
HitronTechnologies	Stock: Imagetech Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	120	(Note 1)	1.20%	-	-
HitronTechnologies	Stock: Tsunami Visual Technologies, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,220	(Note 1)	9.34%	-	-
HitronTechnologies	Stock: Pivot Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	198	(Note 1)	10.94%	-	-
HitronTechnologies	Stock: Cardtek Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,000	(Note 1)	6.45%	-	-
HitronTechnologies	Stock: Yesmobile Holding Company Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	294	(Note 1)	0.75%	-	-
HitronTechnologies	Preferred Stock: Codent Networks (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,570	(Note 1)	-	-	-
Interactive Digital	Stock: Transcend Information Inc.	-	Financial assets at fair value through profit or loss-current	362	26,933	0.08%	26,933	-
DIVA	Stock: Insight Genomics Inc.	-	Financial assets at fair value through other comprehensive income-non-current	600	3,726	8.00%	3,726	-
DIVA	Stock: Renown Information Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	600	864	12.00%	864	-
DIVA	Stock: Pharmally International Holding Co. Ltd.	-	Financial assets at fair value through profit or loss-non-current	150	(Note 1)	-	-	-
HeYue	Pchain Biotechnology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	18	210	0.20%	210	-

(Note 1) The impairment loss was fully recognized.

(Note 2) There was no shares as the company is a limited partnership.

QISDA CORPORATION AND SUBSIDIARIES
Disposal of real estate which exceeds NT\$300 million or 20% of the paid-in capital
For the three months ended March 31, 2022
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 4

Company Name	Property Name	Transaction Date	Acquisition date	Book Value	Transaction Amount	Status of Payment	Gain or Loss on Disposal of real estate	Relation with the Counter Party	Counter Party	Purpose of Disposal	Price Reference	Notes
BMS	Real estate and related assets(Land use rights、Buildings、Machinery and Deferred charges)	Contract date: March 21, 2022	2006	305,691	1,187,342 (Note 1)	Not yet received	642,288 (Note 1)	Not applicable	Siliconware Technology (Suzhou) Co., Ltd.	To activate asset and increase operation efficiency	Refer to appraisal report	The disposal of real estate will be executed after obtaining the approval of the Suzhou Industrial Park Management Committee (including but not limited to transaction area of land use rights and the acquisition of an independent land use rights certification).

(Note 1)The transaction amount is an estimated amount since the disposal of real estate hasn't been completed.

QISDA CORPORATION AND SUBSIDIARIES
Total purchases from and sales to related parties which exceed NT\$100 million or 20% of the paid-in capital
For the three months ended March 31, 2022
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 5

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)	(1,877,346)	(6)	OA90	-	-	2,394,094	10	-
The Company	QJTO	Parent/Subsidiary	(Sales)	(756,650)	(2)	OA120	-	-	1,056,673	4	-
The Company	QALA	Parent/Subsidiary	(Sales)	(9,006,699)	(29)	OA90	-	-	8,412,408	34	-
The Company	AU	The entity who has significant influence over the Group	(Sales)	(1,347,419)	(4)	OA120	-	-	1,366,784	6	-
The Company	AUSZ	The entity who has significant influence over the Group	(Sales)	(471,234)	(2)	OA120	-	-	728,576	3	-
The Company	AUKS	The entity who has significant influence over the Group	(Sales)	(110,968)	-	OA120	-	-	162,000	1	-
The Company	QCSZ	Parent/Subsidiary	Purchases	26,610,520	90	OA120	-	-	(24,113,432)	(73)	-
The Company	QCOS	Parent/Subsidiary	Purchases	3,916,413	13	OA120	-	-	(3,102,100)	(9)	-
The Company	QVH	Parent/Subsidiary	Purchases	266,293	1	OA60	-	-	(240,471)	(1)	-
QCSZ	The Company	Parent/Subsidiary	(Sales)	(26,610,520)	(94)	OA120	-	-	24,113,432	94	-
QCSZ	BQC_RO	Affiliates	(Sales)	(217,159)	(1)	OA120	-	-	42,964	-	-
QCSZ	QCPS	Affiliates	Purchases	439,583	2	OA60	-	-	(163,269)	(1)	-
QCSZ	AU	The entity who has significant influence over the Group	Purchases	1,356,387	5	EOM55	-	-	(708,043)	(4)	-
QCOS	The Company	Parent/Subsidiary	(Sales)	(3,916,413)	(89)	OA120	-	-	3,102,100	91	-
QCOS	BQC_RO	Affiliates	(Sales)	(177,111)	(4)	OA120	-	-	66,518	2	-
QCOS	QCES	Affiliates	Purchases	172,486	4	OA60	-	-	(60,583)	(2)	-
QCOS	AU	The entity who has significant influence over the Group	Purchases	100,342	2	OA60	-	-	(66,570)	(2)	-
QCES	QCOS	Affiliates	(Sales)	(172,486)	4	OA60	-	-	60,583	2	-
QCPS	QCSZ	Affiliates	(Sales)	(439,583)	(84)	OA60	-	-	163,269	76	-
QALA	The Company	Parent/Subsidiary	Purchases	9,006,699	100	OA90	-	-	(8,412,408)	(100)	-
QJTO	The Company	Parent/Subsidiary	Purchases	756,650	84	OA120	-	-	(1,056,673)	(99)	-
QVH	The Company	Parent/Subsidiary	(Sales)	(266,293)	(99)	OA60	-	-	240,471	99	-
BenQ	The Company	Parent/Subsidiary	Purchases	1,877,346	49	OA60	-	-	(2,394,094)	(54)	-
BenQ	AU	The entity who has significant influence over the Group	Purchases	586,865	15	EOM55	-	-	(447,639)	(10)	-
BenQ	BQA	Affiliates	(Sales)	(1,115,330)	(27)	OA90	-	-	1,024,681	18	-
BenQ	BQE	Affiliates	(Sales)	(1,429,595)	(35)	OA90	-	-	2,099,085	37	-
BenQ	BQL	Affiliates	(Sales)	(150,679)	(4)	OA90	-	-	271,243	5	-
BenQ	BQP	Affiliates	(Sales)	(1,370,131)	(33)	OA60	-	-	1,596,226	28	-
BQA	BQCA	Affiliates	(Sales)	(225,057)	(16)	OA60	-	-	208,667	28	-
BQA	BenQ	Affiliates	Purchases	1,115,330	93	OA90	-	-	(1,024,681)	(100)	-
BQC_RO	QCOS	Affiliates	Purchases	177,111	27	OA120	-	-	(66,518)	(22)	-
BQC_RO	QCSZ	Affiliates	Purchases	217,159	34	OA120	-	-	(42,964)	(14)	-

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	BenQ	Affiliates	Purchases	1,429,595	88	OA90	-	-	(2,099,085)	(98)	-
BQE	BQDE	Affiliates	(Sales)	(389,794)	(22)	OA30	-	-	195,549	21	-
BQE	BQFR	Affiliates	(Sales)	(222,452)	(13)	OA30	-	-	283,533	30	-
BQE	BQIT	Affiliates	(Sales)	(111,490)	(6)	OA30	-	-	79,408	8	-
BQE	BQUK	Affiliates	(Sales)	(350,797)	(20)	OA30	-	-	166,624	18	-
BQE	BQAT	Affiliates	(Sales)	(233,867)	(13)	OA45	-	-	60,891	7	-
BQE	BQIB	Affiliates	(Sales)	(132,442)	(7)	OA30	-	-	20,653	2	-
BQL	BenQ	Affiliates	Purchases	150,679	99	OA90	-	-	(271,243)	(99)	-
BQP	BQAU	Affiliates	(Sales)	(105,958)	(6)	OA60	-	-	119,109	6	-
BQP	BOIN	Affiliates	(Sales)	(255,647)	(15)	OA60	-	-	624,368	32	-
BQP	BQJP	Affiliates	(Sales)	(467,864)	(27)	OA60	-	-	493,583	25	-
BQP	BOME	Affiliates	(Sales)	(189,490)	(11)	OA60	-	-	224,606	11	-
BQP	BenQ	Affiliates	Purchases	1,370,131	90	OA60	-	-	(1,596,226)	(100)	-
BQAT	BQE	Affiliates	Purchases	233,867	100	OA45	-	-	(60,891)	(100)	-
BQAU	BQP	Affiliates	Purchases	105,958	99	OA60	-	-	(119,109)	(100)	-
BQCA	BQA	Affiliates	Purchases	225,057	92	OA60	-	-	(208,667)	(100)	-
BQDE	BQE	Affiliates	Purchases	389,794	99	OA30	-	-	(195,549)	(100)	-
BQFR	BQE	Affiliates	Purchases	222,452	97	OA30	-	-	(283,533)	(100)	-
BQIB	BQE	Affiliates	Purchases	132,442	100	OA30	-	-	(20,653)	(100)	-
BQIN	BQP	Affiliates	Purchases	255,647	76	OA60	-	-	(624,368)	(100)	-
BQIT	BQE	Affiliates	Purchases	111,490	100	OA30	-	-	(79,408)	(100)	-
BQJP	BQP	Affiliates	Purchases	467,864	77	OA60	-	-	(493,583)	(100)	-
BQME	BQP	Affiliates	Purchases	189,490	70	OA60	-	-	(224,606)	(100)	-
BQUK	BQE	Affiliates	Purchases	350,797	100	OA30	-	-	(166,624)	(100)	-
ESM	GSC	Affiliates	(Sales)	(105,997)	100	OA60	-	-	71,518	78	-
GSC	ESM	Affiliates	Purchases	105,997	90	OA60	-	-	(71,518)	(89)	-
DIC	Data Image (Suzhou) Corporation	Affiliates	Processing cost	480,401	51	Depends on its working capital status	-	-	(238,346)	(29)	-
Data Image (Suzhou) Corporation	DIC	Affiliates	Processing Revenue	(480,401)	(36)	Depends on its working capital status	-	-	238,346	23	-
DFI	DFI AMERICA, LLC.	Affiliates	(Sales)	(152,384)	(15)	60-90 Days	-	-	64,279	8	-
DFI AMERICA, LLC.	DFI	Affiliates	Purchases	152,384	94	60-90 Days	-	-	(64,279)	(96)	-
DFI	AEWIN	Affiliates	(Sales)	(139,018)	(14)	OA90	-	-	150,230	18	-
AEWIN	DFI	Affiliates	Purchases	139,018	36	OA90	-	-	(150,230)	(45)	-
Advancedtek Ace (TJ) Inc.	Tianjin Ace Pillar Co., Ltd.	Affiliates	(Sales)	(164,859)	(100)	T/T 30 Days	-	-	113,708	99	-
Tianjin Ace Pillar Co., Ltd.	Advancedtek Ace (TJ) Inc.	Affiliates	Purchases	164,859	46	T/T 30 Days	-	-	(113,708)	(44)	-
Alpha	Alpha USA	Affiliates	(Sales)	(1,196,225)	(29)	90 Days	-	-	1,013,695	30	-
Alpha	D-Link Asia	Affiliates	Purchases	839,083	21	90 Days	-	-	(337,226)	(17)	-
Alpha	Alpha Changshu	Affiliates	Purchases	1,817,801	45	90 Days	-	-	(508,933)	(26)	-
Alpha Changshu	Mirac	Affiliates	(Sales)	(176,285)	(9)	90 Days	-	-	125,189	19	-
Alpha HK	Alpha Changshu	Affiliates	(Sales)	(2,075,725)	(100)	90 Days	-	-	1,200,958	100	-
D-Link Asia	Alpha Dongguan	Affiliates	Purchases	839,083	56	90 Days	-	-	(366,702)	(39)	-
Hitron Technologies	Hitron Americas	Affiliates	(Sales)	(999,341)	(41)	90 Days	-	-	1,469,494	79	-
Hitron Technologies	Hitron Europe	Affiliates	(Sales)	(289,866)	(12)	90 Days	-	-	278,285	15	-
Hitron Vietnam	Hitron Technologies	Affiliates	(Sales)	(1,645,549)	(67)	90 Days	-	-	1,123,900	60	-
Alpha USA	Alpha	Affiliates	Purchases	1,196,225	100	90 Days	-	-	(1,013,695)	(100)	-

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)	
D-Link Asia	Alpha	Affiliates	(Sales)	(839,083)	(56)	90 Days	-	-	337,226	34	-
Alpha Changshu	Alpha	Affiliates	(Sales)	(1,817,801)	(90)	90 Days	-	-	508,933	77	-
Mirac	Alpha Changshu	Affiliates	Purchases	176,285	100	90 Days	-	-	(125,189)	(90)	-
Alpha Changshu	Alpha HK	Affiliates	Purchases	2,075,725	88	90 Days	-	-	(1,200,958)	(14)	-
Alpha Dongguan	D-Link Asia	Affiliates	(Sales)	(839,083)	(100)	90 Days	-	-	366,702	97	-
Hitron Americas	Hitron Technologies	Affiliates	Purchases	999,341	94	90 Days	-	-	(1,469,494)	(100)	-
Hitron Europe	Hitron Technologies	Affiliates	Purchases	289,866	100	90 Days	-	-	(278,285)	(100)	-
Hitron Technologies	Hitron Vietnam	Affiliates	Purchases	1,645,549	46	90 Days	-	-	(1,123,900)	(67)	-
BMC	AU	The entity who has significant influence over the Group	(Sales)	(1,071,431)	(27)	OA90	-	-	211,394	7	-
BMC	AUSZ	The entity who has significant influence over the Group	(Sales)	(322,759)	(8)	OA90	-	-	114,195	4	-
BMC	AUXM	The entity who has significant influence over the Group	(Sales)	(169,977)	(4)	OA90	-	-	49,849	2	-
BMC	BMS	Affiliates	Purchases	255,901	10	OA90	-	-	(391,250)	(11)	-
BMS	BMC	Affiliates	(Sales)	(255,901)	(91)	OA90	-	-	391,250	97	-
Simula	Simula Technology (ShenZhen) Co., Ltd.	Affiliates	Purchases	159,342	76	EOM60	-	-	(51,885)	(39)	-
Simula Technology (ShenZhen) Co., Ltd.	Simula	Affiliates	(Sales)	(159,342)	(77)	EOM60	-	-	51,885	51	-
PTT	PTE	Affiliates	(Sales)	(103,452)	(26)	OA90	(Note 3)	-	106,560	19	-
PTT	PTU	Affiliates	(Sales)	(117,854)	(30)	OA90	(Note 3)	-	156,983	28	-
PTE	PTT	Affiliates	Purchases	103,452	55	OA90	(Note 3)	-	(106,560)	(78)	-
PTU	PTT	Affiliates	Purchases	117,854	98	OA90	(Note 3)	-	(156,983)	(99)	-

(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
March 31, 2022
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 6

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	2,394,094	3.05	937,677	-	-	-
The Company	QJTO	Parent/Subsidiary	1,056,673	2.95	-	-	32,121	-
The Company	QALA	Parent/Subsidiary	8,412,408	5.16	53,273	-	-	-
The Company	AU	The entity who has significant influence over the Group	1,366,784	4.07	-	-	-	-
The Company	AUSZ	The entity who has significant influence over the Group	728,576	2.62	-	-	-	-
The Company	AUKS	The entity who has significant influence over the Group	162,000	2.93	-	-	-	-
The Company	QCSZ	Parent/Subsidiary	363,299	(Note 1)	6,616	-	-	-
The Company	QCOS	Parent/Subsidiary	262,737	(Note 1)	41,322	-	-	-
The Company	QVH	Parent/Subsidiary	115,172	(Note 1)	33,263	-	-	-
QCSZ	The Company	Parent/Subsidiary	24,113,432	5.03	-	-	-	-
QCOS	The Company	Parent/Subsidiary	3,102,100	4.70	236,077	-	236,077	-
QCES	The Company	Parent/Subsidiary	3,569,302	(Note 1)	-	-	-	-
QVH	The Company	Parent/Subsidiary	240,471	5.38	-	-	-	-
DFI	The Company	Parent/Subsidiary	111,104	0.45	-	-	24,015	-
QCPS	QCSZ	Associate	163,269	10.46	-	-	-	-
BenQ	BQA	Associate	1,024,681	5.07	-	-	-	-
BenQ	BQE	Associate	2,099,085	2.79	460,465	-	-	-
BenQ	BQL	Associate	271,243	2.36	114,752	-	-	-
BenQ	BQP	Associate	1,596,226	3.05	747,008	-	-	-
BenQ	QCSZ	Associate	254,933	(Note 1)	-	-	-	-
BenQ	QVH	Associate	159,880	(Note 1)	54,683	-	-	-
BQA	BQCA	Associate	208,667	5.22	-	-	86,853	-
BQE	BQDE	Associate	195,549	10.24	70,998	-	128,149	-
BQE	BQFR	Associate	283,533	3.48	184,904	-	-	-
BQE	BQUK	Associate	166,624	7.98	61,050	-	76,131	-
BQL	Maxgen	Associate	448,267	0.24	417,289	-	-	-
BQL	BQmx	Associate	122,234	3.47	26,114	-	-	-
BQP	BQAU	Associate	119,109	3.57	48,176	-	-	-
BQP	BQIN	Associate	624,368	1.59	484,261	-	-	-
BQP	BQJP	Associate	493,583	3.37	205,156	-	-	-
BQP	BQME	Associate	224,606	2.90	118,247	-	-	-

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
BQP	BQTH	Associate	129,012	2.33	95,137	-	-	-
Data Image (Suzhou) Corporation	DIC	Associate	238,346	8.78	-	-	-	-
DFI	AEWIN	Associate	150,230	4.24	-	-	58,342	-
AEWIN	Aewin Beijing Technologies Co., Ltd.	Associate	417,706	0.64	250,897	-	-	-
ACE	Tianjin Ace Pillar Co., Ltd.	Associate	171,600	(Note 1)	-	-	-	-
Advancedtek Ace (TJ) Inc.	Tianjin Ace Pillar Co., Ltd.	Associate	113,708	5.22	113,708	-	59,089	-
Alpha	Alpha USA	Associate	1,013,695	5.13	-	-	272,659	-
Alpha	Alpha HK	Associate	214,876	(Note 1)	123	-	-	-
D-Link Asia	Alpha	Associate	337,226	9.78	-	-	36,064	-
Alpha Changshu	Alpha	Associate	508,933	16.50	3,701	-	88,662	-
Alpha Dongguan	D-Link Asia	Associate	366,702	9.03	-	-	36,064	-
Alpha Changshu	Mirac	Associate	125,189	5.58	-	-	97,739	-
Alpha HK	Alpha Changshu	Associate	1,200,958	6.62	58,234	-	89,553	-
D-Link Asia	Alpha Dongguan	Associate	578,093	4.70	14,516	-	36,032	-
Hitron Technologies	Hitron Americas	Associate	1,469,494	2.82	-	-	308,549	-
Hitron Technologies	Hitron Europe	Associate	278,285	5.95	-	-	83,011	-
Hitron Technologies	Hitron Vietnam	Associate	2,256,033	(Note 1)	-	-	-	-
Hitron Vietnam	Hitron Technologies	Associate	1,123,900	7.49	-	-	149,102	-
BMC	AU	The entity who has significant influence over the Group	211,394	3.64 (Note 2)	-	-	-	-
BMC	AUSZ	The entity who has significant influence over the Group	114,195	3.02 (Note 2)	-	-	-	-
BMC	BMM	Associate	286,332	1.19 (Note 2)	-	-	-	-
BMS	BMC	Associate	391,250	2.76 (Note 2)	-	-	-	-
PTT	PTE	Associate	106,560	3.30	11,391	-	11,072	-
PTT	PTME	Associate	117,420	1.48	30,708	-	16,758	-
PTT	PTU	Associate	156,983	3.50	36,960	-	-	-

(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 three months ended March 31, 2022
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 7

Number (Note 1)	Company Name	Related Party	Name of Relationship (Note 2)	Transaction Details			Percentage of Consolidated Operating Revenue and Total Assets (Note 4)
				Financial Statements Account	Amount	Payment Terms	
0	The Company	BenQ	1	(Sales)	(1,877,346)	OA90	(3%)
0	The Company	QJTO	1	(Sales)	(756,650)	OA120	(1%)
0	The Company	QALA	1	(Sales)	(9,006,699)	OA90	(15%)
1	QCSZ	The Company	2	(Sales)	(26,610,520)	OA120	(44%)
2	QCOS	The Company	2	(Sales)	(3,916,413)	OA120	(6%)
3	BenQ	BQA	3	(Sales)	(1,115,330)	OA90	(2%)
3	BenQ	BQE	3	(Sales)	(1,429,595)	OA90	(2%)
3	BenQ	BQP	3	(Sales)	(1,370,131)	OA60	(2%)
4	Alpha	Alpha USA	3	(Sales)	(1,196,225)	90 days	(2%)
5	Alpha HK	Alpha Changshu	3	(Sales)	(2,075,725)	90 days	(3%)
6	Hitron Technologies	Hitron Americas	3	(Sales)	(999,341)	90 days	(2%)
7	Hitron Vietnam	Hitron Technologies	3	(Sales)	(1,645,549)	90 days	(3%)
8	Alpha Changshu	Alpha	3	(Sales)	(1,817,801)	90 days	(3%)
9	D-Link Asia	Alpha	3	(Sales)	(839,083)	90 days	(1%)
0	The Company	BenQ	1	Accounts receivable	2,394,094	OA90	1%
0	The Company	QALA	1	Accounts receivable	8,412,408	OA90	4%
1	QCSZ	The Company	2	Accounts receivable	24,113,432	OA120	12%
2	QCOS	The Company	2	Accounts receivable	3,102,100	OA120	2%
3	BenQ	BQE	3	Accounts receivable	2,099,085	OA90	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 three months ended March 31, 2022
(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 March 31, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
The Company	DFN	Taiwan	R&D, manufacture and sale of MLCC and keyboards	662,195	662,195	58,005	20.72%	1,996,975	248,351	51,106	Associate
The Company	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	507,883	507,883	43,659	13.61%	657,985	292,783	41,220	Parent/Subsidiary
The Company	BenQ	Taiwan	Manufacture and sales of brand-name electronic products	7,160,050	7,160,050	539,662	100.00%	9,374,058	383,707	384,316	Parent/Subsidiary
The Company	QALA	USA	Sales of electronic products	32,800	32,800	1,000	100.00%	53,701	1,087	1,087	Parent/Subsidiary
The Company	QJTO	Japan	Sales and maintenance of electronic products in Japanese market	2,701	2,701	-	100.00%	64,683	8,939	8,939	Parent/Subsidiary
The Company	QLPG	Malaysia	Leasing and management services	578,128	578,128	50,000	100.00%	337,738	14,133	14,133	Parent/Subsidiary
The Company	QLLB	Malaysia	Investment and holding activity	3,687,539	3,687,539	114,250	100.00%	15,166,874	(206,828)	98,563	Parent/Subsidiary
The Company	APV	Taiwan	Investment and holding activity	570,016	570,016	153,258	100.00%	3,369,819	63,584	63,584	Parent/Subsidiary
The Company	Darly	Malaysia	Investment and holding activity	165,000	165,000	6,000	100.00%	221,009	(1,554)	(1,554)	Parent/Subsidiary
The Company	BBHC	Cayman	Investment and holding activity	1,476,632	1,476,632	47,400	19.35%	1,004,671	(10,800)	(2,090)	Parent/Subsidiary
The Company	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	1,475,978	1,475,978	43,577	58.04%	1,359,397	32,823	12,296	Parent/Subsidiary
The Company	BDT	Taiwan	Manufacture and sale of medical consumable and equipment	280,000	280,000	28,000	100.00%	64,940	(8,756)	(8,336)	Parent/Subsidiary
The Company	QTOS	Taiwan	Manufacture of computer peripheral products	1,000	1,000	100	100.00%	1,002	-	-	Parent/Subsidiary
The Company	Q.S.Control Corp.	Taiwan	Manufacture and sales of medical consumables and equipments	63,000	63,000	6,000	20.00%	59,736	3,369	674	Associate
The Company	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	3,154,750	3,154,750	51,610	45.08%	2,681,197	83,614	18,053	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%	7,634,535	133,825	49,556	Parent/Subsidiary
The Company	K2	Taiwan	Sale of medical consumable and equipment	217,763	217,763	6,997	34.99%	239,310	33,429	9,357	Parent/Subsidiary
The Company	DIC	Taiwan	Manufacture and sales of marine display modules	260,000	260,000	20,000	28.82%	340,722	102,314	29,485	Parent/Subsidiary
The Company	EASC	Hong Kong	Sales of brand-name electronic products and smart services	78,338	78,338	1	54.00%	87,985	4,169	2,251	Parent/Subsidiary
The Company	Sysage	Taiwan	The distribution and reselling of software and hardware equipment of ICT infrastructures and digitalization and software	3,202,856	3,202,856	96,841	51.41%	2,481,507	85,117	39,826	Parent/Subsidiary
The Company	Topview	Taiwan	Manufacture and sales of video surveillance cameras	172,500	172,500	5,750	20.00%	206,120	53,264	10,696	Parent/Subsidiary
The Company	QVH	Vietnam	Manufacture of monitors	1,212,849	1,212,849	-	100.00%	670,537	(67,934)	(67,934)	Parent/Subsidiary
The Company	Simula	Taiwan	Manufacture and sales of electronic material	600,000	600,000	30,000	37.51%	619,930	43,570	12,419	Parent/Subsidiary
The Company	GSC	Taiwan	Sale of alcohol and medical disinfectant	254,000	254,000	10,000	50.00%	311,144	42,809	19,920	Parent/Subsidiary
BMC	BMLB	Malaysia	Investment and holding activity	1,141,340	1,141,340	35,082	100.00%	1,798,257	79,285	-	Affiliates
BMC	SGM	Taiwan	Manufacture and sales of medical consumables and equipment	231,727	231,727	2,000	100.00%	251,032	237,406	-	Affiliates
BMC	Visco Vision Inc.	Taiwan	Manufacture and sale of contact lenses	177,811	177,811	9,834	17.97%	129,748	148,789	-	Associate
BMC	Cenefom Corporation	Taiwan	R&D, manufacture and sale of medical consumable and equipment	92,262	92,262	4,418	34.83%	81,726	(1,389)	-	Affiliates
BMC	Genejet Biotech Co., Ltd.	Taiwan	R&D, manufacture and sale of medical consumable and equipment	43,316	43,316	3,767	70.00%	42,750	(1,421)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
BMC	MLK Bioscience Co., Ltd.	Taiwan	R&D and sale of medical consumable and equipment	6,000	6,000	217	20.00%	4,488	(222)	-	Associate
BMC	Kangde Corp.	Taiwan	R&D and sale of medical consumable and equipment	5,980	5,980	598	20.00%	3,954	(592)	-	Associate
APV	Darly C	Taiwan	Investment management consulting	77,933	77,933	12,105	45.11%	205,542	4,386	-	Affiliates
APV	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	221,786	221,786	15,182	4.73%	255,774	292,783	-	Affiliates
APV	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	42,584	42,584	3,549	7.96%	88,537	87,662	-	Affiliates
APV	BBHC	Cayman	Investment and holding activity	904,102	904,102	25,000	10.21%	539,502	(10,800)	-	Affiliates
APV	BES	Taiwan	Energy service	50,250	50,250	4,100	41.00%	10,651	6,002	-	Affiliates
APV	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	112,080	112,080	6,006	8.00%	159,549	32,823	-	Affiliates
APV	GST	Taiwan	R&D and sales of computer information system	12	12	1	0.02%	15	2,947	-	Affiliates
APV	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	149,096	149,096	2,294	2.00%	143,513	83,614	-	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%	242,533	133,825	-	Affiliates
APV	Topview	Taiwan	Manufacture and sales of video surveillance cameras	63,525	63,525	1,286	4.47%	64,277	53,264	-	Affiliates
APV	DIC	Taiwan	Manufacture and sales of marine display modules	88,222	88,222	3,607	5.20%	78,786	102,314	-	Affiliates
APV	Simula	Taiwan	Manufacture and sales of electronic material	201,673	201,673	5,390	6.74%	210,702	43,570	-	Affiliates
APV	GSC	Taiwan	Sale of alcohol and medical disinfectant	150,000	150,000	10,000	50.00%	217,781	42,809	-	Affiliates
Darly C	BES	Taiwan	Energy service	28,000	28,000	2,400	24.00%	6,235	6,002	-	Affiliates
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%	230,735	133,825	-	Affiliates
Darly	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	30,456	30,456	7,800	12.50%	17,602	(7,079)	-	Affiliates
Darly	BBHC	Cayman	Investment and holding activity	471,516	471,516	14,158	5.78%	302,480	(10,800)	-	Affiliates
BenQ	BQA	USA	Sales of brand-name electronic products in North America markets	114,553	114,553	200	100.00%	899,291	53,369	-	Affiliates
BenQ	BQL	USA	Sales of brand-name electronic products in Latin America markets	342,589	203,839	9,350	100.00%	24,721	85,453	-	Affiliates
BenQ	BQHK	Hong Kong	Investment and holding activity	859,037	859,037	466,200	100.00%	3,126,793	20,637	-	Affiliates
BenQ	BQE	The Netherlands	Sales of electronic products in European markets	960,568	960,568	5,009	100.00%	796,845	26,634	-	Affiliates
BenQ	BQP	Taiwan	Sales of brand-name electronic products in Asia markets	950,000	950,000	20,000	100.00%	273,622	107,457	-	Affiliates
BenQ	Darly 2	Taiwan	Investment and holding activity	2,361,132	2,361,132	189,000	100.00%	3,763,626	44,620	-	Affiliates
BenQ	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	74,021	74,021	23,400	37.50%	52,798	(7,079)	-	Affiliates
BenQ	DFN	Taiwan	R&D, manufacture and sale of MLCC and keyboards	233,491	233,491	14,017	5.01%	482,465	248,351	-	Associate
BenQ	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	946,731	946,731	80,848	25.21%	1,363,325	292,783	-	Affiliates
BenQ	BBHC	Cayman	Investment and holding activity	719,088	719,088	20,000	8.17%	428,789	(10,800)	-	Affiliates
BenQ	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	235,069	235,069	19,353	43.43%	471,542	87,662	-	Affiliates
BenQ	MQE	The Netherlands	Maintenance of brand-name electronic monitors and projectors in European markets	90,912	90,912	82	100.00%	72,856	3,345	-	Affiliates
BenQ	INF	Taiwan	Assembly and sales of gaming electronic products	117,987	117,987	6,947	100.00%	89,314	3,267	-	Affiliates
BenQ	BQHK_HLD	Hong Kong	Sales of brand-name electronic products in HK markets	118,282	118,282	4,000	100.00%	1,548,477	83,870	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
BenQ	PT BenQ Teknologi Indonesia	Indonesia	Sales of brand-name electronic products	21	21	-	0.31%	67	4,032	-	Affiliates
BenQ	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	342	342	18	0.00%	341	133,825	-	Affiliates
BQP	BenQ India Private Ltd.	India	Sales of brand-name electronic products	224,405	224,405	440,296	100.00%	62,550	1,756	-	Affiliates
BQP	BenQ (M.E.) FZE	United Arab Emirates	Sales of brand-name electronic products	8,891	8,891	-	100.00%	62,508	6,768	-	Affiliates
BQP	BenQ Japan Co., Ltd.	Japan	Sales of brand-name electronic products	4,518	4,518	-	100.00%	154,382	20,261	-	Affiliates
BQP	BenQ Singapore Pte Ltd.	Singapore	Sales of brand-name electronic products	1,837	1,837	500	100.00%	(5,570)	1,167	-	Affiliates
BQP	BenQ Australia Pte Ltd.	Australia	Sales of brand-name electronic products	132,590	132,590	2,191	100.00%	84,202	(342)	-	Affiliates
BQP	BenQ Service & Marketing (M) Sdn Bhd	Malaysia	Sales of brand-name electronic products	119,488	119,488	100	100.00%	7,537	(159)	-	Affiliates
BQP	BenQ (Thailand) Co., Ltd.	Thailand	Sales of brand-name electronic products	120,116	120,116	12,000	100.00%	(53,544)	(472)	-	Affiliates
BQP	BenQ Korea Co., Ltd.	Korea	Providing administration and management service to affiliates	1,713	1,713	10	100.00%	5,020	(1,294)	-	Affiliates
BQP	PT BenQ Teknologi Indonesia	Indonesia	Sales of brand-name electronic products	6,901	6,901	6	99.69%	21,818	4,032	-	Affiliates
BQP	BenQ Vietnam Co., Ltd.	Vietnam	Sales of brand-name electronic products	5,576	5,576	1	100.00%	5,565	(75)	-	Affiliates
BQA	BenQ Canada Corp.	Canada	Sales of brand-name electronic products	26	26	1	100.00%	52,287	10,475	-	Affiliates
BQL	BenQ Mexico S. de R.L. de C.V.	Mexico	Sales of brand-name electronic products	77,591	77,591	3	99.97%	47,182	7,754	-	Affiliates
BQL	Joytech LLC	USA	Investment and holding activity	74,046	4,671	1	100.00%	(46,226)	39,302	-	Affiliates
BQL	Vividtech LLC	USA	Investment and holding activity	74,046	4,671	1	100.00%	(46,226)	39,302	-	Affiliates
Joytech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of brand-name electronic products	74,046	4,671	1	50.00%	(46,226)	78,607	-	Affiliates
Vividtech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of brand-name electronic products	74,046	4,671	1	50.00%	(46,226)	78,607	-	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%	3,430	(1)	-	Affiliates
GSH	GST	Taiwan	R&D and sales of computer information system	64,898	64,898	5,756	99.94%	81,969	2,947	-	Affiliates
Darly 2	Darly C	Taiwan	Investment management consulting	89,179	89,179	14,728	54.89%	250,092	4,386	-	Affiliates
Darly 2	BBHC	Cayman	Investment and holding activity	2,122,721	2,122,721	65,024	26.55%	1,403,223	(10,800)	-	Affiliates
Darly 2	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	121,860	121,860	31,200	50.00%	70,397	(7,079)	-	Affiliates
Darly 2	BMTC	Taiwan	Manufacture and sales of medical consumables and equipment	27,337	27,337	1,590	3.57%	39,667	87,662	-	Affiliates
Darly 2	BES	Taiwan	Energy service	22,250	22,250	1,800	18.00%	4,676	6,002	-	Affiliates
Darly 2	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	49,426	49,426	1,648	2.19%	43,779	32,823	-	Affiliates
Darly 2	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	596,382	596,382	9,175	8.01%	574,373	83,614	-	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%	71,430	133,825	-	Affiliates
Darly 2	K2	Taiwan	Sale of medical consumable and equipment	44,997	44,997	1,003	5.01%	52,258	33,429	-	Affiliates
Darly 2	DIC	Taiwan	Manufacture and sales of marine display modules	48,093	48,093	3,005	4.33%	62,392	102,314	-	Affiliates
Darly 2	Topview	Taiwan	Manufacture and sales of video surveillance cameras	123,252	123,252	2,615	9.10%	129,237	53,264	-	Affiliates
Darly 2	Simula	Taiwan	Manufacture and sales of electronic material	205,920	205,920	5,500	6.88%	214,979	43,570	-	Affiliates
BQE	BenQ UK Limited	UK	Sales of brand-name electronic products	14,800	14,800	-	100.00%	76,836	15,743	-	Affiliates
BQE	BenQ Deutschland GmbH	Germany	Sales of brand-name electronic products	25,587	25,587	-	100.00%	153,955	11,987	-	Affiliates
BQE	BenQ Benelux B.V.	The Netherlands	Sales of brand-name electronic products	567	567	-	100.00%	(27,073)	1,846	-	Affiliates
BQE	BenQ Austria GmbH	Australia	Sales of brand-name electronic products	1,091	1,091	-	100.00%	65,100	2,387	-	Affiliates
BQE	BenQ Iberica S.L. Unipersonal	Spain	Sales of brand-name electronic products	4,677	4,677	-	100.00%	87,679	1,641	-	Affiliates
BQE	BenQ Italy S.R.L.	Italy	Sales of brand-name electronic products	92,654	92,654	50	100.00%	37,346	2,026	-	Affiliates
BQE	BenQ France SAS	France	Sales of brand-name electronic products	2,045	2,045	-	100.00%	(107,721)	(174)	-	Affiliates
BQE	BenQ Nordic A.B.	Sweden	Sales of brand-name electronic products	445	445	-	100.00%	32,814	2,166	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
BQE	BenQ LLC.	Russia	Providing administration and management services to affiliates	52	52	-	100.00%	13,747	(402)	-	Affiliates
BMTC	Asiacconnect	Taiwan	Sales of medical consumables and equipment	21,984	21,984	1,995	99.75%	27,152	(88)	-	Affiliates
BMTC	Highview	Samoa	Investment and holding activity	36,211	36,211	1,062	100.00%	10,686	633	-	Affiliates
BMTC	LILY	Taiwan	Manufacture and sales of medical consumables and equipment	185,000	185,000	10,000	100.00%	233,586	7,383	-	Affiliates
BMTC	BABD	Taiwan	Manufacture and sales of medical consumables and equipment	88,000	88,000	8,800	88.00%	60,943	1,708	-	Affiliates
BMTC	BHS	Taiwan	Manufacture and sales of medical consumables and equipment	100,000	100,000	10,000	100.00%	153,327	12,660	-	Affiliates
BMTC	EASTECH	Taiwan	Manufacture and sales of medical consumables and equipment	20,300	20,300	700	70.00%	33,423	4,720	-	Affiliates
BMTC	Concord	Taiwan	Sales of medical products, medical equipment leasing and management consulting	100,000	100,000	133,333	40.00%	274,586	11,363	-	Affiliates
BHS	NB HIT	Taiwan	Manufacture and sales of medical consumables and equipment	59,280	59,280	1,092	52.00%	79,108	7,082	-	Affiliates
BHS	HeYue	Taiwan	Sales of medical equipment, pharmaceuticals and dietary supplements	105,300	-	4,362	60.00%	106,352	2,323	-	Affiliates
PTT	WEBEST	Taiwan	Sales, import and export of electronic products	21,843	21,843	2,500	100.00%	35,183	4,894	-	Affiliates
PTT	P&J Investment Holding Co., Ltd. (B.V.I.)	British Virgin Islands	Investment and holding activity	230,307	230,307	5,551	100.00%	165,956	10,322	-	Affiliates
PTT	Partner Tech UK Corp., Ltd.	UK	Sales, import and export of electronic products	43,834	43,834	886	88.60%	31,032	278	-	Affiliates
PTT	Partner-Tech Europe GmbH	Germany	Sales, import and export of electronic products	51,451	51,451	(Note1)	50.02%	126,243	8,305	-	Affiliates
PTT	Partner Tech Middle East FZCO	United Arab Emirates	Sales, import and export of electronic products	137,787	137,787	-	99.00%	27,902	4,089	-	Affiliates
PTT	Epoint Systems Pte. Ltd.	Singapore	Software development and sales of product	57,449	57,449	222	69.88%	53,650	(4,541)	-	Affiliates
PTT	PTTN	Taiwan	Software development and sales of product	20,500	20,500	2,050	50.62%	31,438	865	-	Affiliates
PTT	PTMG	Taiwan	Software development and sales of product	11,000	11,000	1,100	52.38%	19,330	2,532	-	Affiliates
PTT	Partner Tech North Africa	Morocco	Sales, import and export of electronic products	4,075	4,075	13	58.18%	-	-	-	Affiliates
PTE	Partner Tech UK Corp., Ltd.	UK	Sales, import and export of electronic products	5,640	5,640	114	11.40%	5,480	278	-	Affiliates
PTE	Sloga team D.o.o.	Slovenia	Sales, import and export of electronic products	980	980	(Note1)	90.00%	(15,700)	(1,675)	-	Affiliates
PTE	Retail Solution & System S.L.	Spain	Sales, import and export of electronic products	-	-	(Note1)	68.00%	21,562	(2,118)	-	Affiliates
PTME	E-POS International LLC	United Arab Emirates	Sales, import and export of electronic products	2,485	2,485	-	100.00%	5,878	(112)	-	Affiliates
WEBEST	PTTN	Taiwan	Software development and sales of product	10	10	1	0.02%	12	865	-	Affiliates
WEBEST	Partner Tech North Africa	Morocco	Sales, import and export of electronic products	1	1	-	-	-	-	-	Affiliates
WEBEST	Partner Tech Middle East FZCO	United Arab Emirates	Sales, import and export of electronic products	1,560	1,560	-	1.00%	241	4,089	-	Affiliates
P&J	P&S Investment Holding Co., Ltd. (B.V.I.)	British Virgin Islands	Investment and holding activity	134,973	134,973	4,560	100.00%	167,663	10,326	-	Affiliates
P&S	Partner Tech USA Inc.	USA	Sales, import and export of electronic products	31,593	31,593	1,091	100.00%	87,998	13,605	-	Affiliates
DFI	DFI AMERICA, LLC.	USA	Sales of industrial motherboards	254,683	254,683	1,209	100.00%	381,483	2,328	-	Affiliates
DFI	Yan Tong Technology Ltd.	Mauritius	Investment and holding activity	187,260	187,260	6,000	100.00%	191,932	9,420	-	Affiliates
DFI	DFI Co., Ltd.	Japan	Sales of industrial motherboards	104,489	104,489	6	100.00%	110,691	3,364	-	Affiliates
DFI	Diamond Flower Information (NL) B.V.	The Netherlands	Sales of industrial motherboards	35,219	35,219	12	100.00%	80,790	6,961	-	Affiliates
DFI	AEWIN	Taiwan	Manufacture and sale of industrial motherboards and component	564,191	564,191	30,376	51.38%	591,820	15,317	-	Affiliates
DFI	ACE	Taiwan	Sales of automation mechanical transmission system and component	1,301,359	1,301,359	53,958	48.07%	1,075,127	39,832	-	Affiliates
DFI	Brainstorm	USA	Wholesale and retail of computers and peripherals product	501,582	501,582	233	35.09%	544,038	14,934	-	Affiliates
AEWIN	Wise Way	Anguilla	Investment and holding activity	46,129	46,129	1,500	100.00%	171,616	1,298	-	Affiliates
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer peripheral products and software	77,791	77,791	2,560	100.00%	(6,244)	2,575	-	Affiliates
Wise Way	Bright Profit	Hong Kong	Investment and holding activity	46,129	46,129	1,500	100.00%	198,940	1,298	-	Affiliates
ACE	Cyber South	Samoa	Investment and holding activity	107,041	107,041	4,669	100.00%	651,622	4,158	-	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%	41,886	979	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
ACE	STC	Taiwan	Sales of semiconductor optoelectronic and machinery equipment and equipment repair	187,000	-	4,680	60.00%	191,520	10,136	-	Affiliates
STC	Standard Technology Corp.	British Virgin Islands	Investment and holding activity	21,727	-	600	100.00%	136,992	5,571	-	Affiliates
Cyber South	Proton Inc.	Samoa	Investment and holding activity	527,665	527,665	17,744	100.00%	531,789	2,248	-	Affiliates
Cyber South	Ace Tek (HK) Holding Co., Ltd.	Hong Kong	Investment and holding activity	4,938	4,938	150	100.00%	869	1,449	-	Affiliates
K2	K2 Medical (Thailand) Co., Ltd.	Thailand	Sales of medical consumables	15,919	15,919	-	49.00%	24,356	1,353	-	Affiliates
K2	PT Frismed Hoslab Indonesia	Indonesia	Sales of medical consumables	257,728	257,728	-	67.00%	322,876	12,347	-	Affiliates
DIC	Data Image (Mauritius) Corporation	Mauritius	Investment and holding activity	518,381	518,381	20,215	100.00%	357,692	13,344	-	Affiliates
DIC	DIVA	Taiwan	Manufacture and sales of medical consumables and equipment	625,680	625,680	20,856	35.55%	617,042	1,858	-	Affiliates
DIC	DMC Components International, LLC	Orlando, USA	Agency sales	24,304	24,304	300	30.00%	4,812	-	-	Associate
DIVA	DIVA Laboratories GmbH	Germany	Sales of monitor	25,092	25,092	-	100.00%	1,456	(1)	-	Affiliates
DIVA	DIVA Laboratories U.S., LLC	USA	Sales of monitor	35,858	35,858	-	100.00%	8,593	390	-	Affiliates
DIVA	Panoramic Imaging Solutions Inc.	Taiwan	Sales of monitor	24,600	24,600	2,500	100.00%	36,375	1,129	-	Affiliates
DIVA	Diva Capital Inc.	Samoa	Investments in Mainland China	52,908	52,908	-	100.00%	9,568	(4,434)	-	Affiliates
DIVA	QUBYX Limited	UK	Sales and software development	17,815	17,815	2	60.00%	-	-	-	Associate
DIVA	The Linden Group Corp.	USA	Sales of monitor	30,015	30,015	-	19.00%	26,442	628	-	Associate
Diva Capital Inc.	Diva Holding Inc.	Samoa	Investments in Mainland China	52,598	52,598	-	100.00%	10,037	-	-	Affiliates
QUBYX Limited	QUBYX LTD	France	Sales and software development	38	38	1	100.00%	-	-	-	Associate
QUBYX Limited	QUBYX Software Technologies Inc	USA	Sales and software development	-	-	-	100.00%	-	-	-	Associate
EASC	Expert Alliance Smart Technology Co., Ltd.	Macao	Sales of brand-name electronic products and smart services	381	381	100	100.00%	4,500	(11,151)	-	Affiliates
Sysage	Global Intelligence Network Co., Ltd.	Taiwan	Sales of network and information and communication hardware and software	119,142	119,142	10,475	79.36%	203,410	(2,631)	-	Affiliates
Sysage	Epic Cloud Information Integration Corporation	Taiwan	Software and data processing services	50,000	50,000	5,000	100.00%	18,256	(9,173)	-	Affiliates
Sysage	Corex	South Africa	Sales, import and export of electronic products	251,872	251,872	1	100.00%	328,288	1,134	-	Affiliates
Sysage	Statinc Company	Taiwan	Market research, marketing consultant and data processing service	69,983	69,983	1,754	34.99%	84,352	(5,647)	-	Affiliates
Sysage	Unisage Digital Co., Ltd.	Taiwan	Manufacture of medical equipment	506	506	67	38.01%	580	-	-	Associate
Sysage	Grandsys Inc.	Taiwan	Data software processing service	94,547	94,547	5,643	21.08%	104,221	(2,668)	-	Associate
Sysage	AdvancedTEK International Corp	Taiwan	Applications implement services	30,091	30,091	1,153	34.09%	35,913	1,243	-	Affiliates
Sysage	Everlasting Digital ESG Co., Ltd.	Taiwan	Sales and software development	5,000	5,000	500	29.41%	3,815	(1,360)	-	Associate
Epic Cloud	Global Intelligence Network Co., Ltd.	Taiwan	Sales of network and information and communication hardware and software	172	172	10	0.08%	172	(2,631)	-	Affiliates
Epic Cloud	Statinc Company	Taiwan	Market research, marketing consultant and data processing service	40	40	1	0.02%	40	(5,647)	-	Affiliates
AdvancedTEK	APEO Human Capital Services Corp.	Taiwan	Implementaion of application software services	2,060	2,060	200	100.00%	3,291	728	-	Affiliates
Statinc	Dataa	Taiwan	Market research, marketing consultant and data processing service	20,000	20,000	2,000	100.00%	17,603	(1,309)	-	Affiliates
Topview	Messoa	Taiwan	Sales, and import and export of video surveillance cameras	23,879	23,879	1,945	40.78%	4,198	2,324	-	Affiliates
Messoa	Messoa Technologies Inc. (USA)	USA	Sales, and import and export of video surveillance cameras and maintenance services	27,126	27,126	-	100.00%	25,615	2,360	-	Affiliates
Simula	Aspire Asia Inc.	British Virgin Islands	Investment and holding activity	286,764	286,764	9,403	100.00%	151,344	(5,341)	-	Affiliates
Simula	Simula Technology Corp.	USA	Sales in North America	15,699	15,699	500	100.00%	34,369	3,045	-	Affiliates
Simula	Simula Company Limited	Hong Kong	Investment and holding activity	187,625	187,625	50,500	52.31%	149,906	(10,199)	-	Affiliates
Simula	Action Star Technology Co.,Ltd.	Taiwan	Manufacture of computer and peripherals products	983,858	983,858	32,001	59.35%	1,036,732	61,253	-	Affiliates
Simula	Mcurich Inc.	Taiwan	Sales of electronic products	15,029	15,029	645	23.33%	505	(1,894)	-	Associate
Aspire Asia Inc.	Aspire Electronics Corp.	Samoa	Investment and holding activity	95,099	95,099	2,188	95.10%	14,906	(502)	-	Affiliates
Aspire Asia Inc.	Simula Company Limited	Hong Kong	Investment and holding activity	181,726	181,726	46,033	47.69%	136,647	(10,199)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
GSC	Bigmin Bio-Tech Company Ltd.	Taiwan	Sale of alcohol and medical disinfectant	20,250	20,250	1,500	100.00%	35,145	12,911	-	Affiliates
GSC	E-Strong Medical Technology Co., Ltd.	Taiwan	Manufacture of alcohol and dialysate	286,314	286,314	22,200	66.57%	259,943	23,562	-	Affiliates
Alpha	Alpha Holdings	Cayman	Investment and holding activity	203,372	203,372	6,464	100.00%	(25,461)	(4,117)	-	Affiliates
Alpha	Alpha Solutions	Japan	Sale of network equipment, components and technical services	5,543	5,543	1	100.00%	17,929	(1,070)	-	Affiliates
Alpha	Alpha USA	USA	Sale, marketing and procurement service in USA	51,092	51,092	1,500	100.00%	144,533	1,299	-	Affiliates
Alpha	Alpha HK	Hong Kong	Investment and holding activity	3,143,628	3,143,628	780,911	100.00%	2,347,025	8,281	-	Affiliates
Alpha	ATS	USA	Post-sale service	260,497	260,497	8,100	100.00%	173,264	357	-	Affiliates
Alpha	Enrich Investment	Taiwan	Investment and holding activity	320,000	320,000	32,000	100.00%	226,750	(6,933)	-	Affiliates
Alpha	Hitron Technologies	Taiwan	Marketing on system integration and production and sales of telecommunication products	4,811,000	4,811,000	200	62.24%	3,884,444	73,775	-	Affiliates
Alpha	D-Link Asia	Singapore	Investment in manufacturing business	1,692,805	1,692,805	86,946	100.00%	1,888,438	62,609	-	Affiliates
Alpha	Alpha VN	Vietnam	Manufacture and sales of network products	249,193	-	-	100.00%	252,935	(5,410)	-	Affiliates
Enrich Investment	Interactive Digital	Taiwan	Telecommunication and broadband network system services	189,523	189,523	2,575	6.54%	100,894	24,188	-	Affiliates
Enrich Investment	Transnet Corporation	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%	20,120	(4,124)	-	Affiliates
Enrich Investment	Aespula Technologies Inc.	Taiwan	Sale of network equipment, components and technical services	80,000	80,000	8,000	98.92%	73,085	(3,690)	-	Affiliates
Hitron Technologies	Hitron Samoa	Samoa	International trade	642,697	642,697	21,350	100.00%	594,510	(7,445)	-	Affiliates
Hitron Technologies	Interactive Digital	Taiwan	Telecommunication and broadband network system services	126,091	126,091	16,703	42.40%	455,311	24,188	-	Affiliates
Hitron Technologies	Hitron Europe	The Netherlands	International trade	59,604	59,604	15	100.00%	65,388	28,067	-	Affiliates
Hitron Technologies	Hitron Americas	USA	International trade	90,082	90,082	300	100.00%	169,031	90,651	-	Affiliates
Hitron Technologies	Innoauto Technologies	Taiwan	Investment	20,000	20,000	2,000	100.00%	3,553	(79)	-	Affiliates
Hitron Technologies	Hitron Vietnam	Vietnam	Production and sale of broadband telecommunications products	1,511,735	1,511,735	-	100.00%	1,593,420	38,676	-	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.

QISDA CORPORATION AND SUBSIDIARIES
Information on investments in Mainland China
For the three months ended March 31, 2022

(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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2022	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Qisda (Suzhou) Co., Ltd. ("QCSZ")	Manufacture of monitors and communication devices	2,116,400 (USD 74,000)	(Note 1)	2,030,600 (USD 71,000)	-	-	2,030,600 (USD 71,000)	(13,314)	100.00%	(13,314) (Note 3)	10,632,267	-
BenQ Medical (Shanghai) Co., Ltd. ("BMSH")	Sale of medical consumable and equipment	38,896 (USD 1,360)	(Note 9)	-	-	-	-	(541)	100.00%	(541) (Note 4)	35,189	-
Qisda Electronics (Suzhou) Co., Ltd. ("QCES")	Manufacture of monitors	337,480 (USD 11,800)	(Note 1)	337,480 (USD 11,800)	-	-	337,480 (USD 11,800)	(81,371)	100.00%	(81,371) (Note 4)	1,680,223	-
Qisda Optronics (Suzhou) Co., Ltd. ("QCOS")	Manufacture of projectors	356,356 (USD 12,460)	(Note 1)	356,356 (USD 12,460)	-	-	356,356 (USD 12,460)	(115,462)	100.00%	(115,462) (Note 3)	4,105,721	417,646 (USD 14,603)
Qisda (Shanghai) Co., Ltd. ("QCSH")	Manufacture of monitors	1,901,900 (USD 66,500)	(Note 1)	1,372,800 (USD 48,000)	-	-	1,372,800 (USD 48,000)	(4,662)	100.00%	(4,662) (Note 4)	(1,407,234)	-
Qisda Precision Industry (Suzhou) Co., Ltd. ("QCPS")	Manufacture of plastic parts	143,000 (USD 5,000)	(Note 1)	135,850 (USD 4,750)	-	-	135,850 (USD 4,750)	10,521	100.00%	10,521 (Note 4)	437,822	-
BenQ Co., Ltd. ("BQC")	Lease of real estate	2,288,000 (USD 80,000)	(Note 1)	2,288,000 (USD 80,000)	-	-	2,288,000 (USD 80,000)	20,552	100.00%	20,552 (Note 3)	3,133,366	-
BenQ Intelligent Technology (Shanghai) Co., Ltd. ("BQC_RO")	Sales and maintenance of electronic products in China market	85,800 (USD 3,000)	(Note 1)	85,800 (USD 3,000)	-	-	85,800 (USD 3,000)	75,644	100.00%	75,644 (Note 3)	1,391,710	-
BenQ Technology (Shanghai) Co., Ltd. ("BQIs")	Sales of brand-name electronic products	28,600 (USD 1,000)	(Note 1)	5,720 (USD 200)	-	-	5,720 (USD 200)	5,247	100.00%	5,247 (Note 4)	80,768	-
ShengCheng Trading(Shanghai) Co., Ltd. ("BQsha_EC2")	Sales of brand-name electronic products	2,860 (USD 100)	(Note 10)	-	-	-	-	1,755	100.00%	1,755 (Note 4)	52,468	-
Nanjing BenQ Hospital Co., Ltd. ("NMH")	Medical service	5,205,629 (USD 182,015)	(Note 1)	5,359,526 (USD 187,396)	-	-	5,359,526 (USD 187,396)	8,145	70.05%	5,705 (Note 3)	2,404,860	-
Suzhou BenQ Hospital Co., Ltd. ("SMH")	Medical service	2,707,021 (CNY 601,975)	(Note 1)	2,545,286 (USD 88,996)	-	-	2,545,286 (USD 88,996)	730	70.05%	512 (Note 3)	722,824	-
BenQ Hospital Management Consulting (Nanjing) Co., Ltd. ("NMHC")	Medical management consulting	28,600 (USD 1,000)	(Note 1)	28,600 (USD 1,000)	-	-	28,600 (USD 1,000)	(446)	70.05%	(312) (Note 4)	16,815	-
Suzhou BenQ Investment Co., Ltd. ("BIC")	Investment and holding activity	858,000 (USD 30,000)	(Note 8)	-	-	-	-	41	70.05%	29 (Note 4)	608,692	-
Nanjing Silvertown Health & Development Co., Ltd.	Medical services	449,690 (CNY 100,000)	(Note 11)	-	-	-	(Note 11)	(6,277)	11.03%	(692) (Note 4)	131,809 (Note 15)	-
Guru Systems (Suzhou) Co., Ltd. ("GSS")	R&D and sales of computer information systems	377,520 (USD 13,200)	(Note 1)	277,420 (USD 9,700)	-	-	277,420 (USD 9,700)	(10,024)	100.00%	(10,024) (Note 4)	32,922	-
BenQ Biotech (Shanghai) Co., Ltd. ("BBC")	Manufacture and sales of medical consumables and equipment	674,535 (CNY 150,000)	(Note 2)	921,865 (CNY 205,000)	-	-	921,865 (CNY 205,000)	(19,253)	70.00%	(13,477) (Note 4)	777,889	-
Guangxi Youshan Medical Technology Co., Ltd. ("Youshan")	Medical services	26,981 (CNY 6,000)	(Note 13)	-	-	-	(Note 13)	5,719	38.50%	2,202 (Note 4)	17,702	-

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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2022	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Wangcheng Medical Technology (Chengdu) Co., Ltd (“Wangcheng”)	Sales of medical consumables and equipment	8,994 (CNY 2,000)	(Note 13)	-	-	-	(Note 13)	138	49.00%	68 (Note 4)	4,999	-
Shanghai Filter Technology Co.,Ltd (“Filter”)	Sales of medical consumables and equipment	205,283 (CNY 45,650)	(Note 13)	-	-	-	(Note 13)	336	70.00%	235 (Note 4)	157,473	-
Guigang Donghui Medical Investment Co., Ltd.	Medical services	2,827,003 (CNY 628,656)	(Note 12)	-	-	-	(Note 12)	(2,558)	9.89%	(253) (Note 4)	353,196 (Note 15)	-
Shanghai Zhenglang Medical Equipment Co.,Ltd (“Zhenglang”)	Sales of medical consumables and equipment	26,981 (CNY 6,000)	(Note 13)	-	-	-	(Note 13)	(996)	35.70%	(355) (Note 4)	9,217	-
Jiangsu Yudi Optical Co.,Ltd (“Yudi”)	Sales and Manufacture of Optical Lens	363,709 (CNY 80,880)	(Note 14)	-	-	-	(Note 14)	49,830	20.01%	9,970 (Note 4)	564,747 (Note 15)	-

(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 reviewed but unaudited financial statements issued by the auditors of the parent company.

(Note 4) Investment income or loss was recognized based on the unreviewed financial statements of the company.

(Note 5) The amount of GRHK reinvestments US\$3,500 thousand were excluded.

(Note 6) The amount of QCES reinvestments US\$800 thousand were excluded.

(Note 7) The amount of QCES reinvestments US\$18,500 thousand were excluded.

(Note 8) The investment was from the operating capital of BBM.

(Note 9) The reinvestments were from the distribution of dividends of QLLB.

(Note 10) The reinvestments were from the distribution of dividends of BQHK.

(Note 11) NSHD is established by NMH's asset division.

(Note 12) The investment was from the operating capital of NMH.

(Note 13) The investment was from the operating capital of BBC.

(Note 14) The investment was from the operating capital of QCES.

(Note 15) Accounting for investments using equity method.

(Note 16) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$28.60 and CNY\$1=NT\$4.4969.

(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 March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
15,745,302 (USD 518,302 and CNY 205,000)	16,379,420 (USD 572,707)	(Note 18)

(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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2022	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
BenQ Material (Suzhou) Co., Ltd. ("BMS")	Manufacture of optoelectronics	829,400 (USD29,000)	(Note 1)	829,400 (USD29,000)	-	-	829,400 (USD 29,000)	11,389	100.00%	11,389 (Note 2)	2,017,746 (Note 6)	-
Daxon Biomedical (Suzhou) Co., Ltd. ("DTB")	Service and sales of optoelectronics and medical consumables	49,466 (CNY11,000)	(Note 4)	-	-	-	-	16,304	100.00%	16,304 (Note 2)	18,699 (Note 6)	-
BenQ Materials (Wuhu) Co., Ltd.	Manufacture and sales of optoelectronics and cosmetics	359,752 (CNY80,000)	(Note 1)	179,876 (CNY 40,000)	-	-	179,876 (CNY 40,000) (Note 5)	41,511	100.00%	40,192 (Note 2)	(251,916) (Note 6)	-
BenQ Materials Medical Supplies (Suzhou) Co., Ltd. ("BMM")	Manufacture and sales of medical consumables and equipment	67,454 (CNY15,000)	(Note 4)	-	-	-	-	12,255	100.00%	12,255 (Note 2)	68,600 (Note 6)	-
Suzhou Sigma Medical Supplies Co., Ltd. ("SGS")	Manufacture and sales of medical consumables and equipment	45,531 (USD1,592)	(Note 3)	45,531 (USD1,592)	-	-	45,531 (USD1,592)	65	100.00%	65 (Note 2)	26,716 (Note 6)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMC	1,009,276 (USD29,000 and CNY40,000)	1,125,971 (USD29,000 and CNY65,950)	(Note 7)
SGM	45,531 (USD1,592)	45,531 (USD1,592)	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 reviewed 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\$28.60 and CNY\$1=NT\$4.4969.

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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2022	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
BenQ Medical Technology (Shanghai) Ltd. (“BMTS”)	Agency of international and entrepot trade business	28,600 (USD 1,000)	(Note 1)	28,600 (USD 1,000)	-	-	28,600 (USD 1,000)	633	100.00%	633 (Note 5)	14,004 (Note 4)	-
LILY Medical (Suzhou) Co., Ltd. (“ALS”)	Sales of medical consumables and equipment	6,006 (USD 210)	(Note 2)	6,006 (USD 210)	-	-	6,006 (USD 210)	(147)	100.00%	(147) (Note 6)	2,208 (Note 4)	-
TDX Medical Technology (Jiangsu) Co., Ltd.	Sales of medical consumables and equipment	89,938 (CNY 20,000)	(Note 2)	35,975 (CNY 8,000)	-	-	35,975 (CNY 8,000)	(1,309)	40.00%	(524) (Note 6)	30,539	-
Suzhou Trident Original Medical Technology Co., Ltd.	Sales of medical consumables and equipment	8,994 (CNY 2,000)	(Note 3)	-	-	-	-	(826)	22.00%	(240) (Note 6)	7,719	-

(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 reviewed financial statements issued by the auditors of BMTC.

(Note 6) Investment income or loss was recognized based on the unreviewed financial statements of the company.

(Note 7) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$28.60 and CNY\$1=NT\$4.4969.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMTC	64,575 (USD 1,000 and CNY 8,000)	80,852 (USD 2,827)	663,079
LILY	6,006 (USD 210)	6,006 (USD 210)	105,482

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” 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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2022	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Partner Tech (Shanghai) Co., Ltd. ("PTCM")	Sales, import and export of electronic products	100,100 (USD 3,500)	(Note 1)	100,100 (USD 3,500)	-	-	100,100 (USD 3,500)	1,062	100.00%	1,062 (Note 2)	80,202	-

(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 unreviewed financial statements of the company.

(Note 3) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$28.60.

(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 March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
PTT	100,100 (USD 3,500)	197,512 (USD 6,906)	604,166

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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2022 (Note 7)	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Yan Tong Infotech (Dongguan) Co., Ltd. ("DYTP")	Manufacture and sales of industrial motherboards and component	69,200	(Note 1)	-	-	-	-	(91)	100.00%	(91) (Note 2)	53,197	33,306
Yan Ying Hao Trading (ShenZhen) Co., Ltd. ("DYTH")	Wholesale, import and export of industrial motherboards and component	13,840	(Note 1)	-	-	-	-	6,702	100.00%	6,702 (Note 2)	55,023	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
DFI	- (Note 3)	59,631 (USD 2,085) (Note 5 and 6)	3,170,619 (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 unreviewed financial statements of the company.

(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\$28.60.

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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2022 (Note 6)	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Aewin Beijing Technologies Co., Ltd.	Wholesale of computer peripheral products and software	46,129	(Note 1)	46,129	-	-	46,129	1,298	100.00%	1,298 (Note 3)	198,935	-
Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	13,062	(Note 2)	-	-	-	-	(1,758)	100.00%	(1,758) (Note 4)	(3,698)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
AEWIN	46,129	57,200 (USD 2,000)	687,581 (Note 5)

(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 reviewed financial statements by the auditors of AEWIN.

(Note 4) Investment income or loss was recognized based on the unreviewed financial statements of the company.

(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 have been eliminated when preparing the consolidated financial statements.

(Note 7) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$28.60.

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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2021 (Note 7)	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	1,009,494 (USD 35,297)	(Note 1)	55,770 (USD 1,950)	-	-	55,770 (USD 1,950)	3,350	100.00%	3,350 (Note 4)	635,781	125,533
Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	7,510 (CNY 1,670)	(Note 1)	4,576 (USD 160)	-	-	4,576 (USD 160)	(2,500)	100.00%	(2,500) (Note 4)	4,702	-
Advancedtek Ace (TJ) Inc.	Electronic system integration	8,580 (USD 300)	(Note 1)	4,290 (USD 150)	-	-	4,290 (USD 150)	1,449	100.00%	1,449 (Note 4)	844	-
Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	41,470 (USD 1,450)	(Note 1)	- (Note 2)	-	-	- (Note 2)	2,984	100.00%	2,984 (Note 4)	105,075	-
Xuchang Ace AI Equipment Co., Ltd.	Wholesale of industrial robot and component	8,580 (USD 300)	(Note 1)	- (Note 2)	-	-	- (Note 2)	(129)	100.00%	(129) (Note 4)	2,098	-
Standard International Trading (Shanghai) Co., Ltd.	Sales of semiconductor optoelectronics equipment and consumables	13,728 (USD 480)	(Note 1)	- (Note 3)	-	-	- (Note 3)	5,777	60.00%	1,601 (Note 5)	97,985	83,401

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
ACE	146,403 (USD 5,119)	146,403 (USD 5,119)	1,261,446 (Note 6)
STC	13,728 (USD 480)	13,728 (USD 480)	79,392 (Note 6)

(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) Established by Standard Technology Corp's reinvestment.

(Note 4) Investment income or loss was recognized based on the reviewed financial statements by the auditors of ACE.

(Note 5) Investment income or loss was recognized based on the unreviewed financial statements of the company.

(Note 6) 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 7) The dissolution of Xuchang Ace AI Equipment Co., Ltd. was approved by the Board of Directors on November 23, 2021, the liquidation procedures is still in process.

(Note 8) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 9) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$28.60 and CNY\$1=NT\$4.4969.

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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of March 31, 2022 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Data Image (Suzhou) Corporation	Manufacture and sales of LCD	466,180 (USD16,300)	(Note 1)	447,704 (USD15,654)	-	-	447,704 (USD15,654)	13,290	100.00%	13,290	356,001	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 15,654	USD 16,952	746,720 (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 unreviewed financial statements of the company.

(Note 4) Investment amounts in Mainland China shall not exceed the 60% net worth of DIC according to MOEA letter No. 09704604680.

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$28.60.

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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of March 31, 2022 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	49,335 (USD1,725)	(Note 1)	49,335 (USD1,725)	-	-	49,335 (USD1,725)	(4,524)	100.00%	(4,524)	13,572	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
52,643	USD 2,000 (Note 4)	593,714

(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 unreviewed financial statements of the company.

(Note 4) The accumulated investments is US\$1,725 thousand and the investment not yet executed is US\$275 thousand as of March 31,2022.

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$28.60.

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. K2 International Medica 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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of March 31, 2022 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
K2 (Shanghai) International Medical Inc.	Sales of medical consumables	35,750 (USD 1,250)	(Note 1)	55,284 (USD 1,933)		-	55,284 (USD 1,933)	7,993	100.00%	7,993	79,878	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
55,284 (USD 1,933)	55,284 (USD 1,933)	376,114 (Note 4)

(Note 1) Direct investment in Mainland China.

(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 unreviewed financial statements of the company.

(Note 4) Investment amounts in Mainland China shall not exceed the 60% net worth of K2 according to MOEA letter No. 09704604680.

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$28.60.

3. Significant transactions with investee companies in Mainland China:

The transactions between K2 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. 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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2022 (Note 3)	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	191,437	(Note 1)	141,375	-	-	141,375	(843)	100.00%	(843)	200,585	-
Opti Cloud Technologies, Inc.	Development of High-speed optical transmission cable and module product technology	137,336	(Note 1)	95,099	-	-	95,099	(932)	51.18%	(477)	14,901	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Simula	257,755	307,817	1,334,579

(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 reviewed financial statements by the auditors of Simula.

(Note 3) The above amounts have been eliminated when preparing the consolidated financial statements.

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.

L.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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of March 31, 2022 (Note 8)	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Alpha Networks (Chengdu) Co.,Ltd.	Research and development of network products	420,426	(Note 1)	420,426	-	-	420,426	3,381	100.00%	3,381	598,190	-
Alpha Networks (Dongguan) Co., Ltd.	Production and sale of network products	741,084	(Note 1)	741,084	-	-	741,084 (Note 6)	58,047	100.00%	58,047	1,130,607	-
Mirac Networks (Dongguan) Co.,Ltd.	Production and sale of network products	307,326	(Note 1)	307,326	-	-	307,326	17,595	100.00%	17,595	332,004	-
Alpha Networks (Changshu) Co., Ltd.	Production and sale of network products	1,925,920	(Note 1)	1,925,920	-	-	1,925,920	(1,991)	100.00%	(1,991)	1,392,431	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Alpha	3,261,784 (Note 3、4 and 7)	4,123,685	(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 reviewed 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. 10820415320 of being qualified for operating headquarters issued by Ministry of Economic Affairs on June, 11 2019, 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.

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.

M.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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of March 31, 2022 (Note 5)	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
Hitron Suzhou	Production and sale of broadband telecommunications products	641,763	(Note 1)	641,763	-	-	641,763	(3,946)	100.00% (Note 4)	(7,444)	599,869	-
Jietech Suzhou	Sale of broadband network products and related services	31,139	(Note 1)	31,139	-	-	31,139	(3)	100.00% (Note 4)	(1)	3,841	-
Hwa Chi Technologies	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	5,814	(Note 1)	12,048	-	-	12,048	628	42.40% (Note 3 and 4)	269	6,692	21,314

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Hitron Technologies	684,950	684,950	2,821,367

(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 reviewed financial statements by the auditors of Hitron Technologies.

(Note 3) Hwa Chi is a reinvestment company in China which formerly invested by Hitron (Samoa), however, Hwa Chi has been 100% owned by Interactive Digital due to the Group's restructuring decision resolved in year 2012.

(Note 4) This refers to the direct or indirect shares holding by Hitron technologies.

(Note 5) 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 Technologies 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.

N.Topview Optronics 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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2022	Accumulated Inward Remittance of Earnings as of March 31, 2022
					Outflow	Inflow						
-	-	-	-	-	-	-	-	-	-	-	-	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment (Note 2)
Topview	5,205 (USD 182)	5,205 (USD 182)	657,461

(Note 1) The amount USD \$182 thousands is the authorized amount for the liquidated investee in the previous year, which the cancellation has not been applied.

(Note 2) 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 3) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$28.60.

3. Significant transactions with investee companies in Mainland China:

The transactions between Topview 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.