

QISDA CORPORATION AND SUBSIDIARIES
Consolidated Financial Statements
With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2022 and 2021

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

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 September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months then ended, as well as the consolidated statements of changes in equity and cash flows for the nine 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 \$29,464,194 thousand and \$24,658,161 thousand, constituting 13.55% and 13.62% of the consolidated total assets; and the total liabilities amounting to \$10,954,077 thousand and \$9,834,892 thousand, constituting 7.31% and 8.08% of the consolidated total liabilities as of September 30, 2022 and 2021, respectively; and the total comprehensive income amounting to \$717,641 thousand, \$509,685 thousand, \$341,059 thousand and \$936,082 thousand, constituting 9.08%, 35.54%, 4.66% and 17.56% of the absolute value of consolidated total comprehensive income for the three months and nine 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 \$2,100,579 thousand and \$923,588 thousand as of September 30, 2022 and 2021, respectively, and the share of profits (losses) of associates and joint ventures amounted to \$40,024 thousand, \$7,134 thousand, \$117,546 thousand and \$19,756 thousand for the three months and nine 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 September 30, 2022 and 2021, and their consolidated financial performance for the three months and nine months then ended, as well as their consolidated cash flows for the nine 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 \$6,170,852 thousand and \$5,701,710 thousand, constituting 2.84% and 3.15% of the consolidated total assets as of September 30, 2022 and 2021, respectively, and the total operating revenue amounting to \$1,773,519 thousand, \$1,567,203 thousand, \$4,840,913 thousand and \$3,547,227 thousand, constituting 2.95%, 2.76%, 2.63% and 2.16% of the consolidated operating revenue for the three months and nine 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)
November 4, 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 September 30, 2022 and 2021

QISDA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2022, December 31 and September 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

Assets		September 30, 2022		December 31, 2021		September 30, 2021		Liabilities and Equity		September 30, 2022		December 31, 2021		September 30, 2021	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
Current assets:								Current liabilities:							
1100	Cash and cash equivalents (note 6(a))	\$ 34,792,256	16	17,781,480	10	16,830,176	9	2100	Short-term borrowings (notes 6(n) and 8)	\$ 40,739,810	19	24,295,022	13	31,332,287	17
1110	Financial assets at fair value through profit or loss — current (notes 6(b) and (p))	327,136	-	133,212	-	176,982	-	2120	Financial liabilities at fair value through profit or loss — current (note 6(b))	511,919	-	78,178	-	62,345	-
1120	Financial assets at fair value through other comprehensive income — current (note 6(c))	104,062	-	102,037	-	100,959	-	2130	Contract liabilities — current (note 6(y))	2,546,409	1	2,431,400	1	2,303,002	1
1170	Notes and accounts receivable, net (notes 6(d) and (y) and 8)	45,757,654	21	29,999,477	16	30,472,923	17	2170	Notes and accounts payable	35,609,444	16	39,319,708	21	37,065,973	21
1181	Notes and accounts receivable from related parties (notes 6(d) and (y) and 7)	1,673,964	1	3,007,620	2	3,257,876	2	2180	Accounts payable to related parties (note 7)	891,208	-	1,465,399	1	1,480,821	1
1200	Other receivables (notes 6(d) and (e) and (i))	2,460,683	1	852,087	-	733,201	-	2200	Other payables (notes 6(i) and (v) and (z))	13,854,759	6	12,863,465	7	11,136,213	6
1210	Other receivables from related parties (notes 6(e) and 7)	313,368	-	304,166	-	301,406	-	2220	Other payables to related parties (notes 6(v) and 7)	21,429	-	27,307	-	274,214	-
130X	Inventories (notes 6(f) and 8)	53,392,349	25	50,147,906	27	47,994,397	27	2230	Current tax liabilities	5,935,625	3	1,540,749	1	2,039,061	1
1470	Other current assets	3,657,267	2	3,069,555	2	3,299,941	2	2300	Other current liabilities (note 6(o))	859,294	-	878,646	-	600,825	-
1476	Other financial assets — current (notes 6(a) and 8)	2,296,070	1	4,046,389	2	6,720,048	4	2365	Refund liabilities — current	3,064,812	2	2,884,556	2	3,063,706	2
1461	Non-current assets held for sale (note 6(g))	350,483	-	476,511	-	326,529	-	2321	Current portion of bonds payable (note 6(p))	371,449	-	461,471	-	459,813	-
	Total current assets	<u>145,125,292</u>	<u>67</u>	<u>109,920,440</u>	<u>59</u>	<u>110,214,438</u>	<u>61</u>	2322	Current portion of long-term debt (notes 6(o) and 8)	1,524,746	1	714,857	-	687,132	1
	Non-current assets:							2280	Lease liabilities — current (notes 6(q) and 7)	471,961	-	466,245	-	456,401	-
1510	Financial assets at fair value through profit or loss — non-current (note 6(b))	351,592	-	354,333	-	328,257	-	2250	Provisions — current (note 6(r))	1,076,093	1	906,468	1	781,766	1
1517	Financial assets at fair value through other comprehensive income — non-current (notes 6(c) and 8)	11,440,424	5	18,047,059	10	14,068,984	8		Total current liabilities	<u>107,478,958</u>	<u>49</u>	<u>88,333,471</u>	<u>47</u>	<u>91,743,559</u>	<u>51</u>
1550	Investments accounted for using the equity method (note 6(h))	5,004,209	2	4,067,106	2	3,320,624	2		Non-current liabilities:						
1600	Property, plant and equipment (notes 6(j) and 8)	36,116,265	17	33,037,041	18	31,855,087	17	2503	Financial liabilities at fair value through profit or loss — non-current (note 6(b))	70,947	-	97,986	-	91,292	-
1755	Right-of-use assets (notes 6(k) and 7)	4,769,475	2	4,613,883	2	4,491,047	2	2530	Bonds payable (note 6(p))	2,994,746	1	-	-	-	-
1760	Investment property (notes 6(l) and 8)	941,978	-	3,408,285	2	3,434,863	2	2540	Long-term debt (notes 6(o) and 8)	33,934,101	16	26,702,353	14	24,589,614	13
1780	Intangible assets (notes 6(i) and (m))	10,400,814	5	10,538,787	6	10,201,865	6	2580	Lease liabilities — non-current (notes 6(q) and 7)	1,645,051	1	1,524,736	1	1,396,554	1
1840	Deferred income tax assets	1,837,648	1	1,733,297	1	1,670,551	1	2550	Provisions — non-current (note 6(r))	761,536	-	743,366	1	667,591	-
1900	Other non-current assets	295,456	-	386,454	-	196,872	-	2570	Deferred income tax liabilities	1,829,751	1	2,355,169	1	1,774,209	1
1980	Other financial assets — non-current (notes 6(a) and 8)	1,210,380	1	1,103,910	-	1,234,776	1	2670	Other non-current liabilities	1,132,110	1	1,290,751	1	1,397,808	1
	Total non-current assets	<u>72,368,241</u>	<u>33</u>	<u>77,290,155</u>	<u>41</u>	<u>70,802,926</u>	<u>39</u>		Total non-current liabilities	<u>42,368,242</u>	<u>20</u>	<u>32,714,361</u>	<u>18</u>	<u>29,917,068</u>	<u>16</u>
	Total assets	<u>\$ 217,493,533</u>	<u>100</u>	<u>187,210,595</u>	<u>100</u>	<u>181,017,364</u>	<u>100</u>		Total liabilities	<u>149,847,200</u>	<u>69</u>	<u>121,047,832</u>	<u>65</u>	<u>121,660,627</u>	<u>67</u>
									Equity attributable to shareholders of the Company (notes 6(c) and (i) and (v)):						
								3110	Common stock	19,667,820	9	19,667,820	11	19,667,820	11
								3260	Capital surplus	1,846,573	1	1,844,310	1	1,790,509	1
								3300	Retained earnings	23,826,832	11	20,777,515	11	19,654,724	11
								3400	Other equity	(4,270,789)	(2)	(833,222)	(1)	(4,973,822)	(3)
									Total equity attributable to shareholders of the Company	<u>41,070,436</u>	<u>19</u>	<u>41,456,423</u>	<u>22</u>	<u>36,139,231</u>	<u>20</u>
								36XX	Non-controlling interests (note 6(v))	26,575,897	12	24,706,340	13	23,217,506	13
									Total equity	<u>67,646,333</u>	<u>31</u>	<u>66,162,763</u>	<u>35</u>	<u>59,356,737</u>	<u>33</u>
									Total liabilities and equity	<u>\$ 217,493,533</u>	<u>100</u>	<u>187,210,595</u>	<u>100</u>	<u>181,017,364</u>	<u>100</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
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QISDA CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Loss)

For the three months and nine months ended September 30, 2022 and 2021

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

	For the three months ended				For the nine months ended				
	September 30				September 30				
	2022		2021		2022		2021		
	Amount	%	Amount	%	Amount	%	Amount	%	
4000	Operating revenues (notes 6(y), 7 and 14)	\$ 60,060,063	100	57,201,144	100	183,720,277	100	164,088,700	100
5000	Operating costs (notes 6(f), (i), (l), (m), (q), (t) and (z), 7 and 12)	<u>(51,410,995)</u>	<u>(86)</u>	<u>(48,885,463)</u>	<u>(85)</u>	<u>(157,924,817)</u>	<u>(86)</u>	<u>(140,013,337)</u>	<u>(85)</u>
	Gross profit	<u>8,649,068</u>	<u>14</u>	<u>8,315,681</u>	<u>15</u>	<u>25,795,460</u>	<u>14</u>	<u>24,075,363</u>	<u>15</u>
	Operating expenses (notes 6(d), (j), (l), (m), (q), (t) and (z), 7 and 12):								
6100	Selling expenses	(3,957,723)	(7)	(3,299,640)	(6)	(11,134,786)	(6)	(9,427,195)	(6)
6200	Administrative expenses	(1,743,312)	(3)	(1,491,164)	(3)	(4,815,781)	(3)	(4,440,558)	(3)
6300	Research and development expenses	(2,151,310)	(3)	(1,541,984)	(3)	(5,450,777)	(3)	(4,646,253)	(3)
6450	Gain on reversal of impairment loss (expected credit loss)	<u>(8,564)</u>	<u>-</u>	<u>(1,120)</u>	<u>-</u>	<u>(18,659)</u>	<u>-</u>	<u>45,267</u>	<u>-</u>
	Total operating expenses	<u>(7,860,909)</u>	<u>(13)</u>	<u>(6,333,908)</u>	<u>(12)</u>	<u>(21,420,003)</u>	<u>(12)</u>	<u>(18,468,739)</u>	<u>(12)</u>
	Operating income	<u>788,159</u>	<u>1</u>	<u>1,981,773</u>	<u>3</u>	<u>4,375,457</u>	<u>2</u>	<u>5,606,624</u>	<u>3</u>
	Non-operating income and loss:								
7100	Interest income (note 6(aa))	113,106	-	64,021	-	238,915	-	203,787	-
7010	Other income (notes 6(o) and (aa))	920,499	2	318,633	1	985,334	-	374,274	-
7020	Other gains and losses, net (notes 6(g), (h), (i), (j), (q), (aa) and 7)	9,818,304	16	268,679	-	10,344,042	6	3,811,196	2
7050	Finance costs (notes 6(q) and (aa) and 7)	(362,192)	(1)	(170,935)	-	(810,280)	-	(506,480)	-
7060	Share of profits (losses) of associates and joint ventures (note 6(h))	<u>130,157</u>	<u>1</u>	<u>85,334</u>	<u>-</u>	<u>348,404</u>	<u>-</u>	<u>1,485,352</u>	<u>1</u>
	Total non-operating income and loss	<u>10,619,874</u>	<u>18</u>	<u>565,732</u>	<u>1</u>	<u>11,106,415</u>	<u>6</u>	<u>5,368,129</u>	<u>3</u>
	Income before income tax	<u>11,408,033</u>	<u>19</u>	<u>2,547,505</u>	<u>4</u>	<u>15,481,872</u>	<u>8</u>	<u>10,974,753</u>	<u>6</u>
7950	Less: Income tax expense (note 6(u))	<u>(4,092,571)</u>	<u>(7)</u>	<u>(594,001)</u>	<u>(1)</u>	<u>(5,418,575)</u>	<u>(3)</u>	<u>(2,024,701)</u>	<u>(1)</u>
	Net income	<u>7,315,462</u>	<u>12</u>	<u>1,953,504</u>	<u>3</u>	<u>10,063,297</u>	<u>5</u>	<u>8,950,052</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 losses from investments in equity instruments measured at fair value through other comprehensive income (note 6(v))	(1,486,739)	(2)	(3,243,553)	(6)	(6,713,292)	(3)	(3,117,075)	(2)
8320	Share of other comprehensive income (loss) of associates (notes 6(h) and (v))	(20,099)	-	(25,768)	-	(179,235)	-	(288)	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss (note 6(u))	<u>26,428</u>	<u>-</u>	<u>(8,547)</u>	<u>-</u>	<u>81,468</u>	<u>-</u>	<u>(109,341)</u>	<u>-</u>
		<u>(1,480,410)</u>	<u>(2)</u>	<u>(3,277,868)</u>	<u>(6)</u>	<u>(6,810,514)</u>	<u>(3)</u>	<u>(3,226,704)</u>	<u>(2)</u>
8360	Items that may be reclassified subsequently to profit or loss								
8361	Exchange differences on translation of foreign operations (note 6(v))	1,927,727	3	(113,821)	-	3,776,207	2	(285,957)	-
8370	Share of other comprehensive income (loss) of associates and joint ventures (notes 6(h) and (v))	<u>137,325</u>	<u>-</u>	<u>4,010</u>	<u>-</u>	<u>292,056</u>	<u>-</u>	<u>(105,343)</u>	<u>-</u>
		<u>2,065,052</u>	<u>3</u>	<u>(109,811)</u>	<u>-</u>	<u>4,068,263</u>	<u>2</u>	<u>(391,300)</u>	<u>-</u>
	Other comprehensive income (loss) for the period, net of income tax	<u>584,642</u>	<u>1</u>	<u>(3,387,679)</u>	<u>(6)</u>	<u>(2,742,251)</u>	<u>(1)</u>	<u>(3,618,004)</u>	<u>(2)</u>
	Total comprehensive income (loss) for the period	<u>\$ 7,900,104</u>	<u>13</u>	<u>(1,434,175)</u>	<u>(3)</u>	<u>7,321,046</u>	<u>4</u>	<u>5,332,048</u>	<u>3</u>
	Net income attributable to:								
8610	Shareholders of the Company	\$ 6,364,162	11	1,395,322	2	7,880,318	4	7,312,256	4
8620	Non-controlling interests	<u>951,300</u>	<u>1</u>	<u>558,182</u>	<u>1</u>	<u>2,182,979</u>	<u>1</u>	<u>1,637,796</u>	<u>1</u>
		<u>\$ 7,315,462</u>	<u>12</u>	<u>1,953,504</u>	<u>3</u>	<u>10,063,297</u>	<u>5</u>	<u>8,950,052</u>	<u>5</u>
	Total comprehensive income (loss) attributable to:								
8710	Shareholders of the Company	\$ 6,666,068	11	(1,963,921)	(4)	4,536,710	2	3,781,484	2
8720	Non-controlling interests	<u>1,234,036</u>	<u>2</u>	<u>529,746</u>	<u>1</u>	<u>2,784,336</u>	<u>2</u>	<u>1,550,564</u>	<u>1</u>
		<u>\$ 7,900,104</u>	<u>13</u>	<u>(1,434,175)</u>	<u>(3)</u>	<u>7,321,046</u>	<u>4</u>	<u>5,332,048</u>	<u>3</u>
	Earnings per share (in New Taiwan Dollars) (note 6(x)):								
9750	Basic earnings per share	<u>\$ 3.24</u>		<u>0.71</u>		<u>4.01</u>		<u>3.72</u>	
9850	Diluted earnings per share	<u>\$ 3.18</u>		<u>0.70</u>		<u>3.93</u>		<u>3.65</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 Changes in Equity
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Attributable to shareholders of the Company												Non-controlling interests	Total equity
	Retained earnings						Other equity							
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other equity interest	Total equity of the Company			
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)	(1,264,645)	36,025,501	22,937,719	58,963,220	
Net income for the period	-	-	-	-	7,312,256	7,312,256	-	-	-	-	7,312,256	1,637,796	8,950,052	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(304,372)	(3,226,295)	(105)	(3,530,772)	(3,530,772)	(87,232)	(3,618,004)	
Total comprehensive income (loss) for the period	-	-	-	-	7,312,256	7,312,256	(304,372)	(3,226,295)	(105)	(3,530,772)	3,781,484	1,550,564	5,332,048	
Appropriation of earnings:														
Legal reserve	-	-	455,392	-	(455,392)	-	-	-	-	-	-	-	-	
Special reserve	-	-	-	656,137	(656,137)	-	-	-	-	-	-	-	-	
Cash dividends distributed to shareholders	-	-	-	-	(2,950,173)	(2,950,173)	-	-	-	-	(2,950,173)	-	(2,950,173)	
Share of changes in equity of associates and joint ventures	-	(96,938)	-	-	-	-	-	-	-	-	(96,938)	1,057	(95,881)	
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,242,494)	(1,242,494)	
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	77,547	77,547	
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	-	-	-	-	(628,589)	(628,589)	-	-	-	-	(628,589)	(1,322,949)	(1,951,538)	
Changes in ownership interests in subsidiary	-	7,946	-	-	-	-	-	-	-	-	7,946	(7,946)	-	
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	5,849	5,849	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	1,218,159	1,218,159	
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	178,405	178,405	-	(178,405)	-	(178,405)	-	-	-	
Balance at September 30, 2021	\$ 19,667,820	1,790,509	2,639,376	1,264,645	15,750,703	19,654,724	(1,718,239)	(2,833,371)	(422,212)	(4,973,822)	36,139,231	23,217,506	59,356,737	
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	-	-	-	-	7,880,318	7,880,318	-	-	-	-	7,880,318	2,182,979	10,063,297	
Other comprehensive income (loss) for the period	-	-	-	-	-	-	3,470,720	(6,814,637)	309	(3,343,608)	(3,343,608)	601,357	(2,742,251)	
Total comprehensive income (loss) for the period	-	-	-	-	7,880,318	7,880,318	3,470,720	(6,814,637)	309	(3,343,608)	4,536,710	2,784,336	7,321,046	
Appropriation of earnings:														
Legal reserve	-	-	798,486	-	(798,486)	-	-	-	-	-	-	-	-	
Reversal of special reserve	-	-	-	(431,423)	431,423	-	-	-	-	-	-	-	-	
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	-	(7,046)	-	-	-	-	-	-	-	-	(7,046)	36	(7,010)	
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	93,959	93,959	-	(93,959)	-	(93,959)	-	-	-	
Distribution of cash dividend by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,493,123)	(1,493,123)	
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	-	-	-	-	(8,005)	(8,005)	-	-	-	-	(8,005)	(26,983)	(34,988)	
Changes in ownership interests in subsidiaries	-	9,309	-	-	-	-	-	-	-	-	9,309	(9,309)	-	
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,612	2,612	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	611,988	611,988	
Balance at September 30, 2022	\$ 19,667,820	1,846,573	3,437,862	833,222	19,555,748	23,826,832	1,747,483	(5,530,029)	(488,243)	(4,270,789)	41,070,436	26,575,897	67,646,333	

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 nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2022	2021
Cash flows from operating activities:		
Income before income tax	\$ 15,481,872	10,974,753
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	3,102,934	2,818,220
Amortization	822,156	718,113
Expected credit loss (gain on reversal of impairment loss)	18,659	(45,267)
Interest expense	810,280	506,480
Interest income	(238,915)	(203,787)
Dividend income	(905,061)	(283,347)
Share-based compensation cost	2,612	5,849
Share of profits of associates and joint ventures	(348,404)	(1,485,352)
Loss (gain) on disposal of property, plant and equipment	(7,246)	30,091
Gain on disposal of non-current assets held for sale	(907,772)	(365,338)
Gain on disposal of subsidiaries	(8,756,655)	(104,928)
Gain on disposal of investments accounted for using equity method	(55,851)	(2,957,682)
Gain on bargain purchase	(81,089)	-
Impairment loss on non-financial assets	6,322	-
Impairment loss on investments accounted for using equity method	7,000	6,632
Total adjustments for profit or loss	<u>(6,531,030)</u>	<u>(1,360,316)</u>
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets at fair value through profit or loss	(191,183)	(33,399)
Decrease (increase) in notes and accounts receivable	(15,329,015)	3,356,617
Decrease in notes and accounts receivable from related parties	1,348,991	22,493
Decrease (increase) in other receivables	(383,023)	45,947
Decrease (increase) in other receivables from related parties	(9,202)	993
Increase in inventories	(3,014,637)	(11,619,075)
Increase in other current assets	(614,005)	(171,002)
Decrease in other non-current assets	61,958	186,795
Net changes in operating assets	<u>(18,130,116)</u>	<u>(8,210,631)</u>
Changes in operating liabilities:		
Increase (decrease) in financial liabilities at fair value through profit or loss	406,702	(87,445)
Decrease in notes and accounts payable	(4,093,907)	(2,481,101)
Decrease in accounts payable to related parties	(574,191)	(646,715)
Increase (decrease) in other payables to related parties	(2,343)	258,063
Increase (decrease) in provisions	187,795	(47,067)
Decrease in contract liabilities	121,341	400,744
Increase (decrease) in other payables and other current liabilities	919,671	(961,259)
Decrease in other non-current liabilities	(4,965)	(30,612)
Net changes in operating liabilities	<u>(3,039,897)</u>	<u>(3,595,392)</u>
Total changes in operating assets and liabilities	<u>(21,170,013)</u>	<u>(11,806,023)</u>
Total adjustments	<u>(27,701,043)</u>	<u>(13,166,339)</u>
Cash used in operations	(12,219,171)	(2,191,586)
Interest received	255,284	152,906
Dividends received	1,190,395	474,217
Interest paid	(725,326)	(519,243)
Income taxes paid	(1,715,649)	(1,257,544)
Net cash used in operating activities	<u>(13,214,467)</u>	<u>(3,341,250)</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 nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2022	2021
Cash flows from investing activities:		
Purchase of financial assets at fair value through other comprehensive income	\$ (218,568)	(69,187)
Proceeds from disposal of financial assets at fair value through other comprehensive income	113,254	312,579
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	11,042	-
Purchase of financial assets at fair value through profit or loss	-	(100,000)
Proceeds from disposal of financial assets at fair value through profit or loss	-	167,917
Purchase of investments accounted for using the equity method	(784,040)	(9,480)
Proceeds from disposal of investments accounted for using the equity method	66,713	1,166,166
Proceeds from disposal of subsidiaries	10,417,241	312,041
Proceeds from disposal of non-current assets and related liabilities held for sale	1,199,933	517,846
Additions to property, plant and equipment	(4,619,290)	(3,931,051)
Proceeds from disposal of property, plant and equipment	209,525	299,104
Additions to intangible assets	(341,594)	(420,307)
Decrease (increase) in other financial assets	1,672,617	(4,060,372)
Net cash paid for acquisition of subsidiaries	<u>(138,508)</u>	<u>(702,074)</u>
Net cash provided by (used in) investing activities	<u>7,588,325</u>	<u>(6,516,818)</u>
Cash flows from financing activities:		
Increase in short-term borrowings	23,119,730	13,831,174
Repayments of short-term borrowings	(6,849,123)	(3,862,683)
Proceeds from issuing bonds	2,994,473	-
Increase in long-term debt	26,769,586	9,281,788
Repayments of long-term debt	(19,127,460)	(6,981,989)
Decrease in guarantee deposits received	(9,243)	(1,218,350)
Payment of lease liabilities	(366,683)	(396,549)
Cash dividends distributed to shareholders	(4,916,955)	(2,950,173)
Cash dividends paid to non-controlling interests	(1,493,123)	(1,242,494)
Acquisition of subsidiary's interests from non-controlling interests	(34,988)	(1,956,754)
Proceeds from disposal of subsidiary's interests (without losing control)	-	5,216
Capital injection from non-controlling interests	-	<u>77,547</u>
Net cash provided by financing activities	<u>20,086,214</u>	<u>4,586,733</u>
Effects of foreign exchange rate changes	<u>2,550,704</u>	<u>(438,907)</u>
Net increase (decrease) in cash and cash equivalents	17,010,776	(5,710,242)
Cash and cash equivalents at beginning of period	<u>17,781,480</u>	<u>22,540,418</u>
Cash and cash equivalents at end of period	<u>\$ 34,792,256</u>	<u>16,830,176</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

Notes to the Consolidated Financial Statements

For the nine months ended September 30, 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 November 4, 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 endorsed by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective January 1, 2023, would not have a significant impact on its consolidated financial statements:

- 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”

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (c) 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:

Standards or Interpretations	Content of amendment	Effective date per IASB
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”
- IFRS 16 “Requirements for Sale and Leaseback Transactions”

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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.

(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
			September 30, 2022	December 31, 2021	September 30, 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

(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
			September 30, 2022	December 31, 2021	September 30, 2021	
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 LCD module	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	ACE Energy Co., Ltd. (“AEG”) (formerly BenQ ESCO Corp. (“ESCO”))	Energy service	-	83.00 %	83.00 %	Notes 1 and 15
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 %	Notes 1 and 16
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, Inc. (“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 INFITY 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

(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
			September 30, 2022	December 31, 2021	September 30, 2021	
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
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 %	Note 16
BQHK_HLD	BenQ Technology (Shanghai) Co., Ltd. (“BQls”)	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	BenQ Guru Software Co., Ltd. (“GSS”)	R&D and sales of computer information systems	100.00 %	100.00 %	100.00 %	Note 1
GSH	Metaguru Corporation (“MRU”) (formerly BenQ GURU Corp. (“GST”))	R&D and sales of computer information systems	100.00 %	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
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

(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
			September 30, 2022	December 31, 2021	September 30, 2021	
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 management consulting	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”)	Sales of medical consumables and equipment	38.50 %	38.50 %	38.50 %	Notes 1 and 3
BBC	Wangcheng Medical Technology (Chengdu) Co., Ltd. (“Wangcheng”)	Sales of medical consumables and equipment	49.00 %	49.00 %	49.00 %	Notes 1 and 3
BBC	Shanghai Filter Technology Co., Ltd. (“Filter”)	Sales of medical consumables and equipment	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 %	-
BMTC	Highview Investments Limited (“Highview”)	Investment and holding activity	54.96 %	54.96 %	54.96 %	-
BMTC	Asiaconnect International Company Ltd. (“Asiaconnect”)	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

(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
			September 30, 2022	December 31, 2021	September 30, 2021	
BMTC	Concord Medical Co., Ltd. (“Concord”)	Sales of medical products, medical equipment leasing, and management consulting	21.98 %	-	-	Notes 7 and 11
BMTC/Concord	Concord Healthcare Co., Ltd. (“CCHC”)	Sales of medical consumables and equipment, and management consulting	32.97 %	-	-	Notes 3 and 6
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	CKCARE Co., Ltd. (“CKCARE”)	Sales of medical products	32.97 %	-	-	Notes 3 and 7
The Company/ BenQ/APV/ Darly C	BenQ Materials 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	Cenefom Corp. (“CENEFOM”)	R&D, manufacture and sales of medical consumables and equipment	15.96 %	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
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. (“SMSZ”)	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 %	Notes 1 and 14
PTT/PTE	Partner Tech UK Corp., Ltd. (“PTUK”)	Sales, purchases, import and export of electronic products	64.34 %	64.34 %	64.34 %	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
			September 30, 2022	December 31, 2021	September 30, 2021	
PTT	Webest Solution Corporation (“WEBEST”)	Sales, purchases, 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, purchases, import and export of electronic products	68.23 %	68.23 %	68.23 %	Note 1
PTT	Partner-Tech Europe GmbH (“PTE”)	Sales, purchases, import and export of electronic products	34.13 %	34.13 %	34.13 %	Notes 1 and 3
PTT/WEBEST	Partner Tech North Africa (“PTNA”)	Sales, purchases, 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
PTT	P&S Investment Holding Co., Ltd. (B.V.I.) (P&S)	Investment and holding activity	68.23 %	68.23 %	68.23 %	Note 1
PTE	Sloga Team D.o.o (“Sloga”)	Sales, purchases, import and export of electronic products	30.72 %	30.72 %	30.72 %	Notes 1 and 3
PTE	Retail Solution & System S.L. (“RSS”)	Sales, purchases, import and export of electronic products	23.21 %	23.21 %	23.21 %	Notes 1 and 3
PTME	E-POS International LLC (“E-POS”)	Sales, purchases, import and export of electronic products	68.23 %	68.23 %	68.23 %	Notes 1 and 10
P&S	Partner Tech USA Inc. (“PTU”)	Sales, purchases, import and export of electronic products	68.23 %	68.23 %	68.23 %	Note 1
P&S	Partner Tech (Shanghai) Co., Ltd. (“PTCM”)	Sales, purchases, 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/Darly2	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 Ltd. (“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 (“BRS”)	Wholesale and retail of computers and peripherals products	19.33 %	19.33 %	19.33 %	Notes 8 and 13
Yan Tong	Yan Tong Infotech (Dongguan) Co., Ltd. (“DYTT”)	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. (“DYTH”)	Wholesale, import and export of industrial motherboards and component	55.09 %	55.09 %	55.09 %	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
			September 30, 2022	December 31, 2021	September 30, 2021	
DFI	Aewin Technologies Co., Ltd. (“AEWIN”)	Manufacture and sale of industrial motherboards and component	28.31 %	28.31 %	28.31 %	Note 3
AEWIN	Wise Way	Manufacture and sale of industrial motherboards and component	28.31 %	28.31 %	28.31 %	Note 3
AEWIN	Aewin Tech Inc.	Wholesale of computer peripheral products and software	28.31 %	28.31 %	28.31 %	Note 3
Wise Way	Bright Profit	Investment and holding activity	28.31 %	28.31 %	28.31 %	Note 3
Bright Profit	Aewin Beijing Technologies Co., Ltd.	Wholesale of computer peripheral products and software	28.31 %	28.31 %	28.31 %	Note 3
Aewin Beijing Technologies Co., Ltd.	Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	28.31 %	28.31 %	28.31 %	Note 3
DFI	Ace Pillar Co., Ltd. (“ACE”)	Tests, processing, sales, repairment and electromechanical integration of automatic control and mechanical transmission system	26.48 %	26.48 %	26.48 %	Note 2
ACE	Cyber South Management Ltd. (“ACECS”)	Investment and holding activity	26.48 %	26.48 %	26.48 %	Note 2
ACE/ACEPR/ACECS	Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	26.48 %	26.48 %	26.48 %	Note 2
ACE	Hong Kong Ace Pillar Enterprise Company Limited	Sales of automation mechanical transmission system and component	26.48 %	26.48 %	26.48 %	Note 2
ACE	BlueWalker GmbH (“BWA”)	Sales and service of energy management products	26.48 %	-	-	Notes 1, 3 and 7
ACE	ACE Energy Co., Ltd. (“AEG”) (formerly BenQ ESCO Corp. (“ESCO”))	Energy service	26.48 %	-	-	Notes 1 and 15
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
ACECS	Proton Inc. (“ACEPR”)	Investment and holding activity	26.48 %	26.48 %	26.48 %	Note 2
ACECS	Ace Tek (HK) Holding Co., Ltd. (“ACETK”)	Investment and holding activity	26.48 %	26.48 %	26.48 %	Note 2
ACECS	Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	26.48 %	26.48 %	26.48 %	Note 2

(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
			September 30, 2022	December 31, 2021	September 30, 2021	
ACECS	Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	26.48 %	26.48 %	26.48 %	Note 2
ACECS	Xuchang Ace AI Equipment Co., Ltd.	Wholesale of industrial robot and component	-	26.48 %	26.48 %	Note 14
ACETK	Advancedtek Ace (TJ) Inc.	Electronic system integration	26.48 %	26.48 %	26.48 %	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 and equipment	19.60 %	19.60 %	19.60 %	Notes 1 and 2
K2	K2 (Shanghai) International Medical Inc. (“K2SH”)	Sales of medical consumables and equipment	40.00 %	40.00 %	40.00 %	Notes 1 and 2
K2	PT. Frismed Hoslab Indonesia	Sales of medical consumables and equipment	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 (“DICMR”)	Investment and holding activity	38.35 %	38.35 %	38.35 %	Notes 1 and 2
Data Image (Mauritius) Corporation	Data Image (Suzhou) Corporation	Manufacture and sales of LCD	38.35 %	38.35 %	38.35 %	Notes 1 and 2
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
The Company	Expert Alliance Systems & Consultancy (HK) Company Limited (“EASCHK”)	Sales of brand-name electronic products and smart services	54.00 %	54.00 %	54.00 %	Note 1
EASCHK	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

(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
			September 30, 2022	December 31, 2021	September 30, 2021	
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. (“Messoa 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	MTG Corporation (“MTG”) (formerly Sysage Technology Co., Ltd. (“Sysage”))	The distribution and reselling of software and hardware equipment of ICT infrastructures, computing and data, utilization, and digitalization	51.41 %	51.41 %	51.41 %	-
MTG/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
MTG	Epic Cloud Co., Ltd (“Epic Cloud”)	Software and data processing services	51.41 %	51.41 %	51.41 %	Note 1
MTG	Corex (Pty) Ltd. (“Corex”)	Sales, purchases, import and export of electronic products	51.41 %	51.41 %	51.41 %	Notes 1 and 9
MTG	AdvancedTEK International Corp. (“AdvancedTEK”)	Implementation of application software services	17.53 %	17.53 %	17.53 %	Notes 1, 2, 8 and 12
MTG/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. (“APEO”)	Implementation of application software services	17.53 %	17.53 %	17.53 %	Notes 1, 2 and 8
Statinc	DKABio Co., Ltd. (“Datta”)	Market research, marketing consultant and big data cloud database services	18.00 %	18.00 %	18.00 %	Notes 1, 2 and 5
The Company/APV/Darly2	Simula Technology Inc. (“Simula”)	Manufacture and sales of electronic material	51.13 %	51.13 %	51.13 %	-
Simula	Aspire Asia Inc.	Investment and holding activity	51.13 %	51.13 %	51.13 %	-
Simula	Simula Technology Corp.	Sales in North America	51.13 %	51.13 %	51.13 %	-
Simula	Action Star Technology Co., Ltd. (“AST”)	R&D & development manufacture and sale of USB docking station product	30.34 %	30.34 %	30.34 %	Notes 3 and 8
Simula/Aspire Asia Inc.	Simula Company Limited	Investment and holding activity	51.13 %	51.13 %	51.13 %	-
Aspire Asia Inc.	Aspire Electronics Corp.	Investment and holding activity	48.62 %	48.62 %	48.62 %	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 %	26.17 %	Note 3

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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
			September 30, 2022	December 31, 2021	September 30, 2021	
Simula Company Limited	Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	51.13 %	51.13 %	51.13 %	-
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	71.03 %	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. (“AH”)	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 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 DGF”)	Production and sale of network products	59.98 %	59.98 %	59.98 %	-
D-Link Asia	Alpha Networks (Chengdu) Co., Ltd. (“Alpha CD”)	Research and development of network products	59.98 %	59.98 %	59.98 %	-
Alpha DGF	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 CSF”)	Production and sale of network products	59.98 %	59.98 %	59.98 %	-
Enrich	Transnet Corporation (“Transnet”)	Operating in network communication products, provide system support services, integrated supply and import and export of network equipment	59.98 %	59.98 %	59.98 %	-
Enrich	Aespula Technologies Inc. (“APL”)	Sale of network equipment, components and technical services	59.34 %	59.34 %	59.34	Notes 5 and 8

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Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			September 30, 2022	December 31, 2021	September 30, 2021	
Alpha	Hitron Technologies Inc. (“Hitron”)	Marketing on system integration and production and sales of telecommunication products	37.33 %	37.33 %	37.33 %	Note 3
Hitron	Hitron Technologies (Samoa) Inc (“HSM”)	International trade	37.33 %	37.33 %	37.33 %	Note 3
Hitron	Hitron Technologies Europe Holding B.V. (“HBV”)	International trade	37.33 %	37.33 %	37.33 %	Notes 1 and 3
Hitron	Hitron Technologies (Americas) Inc. (“HUS”)	International trade	37.33 %	37.33 %	37.33 %	Note 3
Hitron	Innoauto Technologies Inc. (“HTG”)	Investment and automotive electronics products	37.33 %	37.33 %	37.33 %	Note 3
Hitron	Hitron Technologies (Vietnam) Inc. (“HVN”)	Production and sale of broadband telecommunications products	37.33 %	37.33 %	37.33 %	Note 3
HSM	Hitron Technologies (SIP) Inc. (“HSZ”)	Production and sale of broadband telecommunications products	37.33 %	37.33 %	37.33 %	Note 3
HSM	Jietech Trading (Suzhou) Inc. (“HJT”)	Sale of broadband network products and related services	37.33 %	37.33 %	37.33 %	Note 3
Hitron / Enrich	Interactive Digital Technologies Inc. (“IDT”)	Telecommunication and broadband network system services	19.67 %	20.07 %	20.08 %	Note 3
IDT	Hwa Chi Technologies (Shanghai) Inc. (“IHC”)	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	19.67 %	20.07 %	20.08 %	Note 3

Note 1: This is a non-significant subsidiary for which financial statements were not reviewed as of and for the nine months ended September 30, 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.

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; therefore, it is determined that the Group has control over these 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.

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

Note 6: CCHC and Alpha VN were newly established in 2022.

Note 7: In 2022, the Group obtained control over the entities.

Note 8: In 2021, the Group obtained control over the entities.

Note 9: In 2021, PTT sold all of its investment in Corex to MTG 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.

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

- 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.
- Note 12: In January 2021, MTG (formerly Sysage) obtained letters of support signed by shareholders, who represent 20.36% ownership of AdvancedTEK, authorizing MTG to direct the significant operating relevant activities and assisted MTG to obtain more than half of the total number of Directors of AdvancedTEK. It is determined that the Group has control over AdvancedTEK.
- Note 13: Referring to note 6(i), on May 1, 2021 (the acquisition date), DFI acquired 35.09% equity ownership of BRS. According to the stock purchase agreement and Articles of Incorporation of BRS, DFI obtained 55.29% of voting rights of BRS and owned more than half of BRS's total number of directors, resulting in DFI to obtain control over BRS.
- Note 14: P&J and Xuchang Ace AI Equipment Co., Ltd. were liquidated in June 2022.
- Note 15: The Group undertook an organizational restructuring, whereby, ACE acquired 100% ownership of AEG by cash from APV, Darly 2, Darly C and some non-controlling interests on July 1, 2022.
- Note 16: Referring to note 6(i), BenQ sold its entire investments in BQHK on September 30, 2022, resulting in the Group to lose control over BQHK.

(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.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 note 5 of the consolidated financial statements for the year ended December 31, 2021 have been followed.

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

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 123,005	129,192	109,436
Demand deposits and checking accounts	28,149,848	15,946,167	14,151,218
Time deposits with original maturities less than three months	<u>6,519,403</u>	<u>1,706,121</u>	<u>2,569,522</u>
	<u>\$ 34,792,256</u>	<u>17,781,480</u>	<u>16,830,176</u>

As of September 30, 2022, December 31 and September 30, 2021, the time deposits with original maturities more than three months amounted to \$2,197,541, \$3,817,538 and \$6,653,334, respectively, which were classified as other financial assets.

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

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets at fair value through profit or loss – current:			
Foreign currency forward contracts	\$ 178,966	28,504	72,636
Foreign exchange swaps	65,860	14,788	20,020
Listed stocks	56,354	63,776	58,669
Open-end mutual funds	25,956	26,144	25,610
Derivative instrument – call and put option of convertible bonds (note 6(p))	<u>-</u>	<u>-</u>	<u>47</u>
	<u>\$ 327,136</u>	<u>133,212</u>	<u>176,982</u>

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QISDA CORPORATION AND SUBSIDIARIES
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	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
Financial assets at fair value through profit or loss — non-current:			
Privately held equity securities	\$ 346,059	338,296	312,220
Put option	-	10,504	10,504
Contingent consideration arising from business combinations	<u>5,533</u>	<u>5,533</u>	<u>5,533</u>
	<u>\$ 351,592</u>	<u>354,333</u>	<u>328,257</u>
Financial liabilities at fair value through profit or loss — current:			
Foreign currency forward contracts	\$ (94,151)	(46,842)	(35,117)
Foreign exchange swaps	(415,219)	(26,100)	(13,991)
Contingent consideration arising from business combinations	<u>(2,549)</u>	<u>(5,236)</u>	<u>(13,237)</u>
	<u>\$ (511,919)</u>	<u>(78,178)</u>	<u>(62,345)</u>
	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
Financial liabilities at fair value through profit or loss — non-current:			
Contingent consideration arising from business combinations	<u>\$ (70,947)</u>	<u>(97,986)</u>	<u>(91,292)</u>

The above contingent consideration was arising from the acquisitions of EASCHK, 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.

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

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QISDA CORPORATION AND SUBSIDIARIES
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The Group entered into derivative contracts to manage foreign currency exchange risk resulting from its operating and financing activities. The derivative financial instruments did not conform to the criteria for hedge accounting. At each reporting date, the outstanding derivative contracts consisted of the following:

(i) Foreign currency forward contracts

			September 30, 2022	
			Contract amount	Maturity period
			(in thousands)	
USD	Buy / EUR	Sell	EUR 58,199	2022/10~2023/01
JPY	Buy / USD	Sell	USD 22,390	2022/10~2022/11
USD	Buy / CAD	Sell	CAD 6,000	2022/10~2022/12
USD	Buy / INR	Sell	USD 24,000	2022/10~2022/12
TWD	Buy / USD	Sell	USD 47,050	2022/10~2023/01
TWD	Buy / EUR	Sell	EUR 12,040	2022/10~2023/01
EUR	Buy / GBP	Sell	GBP 4,000	2022/11
EUR	Buy / USD	Sell	USD 7,073	2022/10~2022/12
USD	Buy / BRL	Sell	USD 16,000	2022/12
USD	Buy / EUR	Sell	USD 908	2022/10
USD	Buy / JPY	Sell	JPY 600,000	2022/10~2022/11
USD	Buy / MXN	Sell	USD 4,000	2022/11
USD	Buy / CNY	Sell	USD 32,089	2022/10~2022/12
CNY	Buy / USD	Sell	USD 23,000	2022/10~2022/11
MYR	Buy / USD	Sell	MYR 41,000	2022/10~2022/12
SEK	Buy / EUR	Sell	EUR 1,000	2022/12
USD	Buy / THB	Sell	USD 3,000	2022/12
USD	Buy / TWD	Sell	USD 26,581	2022/10~2023/01
USD	Buy / GBP	Sell	GBP 1,046	2022/10
USD	Buy / ZAR	Sell	USD 541	2022/10
USD	Buy / CNY	Sell	CNY 121,193	2022/10
USD	Buy / AUD	Sell	AUD 2,000	2022/10

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
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			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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Notes to the Consolidated Financial Statements

September 30, 2021

		Contract amount		Maturity period
		(in thousands)		
USD	Buy / EUR Sell	EUR	37,015	2021/10~2021/12
JPY	Buy / USD Sell	USD	42,000	2021/10~2021/12
JPY	Buy / USD Sell	JPY	96,088	2021/10
USD	Buy / CAD Sell	CAD	9,000	2021/10~2021/12
USD	Buy / INR Sell	USD	20,000	2021/10~2021/12
TWD	Buy / USD Sell	USD	70,896	2021/10~2022/01
TWD	Buy / EUR Sell	EUR	5,106	2021/10~2021/12
EUR	Buy / GBP Sell	GBP	5,000	2021/10~2021/12
EUR	Buy / USD Sell	USD	2,169	2021/10~2021/11
USD	Buy / BRL Sell	USD	18,000	2021/11~2021/12
USD	Buy / JPY Sell	JPY	1,400,000	2021/11~2021/12
USD	Buy / MXN Sell	USD	7,500	2021/11
USD	Buy / CNY Sell	USD	76,979	2021/10~2021/11
CNY	Buy / USD Sell	CNY	6,813	2021/10
CNY	Buy / USD Sell	USD	50,000	2021/10~2021/12
MYR	Buy / USD Sell	MYR	34,000	2021/10~2022/01
SEK	Buy / EUR Sell	EUR	2,000	2021/12
USD	Buy / THB Sell	USD	3,000	2021/12
EUR	Buy / USD Sell	EUR	1,679	2021/10
USD	Buy / TWD Sell	USD	23,100	2021/10~2021/12
USD	Buy / GBP Sell	GBP	922	2021/10
USD	Buy / ZAR Sell	USD	1,003	2021/10
USD	Buy / AUD Sell	AUD	2,000	2021/12

(ii) Foreign exchange swaps

September 30, 2022

		Contract amount		Maturity period
		(in thousands)		
Swap in USD / Swap out TWD	USD	114,200		2022/10~2022/12
Swap in USD / Swap out CNY	USD	33,500		2022/10
Swap in USD / Swap out AUD	AUD	3,000		2022/12
Swap in TWD / Swap out CNY	CNY	20,000		2022/12
Swap in TWD / Swap out USD	USD	358,950		2022/10~2022/12

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
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	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
	September 30, 2021		
	Contract amount		Maturity period
	(in thousands)		
Swap in USD / Swap out TWD	USD 176,000		2021/10~2021/12
Swap in USD / Swap out AUD	AUD 3,000		2021/12
Swap in USD / Swap out JPY	JPY 400,000		2021/12
Swap in TWD / Swap out USD	USD 129,520		2021/10

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

	September 30,	December 31,	September 30,
	2022	2021	2021
Equity investments at fair value through other comprehensive income:			
Domestic listed stocks	\$ 11,007,726	17,742,517	12,029,716
Domestic emerging stocks	132,107	117,727	1,584,371
Privately held stocks	404,653	288,852	555,856
	\$ 11,544,486	18,149,096	14,169,943
Current	\$ 104,062	102,037	100,959
Non-current	11,440,424	18,047,059	14,068,984
	\$ 11,544,486	18,149,096	14,169,943

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 nine months ended September 30, 2022 and 2021, the Group sold part of its equity investments at fair value through other comprehensive income for \$113,254 and \$312,579, respectively. The realized gains accumulated in other comprehensive income of \$93,959 and \$170,897, respectively, have been transferred from other equity to retained earnings.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(d) Notes and accounts receivable

	September 30, 2022	December 31, 2021	September 30, 2021
Notes and accounts receivable	\$ 46,095,020	30,288,125	30,719,382
Notes and accounts receivable from related parties	<u>1,673,964</u>	<u>3,007,620</u>	<u>3,257,876</u>
	47,768,984	33,295,745	33,977,258
Less: loss allowance	<u>(337,366)</u>	<u>(288,648)</u>	<u>(246,459)</u>
	<u>\$ 47,431,618</u>	<u>33,007,097</u>	<u>33,730,799</u>

- (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:

	September 30, 2022		
	Gross carrying amount	Weighted- average loss rate	Loss allowance
Current	\$ 45,031,853	0.04%	17,437
Past due 1-90 days	2,280,216	2.65%	60,374
Past due 91-180 days	209,867	49.56%	104,002
Past due over 181 days	<u>247,048</u>	62.96%	<u>155,553</u>
	<u>\$ 47,768,984</u>		<u>337,366</u>
	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	<u>299,211</u>	60.30%	<u>180,425</u>
	<u>\$ 33,295,745</u>		<u>288,648</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 32,098,587	0.08%	25,192
Past due 1-90 days	1,509,885	1.68%	25,337
Past due 91-180 days	183,566	28.47%	52,261
Past due over 181 days	185,220	77.57%	143,669
	\$ 33,977,258		246,459

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

	For the nine months ended September 30,	
	2022	2021
Balance at January 1	\$ 288,648	287,066
Impairment losses (gain on reversal of impairment loss)	18,659	(45,267)
Write-off	(8,028)	(53,613)
Effect of exchange rate changes	2,807	(11,977)
Acquisition through business combination	5,412	70,250
Reclassified to disposal group held for sale	(10,307)	-
Insurance claims for accounts receivable	40,175	-
Balance at September 30	\$ 337,366	246,459

- (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:

September 30, 2022						
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
CTBC Bank	\$ 388,056	-	349,250	38,806		None -
Taipei Fubon Bank	158,210	-	142,389	15,821		None -
Mega International Commercial Bank	282,222	-	254,000	28,222		Promissory note 150,000
E.SUN Commercial Bank	282,222	-	254,000	28,222		None -
Crefo Factoring Nord GmbH	66,320	-	59,688	6,632		None -
	\$ 1,177,030	-	1,059,327	117,703	3.44%~4.62%	150,000

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Notes to the Consolidated Financial Statements

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
	<u>\$ 16,027,260</u>	<u>10,856</u>	<u>15,762,103</u>	<u>265,157</u>	0.54%~3.5%	<u>1,060,400</u>

September 30, 2021						
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
CTBC Bank	\$ 4,610,022	-	4,537,815	72,207		Promissory note 50,112
Taishin International Bank	6,959,999	-	6,959,999	-		None -
Taipei Fubon Bank	491,931	-	440,332	51,599		None -
Mega International Commercial Bank	567,312	-	510,581	56,731		Promissory note 150,000
E.SUN Commercial Bank	213,845	-	192,460	21,385		None -
KGI Commercial Bank	167,121	-	150,409	16,712		None -
Crefo Factoring Nord GmbH	66,395	-	59,756	6,639		None -
	<u>\$ 13,076,625</u>	<u>-</u>	<u>12,851,352</u>	<u>225,273</u>	0.525%~3.5%	<u>200,112</u>

Please refer to note 8 for a description of the Group's notes and accounts receivable pledged as collateral to secure for the bank loans.

(e) Other receivables

	September 30, 2022	December 31, 2021	September 30, 2021
The factored accounts receivable, net of advance amount	\$ 117,703	265,157	225,273
Other receivables—others (notes 6(g) and (i))	2,374,664	614,555	535,711
	2,492,367	879,712	760,984
Less: loss allowance	(31,684)	(27,625)	(27,783)
	2,460,683	852,087	733,201
Other receivables from related parties	313,368	304,166	301,406
	<u>\$ 2,774,051</u>	<u>1,156,253</u>	<u>1,034,607</u>

As of September 30, 2022, December 31 and September 30, 2021, except for other receivables amounting to \$31,684, \$27,625 and \$27,783, respectively, wherein the loss allowances were fully provided, no loss allowance was provided for the remaining receivables after the management's assessment.

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(f) Inventories

	September 30, 2022	December 31, 2021	September 30, 2021
Raw materials	\$ 15,007,405	17,701,524	20,178,491
Work in process	4,050,016	3,206,842	3,128,045
Finished goods and merchandise	27,798,564	19,149,059	17,274,111
Inventories in transit	6,536,364	10,090,481	7,413,750
	<u>\$ 53,392,349</u>	<u>50,147,906</u>	<u>47,994,397</u>

The amounts of inventories recognized as cost of revenue were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Cost of inventories sold	\$ 49,126,116	47,176,277	152,111,133	135,277,015
Write-downs of inventories	258,316	21,851	380,733	105,140
	<u>\$ 49,384,432</u>	<u>47,198,128</u>	<u>152,491,866</u>	<u>135,382,155</u>

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

- (i) In June 2020, the Board of Directors of QLPG approved a resolution to dispose its land and building, with the carrying amount of \$119,281, located at Penang, Malaysia, to one of the Group's associates, Visco Technology Sdn. Bhd. The aforesaid assets have been sold in the second quarter of 2021 for a consideration of \$561,173, of which \$517,846 was received. A disposal gain of \$365,338 was recognized and included in the other gains and losses, net in the accompanying consolidated financial statements.
- (ii) In December 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 \$265,135 and \$239,149 as of September 30, 2022 and December 31, 2021, were classified as non-current assets held-for-sale, respectively.
- (iii) In May 2021, the Board of Directors of ACE approved a resolution to dispose its land and buildings located in Sanchong District of New Taipei City. Since the abovementioned real estate is expected to be disposed within one year, the carrying amount of the real estate amounting to \$85,348, \$73,452 and \$73,451 as of September 30, 2022, December 31 and September 30, 2021, respectively, was classified as non-current assets held-for-sale. Part of the abovementioned assets have been sold in the first two quarters of 2022, of which the consideration and carrying amount amounted to \$46,401 and \$31,777, respectively. A disposal gain of \$14,624 was recognized and included in other gains and losses, net.

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QISDA CORPORATION AND SUBSIDIARIES
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- (iv) In May 2021, the Board of Directors of SGM approved a resolution to dispose its land, buildings and machinery located in Ruifang District of New Taipei City. The carrying amount of these assets amounting to \$163,910 was reclassified as non-current assets held-for-sale. The abovementioned assets have been sold in the first quarter of 2022 for a consideration of \$276,494. A disposal gain of \$112,585 was recognized and included in the other gains and losses, net.
- (v) In July 2022, the Board of Directors of BMS approved a resolution to dispose parts of the real estate and related assets located in Suzhou Industrial Park. The above properties were accounted for as right-of-use assets, buildings, machinery and deferred charges, with the carrying amount of \$301,762. In March 2022, BMS entered into an asset sale agreement with the buyer, wherein the abovementioned assets were sold in the third quarter of 2022 for a consideration of \$1,079,231, resulting in the disposal gain of \$780,563 (before deducting land value increment tax and income tax) to be recognized as other gains and losses, net. As of September 30, 2022, the outstanding receivables of \$118,193 was recorded under other receivables.
- (vi) In the first three quarters of 2021, the respective Board of Directors of DFI and MTG (formerly Sysage) resolved to dispose the real estates located at Xizhi District of New Taipei City and Kaohsiung City at the carrying amounts amounting to \$72,885 and \$16,283, respectively, both classified as non-current assets held-for-sale as of September 30, 2021. The above properties were sold in the fourth quarter of 2021.

(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>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Associates	\$ 4,971,057	4,035,990	3,291,483
Joint ventures	<u>33,152</u>	<u>31,116</u>	<u>29,141</u>
	<u><u>\$ 5,004,209</u></u>	<u><u>4,067,106</u></u>	<u><u>3,320,624</u></u>

(i) Investments in associates

Name of Associates	Main Business and Relationship	Location	September 30, 2022		December 31, 2021		September 30, 2021	
			Percentage of voting rights	Carrying amount	Percentage of voting rights	Carrying amount	Percentage of voting rights	Carrying amount
Darfon Electronics Corp. ("DFN")	Manufacture and sale of power devices, peripheral equipment, and integrated communication devices, the Group's strategic partners	Taiwan	25.73 %	2,653,678	25.73 %	2,533,438	25.73 %	2,367,895
Others			-	2,317,379	-	1,502,552	-	923,588
				<u><u>\$ 4,971,057</u></u>		<u><u>4,035,990</u></u>		<u><u>3,291,483</u></u>

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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 from investments accounted for using the equity method to financial assets at fair value through other comprehensive income — non-current. A gain on disposal of investments of \$1,979,741 was recognized under other gains and losses, net accordingly. For the first two quarters of 2021, the share of profit (loss) of AU which was recognized under the equity method amounted to \$1,255,867 and the share of other comprehensive income (loss) of AU amounted to \$(63,478).

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 September 30, 2022 and 2021, 15% and 13.5% ownership of NSHD had been sold. For the nine months ended September 30, 2022 and 2021, \$66,713 and \$1,166,166 (CNY 15,150 thousand and 270,000 thousand) of considerations were received, resulting in gains on disposal of investments of \$56,242 and \$986,869, respectively. The Group still has significant influence over NSHD.

In the second quarter of 2022, the Company and its consolidated subsidiary, APV, invested the amount of \$734,676 in TCI GENE Inc. and acquired 23.43% ownership of TCI GENE Inc. The equity-method was used to account for the investments as the Group has significant influence over it.

In the second quarter of 2022, the Group assessed that the investment of the associate, The Linden Group Corp., has been impaired, and therefore recognized an impairment loss of \$7,000 under other gains and losses, net.

In the second quarter of 2022, the Group assessed that the investment of the associate, DMC Components International, LLC, has been impaired, and therefore recognized an impairment loss of \$6,632 under other gains and losses, net.

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

	September 30,	December 31,	September 30,
	2022	2021	2021
DFN	\$ 2,837,627	3,651,465	2,981,669

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

- 1) The summarized financial information of DFN:

	September 30, 2022	December 31, 2021	September 30, 2021
Current assets	\$ 21,493,861	21,078,564	18,973,888
Non-current assets	12,847,005	12,116,710	11,516,197
Current liabilities	(16,000,301)	(16,153,908)	(14,887,529)
Non-current liabilities	<u>(4,968,481)</u>	<u>(4,320,029)</u>	<u>(3,904,793)</u>
Equity	<u>\$ 13,372,084</u>	<u>12,721,337</u>	<u>11,697,763</u>
Equity attributable to non-controlling interests of DFN	<u>\$ 3,056,890</u>	<u>2,879,152</u>	<u>2,493,421</u>
Equity attributable to shareholders of DFN	<u>\$ 10,315,194</u>	<u>9,842,185</u>	<u>9,204,342</u>
	For the three months ended September 30,	For the nine months ended September 30,	
	2022	2021	2022
	2021	2022	2021
Net sales	<u>\$ 7,572,485</u>	<u>6,962,475</u>	<u>22,741,502</u>
Net income	\$ 431,660	336,782	1,095,186
Other comprehensive income (loss)	<u>252,231</u>	<u>(96,876)</u>	<u>492,952</u>
Total comprehensive income	<u>\$ 683,891</u>	<u>239,906</u>	<u>1,588,138</u>
Total comprehensive income attributable to non-controlling interests of DFN	<u>\$ 112,576</u>	<u>36,717</u>	<u>242,140</u>
Total comprehensive income attributable to shareholders of DFN	<u>\$ 571,315</u>	<u>203,189</u>	<u>1,345,998</u>
	<u>713,346</u>		

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
The Group's share of equity of associates at January 1	\$ 2,516,285	2,315,545	2,533,438	2,364,486
Net income attributable to the Group	87,127	78,122	224,658	209,707
Other comprehensive income (loss) attributable to the Group	59,850	(25,754)	121,579	(26,227)
Capital surplus attributable to the Group	(9,584)	(18)	(9,933)	(18)
Dividend received from associates	-	-	(216,064)	(180,053)
The carrying amount of investments in the associates at September 30	<u>\$ 2,653,678</u>	<u>2,367,895</u>	<u>2,653,678</u>	<u>2,367,895</u>

- 2) 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.

	September 30,	December 31,	September 30,
	2022	2021	2021
The aggregate carrying amount of associates that were not individually material to the Group	\$ <u>2,317,379</u>	<u>1,502,552</u>	<u>923,588</u>

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Attributable to the Group:				
Net income	\$ 40,992	7,134	122,442	19,756
Other comprehensive income (loss)	<u>57,080</u>	<u>4,049</u>	<u>(9,742)</u>	<u>(15,778)</u>
Total comprehensive income	<u>\$ 98,072</u>	<u>11,183</u>	<u>112,700</u>	<u>3,978</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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:

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>	
The aggregate carrying amount of joint ventures that were not individually material to the Group	\$ <u>33,152</u>	<u>31,116</u>	<u>29,141</u>	
	<u>For the three months</u> <u>ended September 30,</u> <u>2022</u>	<u>2021</u>	<u>For the nine months</u> <u>ended September 30,</u> <u>2022</u>	<u>2021</u>
Attributable to the Group:				
Net income	\$ 2,038	78	1,304	23
Other comprehensive income (loss)	<u>296</u>	<u>(53)</u>	<u>984</u>	<u>(149)</u>
Total comprehensive income (loss)	<u>\$ 2,334</u>	<u>25</u>	<u>2,288</u>	<u>(126)</u>

(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. Thereafter, 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.

(Continued)

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>\$ (81,089)</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) Pro forma information

From January 20, 2022 (the acquisition date) to September 30, 2022, Concord had contributed the revenue of \$610,086 and the net income of \$35,125 to the Group. If this acquisition had occurred on January 1, 2022, the management estimates that consolidated revenue would have been \$183,761,381, and consolidated income after income tax would have been \$10,188,929.

(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 – patent		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>\$ 164,790</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The Group continuously reviews the abovementioned items during the measurement period. The adjustments on the abovementioned intangible assets and goodwill on June 30, 2022 were as follows:

Decrease in intangible assets—patent	\$	(123)
Decrease in deferred income tax liabilities		24
Decrease in non-controlling interests		<u>135</u>
Increase in goodwill	\$	<u><u>36</u></u>

3) Intangible assets

Intangible assets—patent 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 (“BRS”)

1) Consideration transferred

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

The acquisition of BRS 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 BRS'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>\$</u>	<u><u>154,826</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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><u>1,847</u></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 BRS is due to the profitability, control premium over BRS, 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>

(Continued)

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 MTG (formerly Sysage)—STATINC and AdvancedTEK

1) Consideration transferred

On February 4, 2021, MTG 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, MTG became the largest shareholder and owned more than half of Statinc's total number of directors, resulting in MTG 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.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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		\$ 56,118

(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

For the nine months ended September 30, 2022, the Group acquired additional ownership of CENEFOM, AEG and ESM for total cash consideration of \$34,988. Please refer to note 4(b) for the related disclosures of changes in the percentage of ownership.

In March 2021, the Group increased its investments in MTG (formerly Sysage) for cash of \$1,387,856 through public tender offer, resulting in the Group's ownership interest in MTG to increase to 51.41%. In addition, the Group acquired additional ownership of ACE, AEWIN, K2SH and Alpha for total cash consideration of \$568,898 for the nine months ended September 30, 2022.

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 nine months ended	
	September 30,	
	2022	2021
Capital surplus — arising from changes in ownership interests in subsidiaries	\$ 9,309	7,946
Retained earnings	(8,005)	(628,589)
	\$ 1,304	(620,643)

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) Loss of control in subsidiary

1) Disposal of subsidiaries – BenQ (Hong Kong) Limited (BQHK)

BenQ disposed its entire ownership in BQHK for \$12,382,991 based on a resolution approved during its board meeting held on April 1, 2022. All disposal related matters had been completed on September 30, 2022, resulting in the Group to lose control over BQHK, resulting in a gain on disposal of \$8,756,655, recorded as other gains and losses, net. As of September 30, 2022, the outstanding receivables, as well as the related tax and expense payable of \$1,093,665 and \$230,962 were recorded as other receivables and other payables, respectively. The details of consideration received and gain on disposal of subsidiaries were as follows:

a) Consideration received

Total consideration received	\$ 12,382,991
Expenditure associated with consideration received	(241,433)
Net consideration received	<u>\$ 12,141,558</u>

b) Identifiable net assets of BQHK

	September 30, 2022
Cash and cash equivalents	\$ 861,614
Accounts receivable, net	3,396
Other receivables	1,742
Other current assets	60,459
Property, plant and equipment	3,585
Investment property	2,535,158
Intangible assets	78
Contract liabilities	(19,063)
Other payables	(147,187)
Other payables to related parties	(3,535)
Current tax liabilities	(5,329)
Other current liabilities	(4)
Other non-current liabilities	(146,545)
	<u>\$ 3,144,369</u>

c) Gain on disposal of subsidiaries

Net consideration received	\$ 12,141,558
Net assets of BQHK	(3,144,369)
Accumulated translation differences reclassified from equity to profit or loss arising from loss of control in subsidiary	(240,534)
Gain on disposal of subsidiary (recorded as other gains and losses)	<u>\$ 8,756,655</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Disposal of subsidiary – Neo Trend

On February 26, 2021, the Chairman of MTG (formerly 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:

a) Consideration received

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

b) 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	(13,380)
	<u>\$ 29,154</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Disposal of subsidiary – Dawningtech

The disposal of the shareholdings of Dawningtech, a subsidiary of MTG (formerly Sysage), had been conducted through a sales and purchase agreement entered into by MTG and Ginnet, another subsidiary of MTG, in January 2021 based on a resolution approved during the Board meeting of MTG held on November 5, 2020. The shareholdings of Dawningtech have been disposed in the first quarter of 2021 for a consideration of \$265,795. A disposal gain of \$84,232, net of derecognition of net assets of \$412,402 of Dawningtech, non-controlling interests of \$227,162 and intragroup receivables of \$3,677 was recognized and included in the other gains and losses, net in the accompanying consolidated financial statements.

	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
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)
	\$ 412,402

(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 nine months ended September 30, 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.

(Continued)

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	351,756	1,104,961	2,450,524	446,462	4,582,033
Acquisition through business combination	64,368	-	268,540	136,107	-	469,015
Disposals	(4,549)	(43,304)	(662,246)	(195,075)	-	(905,174)
Reclassification to non-current assets held for sale	(29,755)	(32,886)	(16,318)	(19,495)	-	(98,454)
Other reclassification and effect of exchange rate changes	4,169	1,461,254	1,760,680	(435,973)	11,845	2,801,975
Balance at September 30, 2022	<u>\$ 6,674,993</u>	<u>31,184,029</u>	<u>23,513,356</u>	<u>8,416,297</u>	<u>1,377,010</u>	<u>71,165,685</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	181,650	573,951	1,421,808	1,431,682	712,565	4,321,656
Acquisition through business combination	130,083	400,068	152,843	59,008	998	743,000
Disposals	-	(16,228)	(639,073)	(516,661)	-	(1,171,962)
Reclassification to non-current assets held for sale	(212,156)	(178,328)	(8,253)	(13,677)	-	(412,414)
Reclassification to investment property	(31,822)	-	-	-	-	(31,822)
Other reclassification and effect of exchange rate changes	(77,320)	642,085	157,267	(675,914)	(555,789)	(509,671)
Balance at September 30, 2021	<u>\$ 6,428,323</u>	<u>28,187,934</u>	<u>20,509,889</u>	<u>6,128,742</u>	<u>1,267,409</u>	<u>62,522,297</u>
Accumulated depreciation and impairment loss:						
Balance at January 1, 2022	\$ -	12,860,657	14,446,425	3,972,167	-	31,279,249
Depreciation	-	831,887	1,331,285	374,457	-	2,537,629
Impairment loss	-	-	2,874	3,448	-	6,322
Acquisition through business combination	-	-	158,671	88,072	-	246,743
Disposals	-	(42,304)	(537,231)	(112,001)	-	(691,536)
Reclassification to non-current assets held for sale	-	(2,205)	(16,318)	(15,010)	-	(33,533)
Other reclassification and effect of exchange rate changes	-	689,918	900,490	114,138	-	1,704,546
Balance at September 30, 2022	<u>\$ -</u>	<u>14,337,953</u>	<u>16,286,196</u>	<u>4,425,271</u>	<u>-</u>	<u>35,049,420</u>
Balance at January 1, 2021	\$ -	11,874,445	13,561,891	3,958,946	-	29,395,282
Depreciation	-	772,748	1,156,659	334,770	-	2,264,177
Acquisition through business combination	-	81,440	82,369	39,062	-	202,871
Disposals	-	(12,402)	(511,255)	(319,110)	-	(842,767)
Reclassification to non-current assets held for sale	-	(87,583)	(5,548)	(5,665)	-	(98,796)
Other reclassification and effect of exchange rate changes	-	(89,008)	(93,941)	(70,608)	-	(253,557)
Balance at September 30, 2021	<u>\$ -</u>	<u>12,539,640</u>	<u>14,190,175</u>	<u>3,937,395</u>	<u>-</u>	<u>30,667,210</u>
Carrying amount:						
Balance at September 30, 2022	<u>\$ 6,674,993</u>	<u>16,846,076</u>	<u>7,227,160</u>	<u>3,991,026</u>	<u>1,377,010</u>	<u>36,116,265</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 September 30, 2021	<u>\$ 6,428,323</u>	<u>15,648,294</u>	<u>6,319,714</u>	<u>2,191,347</u>	<u>1,267,409</u>	<u>31,855,087</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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 September 30, 2022	<u>\$ 3,488,666</u>	<u>1,245,081</u>	<u>35,728</u>	<u>4,769,475</u>
Balance at January 1, 2022	<u>\$ 3,355,774</u>	<u>1,225,095</u>	<u>33,014</u>	<u>4,613,883</u>
Balance at September 30, 2021	<u>\$ 3,231,835</u>	<u>1,222,675</u>	<u>36,537</u>	<u>4,491,047</u>

There were no significant additions, disposals, or recognition and reversal of impairment losses of right-of-use assets for the three months and nine months ended September 30, 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>
Cost:			
Balance at January 1, 2022	\$ 4,111,134	939,878	5,051,012
Acquisition through business combination	304,901	193,261	498,162
Additions	8,628	-	8,628
Reclassification to non-current assets held for sale	(3,387,657)	(763,726)	(4,151,383)
Reclassification to right-of-use assets	(109,199)	-	(109,199)
Disposals	(795)	-	(795)
Effect of exchange rate changes	<u>104,998</u>	<u>25,072</u>	<u>130,070</u>
Balance at September 30, 2022	<u>\$ 1,032,010</u>	<u>394,485</u>	<u>1,426,495</u>
Balance at January 1, 2021	\$ 4,236,357	804,367	5,040,724
Reclassification and effect of exchange rate changes	<u>(109,450)</u>	<u>105,009</u>	<u>(4,441)</u>
Balance at September 30, 2021	<u>\$ 4,126,907</u>	<u>909,376</u>	<u>5,036,283</u>
Accumulated depreciation:			
Balance at January 1, 2022	\$ 1,403,888	238,839	1,642,727
Acquisition through business combination	73,462	-	73,462
Depreciation	116,791	13,030	129,821
Reclassification to non-current assets held for sale	(1,070,036)	(230,817)	(1,300,853)
Reclassification to right-of-use assets	(48,230)	-	(48,230)
Disposals	(795)	-	(795)
Effect of exchange rate changes	<u>(10,886)</u>	<u>(729)</u>	<u>(11,615)</u>
Balance at September 30, 2022	<u>\$ 464,194</u>	<u>20,323</u>	<u>484,517</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Buildings</u>	<u>Land use rights</u>	<u>Total</u>
Balance at January 1, 2021	\$ 1,258,277	221,417	1,479,694
Depreciation	117,950	12,029	129,979
Reclassification and effect of exchange rate changes	(7,151)	(1,102)	(8,253)
Balance at September 30, 2021	<u>\$ 1,369,076</u>	<u>232,344</u>	<u>1,601,420</u>
Carrying amount:			
Balance at September 30, 2022	<u>\$ 567,816</u>	<u>374,162</u>	<u>941,978</u>
Balance at January 1, 2022	<u>\$ 2,707,246</u>	<u>701,039</u>	<u>3,408,285</u>
Balance at September 30, 2021	<u>\$ 2,757,831</u>	<u>677,032</u>	<u>3,434,863</u>

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

The fair value of investment property was not significantly different from that disclosed in note 6(l) of the consolidated financial statements for the year ended December 31, 2021.

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

(m) Intangible assets

	<u>Goodwill</u>	<u>Computer software</u>	<u>Patents</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Others</u>	<u>Total</u>
Costs:							
Balance at January 1, 2022	\$ 5,761,776	1,502,377	970,047	2,081,069	2,233,900	1,182,680	13,731,849
Addition	-	273,057	-	-	-	68,537	341,594
Acquisition through business combination	126,146	6,369	-	12,821	114,384	20,733	280,453
Adjustment of business combination during the measurement period	(1,811)	-	(123)	6,577	-	-	4,643
Disposals	-	(77,137)	-	-	-	(54,471)	(131,608)
Reclassification to non-current assets held for sale	-	(33)	-	-	-	(735)	(768)
Reclassification and effect of exchange rate changes	2,644	62,816	(46,366)	473	(1,891)	44,716	62,392
Balance at September 30, 2022	<u>\$ 5,888,755</u>	<u>1,767,449</u>	<u>923,558</u>	<u>2,100,940</u>	<u>2,346,393</u>	<u>1,261,460</u>	<u>14,288,555</u>
Balance at January 1, 2021	\$ 5,281,296	1,020,811	853,870	1,506,189	2,056,637	646,099	11,364,902
Addition	-	343,302	-	-	-	77,005	420,307
Acquisition through business combination	286,039	12,555	2,320	565,893	117,063	384,432	1,368,302
Disposal	-	(36,352)	-	-	-	(19,307)	(55,659)
Reclassification and effect of exchange rate changes	18,583	(8,127)	(789)	8,929	(5,810)	(17,347)	(4,561)
Balance at September 30, 2021	<u>\$ 5,585,918</u>	<u>1,332,189</u>	<u>855,401</u>	<u>2,081,011</u>	<u>2,167,890</u>	<u>1,070,882</u>	<u>13,093,291</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>Goodwill</u>	<u>Computer software</u>	<u>Patents</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Others</u>	<u>Total</u>
Accumulated amortization and impairment loss:							
Balance at January 1, 2022	\$ 10,144	1,010,415	297,103	641,517	801,155	432,728	3,193,062
Amortization	-	201,410	131,336	155,504	168,893	160,533	817,676
Disposal	-	(77,137)	-	-	-	(54,471)	(131,608)
Acquisition through business combination	-	3,567	-	-	-	95	3,662
Reclassification to non-current assets held for sale	-	(33)	-	-	-	(657)	(690)
Reclassification and effect of exchange rate changes	233	17,092	(40,781)	16	(1,011)	30,090	5,639
Balance at September 30, 2022	<u>\$ 10,377</u>	<u>1,155,314</u>	<u>387,658</u>	<u>797,037</u>	<u>969,037</u>	<u>568,318</u>	<u>3,887,741</u>
Balance at January 1, 2021	\$ 10,144	802,730	123,716	457,862	572,278	279,277	2,246,007
Amortization	-	157,031	122,889	132,378	172,324	127,913	712,535
Disposal	-	(36,352)	-	-	-	(19,307)	(55,659)
Acquisition through business combination	-	11,059	3	-	-	234	11,296
Reclassification and effect of exchange rate changes	-	1,676	(599)	(33)	(2,504)	(21,293)	(22,753)
Balance at September 30, 2021	<u>\$ 10,144</u>	<u>936,144</u>	<u>246,009</u>	<u>590,207</u>	<u>742,098</u>	<u>366,824</u>	<u>2,891,426</u>
Carrying amount:							
Balance at September 30, 2022	<u>\$ 5,878,378</u>	<u>612,135</u>	<u>535,900</u>	<u>1,303,903</u>	<u>1,377,356</u>	<u>693,142</u>	<u>10,400,814</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 September 30, 2021	<u>\$ 5,575,774</u>	<u>396,045</u>	<u>609,392</u>	<u>1,490,804</u>	<u>1,425,792</u>	<u>704,058</u>	<u>10,201,865</u>

According to IAS 36, goodwill arising from a business combination is tested at least annually. According to the result of the impairment test, there were no losses incurred by the Group as of December 31, 2021; please refer to note 6(m) of the consolidated financial statements for more details. As of September 30, 2022, the Group assessed the achievement of the forecasted revenue and operating income of its CGUs for the nine months ended September 30, 2022, and concluded that there were no indications of goodwill impairment.

(n) Short-term borrowings

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Unsecured bank loans	\$ 40,414,274	23,981,166	31,108,301
Secured bank loans	325,536	313,856	223,986
	<u>\$ 40,739,810</u>	<u>24,295,022</u>	<u>31,332,287</u>
Unused credit facilities	<u>\$ 66,601,772</u>	<u>70,387,923</u>	<u>59,714,732</u>
Interest rate	<u>0.4%~4.55%</u>	<u>0.18%~4.25%</u>	<u>0.18%~4.25%</u>

(ii) Please 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

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured bank loans	\$ 32,983,497	24,490,080	21,185,587
Secured bank loans	2,475,350	2,927,130	4,091,159
Less: current portion of long-term debt	<u>(1,524,746)</u>	<u>(714,857)</u>	<u>(687,132)</u>
Long-term debt	<u>\$ 33,934,101</u>	<u>26,702,353</u>	<u>24,589,614</u>
Unused credit facilities	<u>\$ 38,889,967</u>	<u>25,957,471</u>	<u>16,396,199</u>
Interest rate	<u>1.2%~4.7%</u>	<u>0.8%~3.85%</u>	<u>0.73%~3.85%</u>
Maturity year	<u>2022~2040</u>	<u>2022~2040</u>	<u>2021~2040</u>

(i) Collateral for bank borrowings

Please refer to note 8 for a description of the Group's assets pledged as collateral to secure the bank loans.

(ii) Low interest rate loan from government assistance

In early 2020, the Group obtained the low interest rate loans from the bank in accordance with "Guidelines of Project Loans for Returning Overseas Taiwanese Businesses". The preferential interest rate ranged from 0.63% to 0.93%. As of September 30, 2022, the related loan amount was \$2,834,421. The estimated fair value of the loan was \$2,793,130, using the prevailing market interest rate ranged from 1.05% to 1.43%. The difference of \$41,291 was regarded as government grant and was recognized as deferred income. For the nine months ended September 30, 2022, the deferred income of \$4,743 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 year ended December 31, 2021, the Company's, QLLB's and BMC's financial ratios were in compliance with the syndicated loan agreement.

(p) Bonds payable

The details of the Company's secured corporate bonds were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Total secured corporate bonds issued	\$ 3,000,000	-	-
Less: unamortized bond issuance cost	(5,254)	-	-
Bonds payable—non-current	<u>\$ 2,994,746</u>	<u>-</u>	<u>-</u>

On June 28, 2022, the Company issued \$3,000,000 of secured corporate bonds at par value. The bonds have 5-year term and are repayable on maturity, with a fixed interest rate of 1.80% per annum, with simple interest and interest payable annually.

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

	September 30, 2022	December 31, 2021	September 30, 2021
Total convertible corporate bonds issued	\$ 600,000	600,000	600,000
Unamortized bond discount	(1,051)	(7,229)	(9,187)
Cumulative converted amount	(227,500)	(131,300)	(131,000)
Bonds payable	<u>\$ 371,449</u>	<u>461,471</u>	<u>459,813</u>
Embedded derivative – call and put options, included in financial assets at fair value through profit or loss	<u>\$ -</u>	<u>-</u>	<u>47</u>

As of September 30, 2022, the above convertible corporate bonds have been converted into 3,306 thousand shares of Interactive Digital's common stock.

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QISDA CORPORATION AND SUBSIDIARIES
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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	<ol style="list-style-type: none"> 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. 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.
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.
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, 2021, the conversion price had been adjusted to \$67 (New Taiwan Dollars). Starting June 30, 2022, the conversion price had been adjusted to \$61.2 (New Taiwan Dollars).

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Lease liabilities

The carrying amount of lease liabilities were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Current	\$ <u>471,961</u>	<u>466,245</u>	<u>456,401</u>
Non-current	\$ <u>1,645,501</u>	<u>1,524,736</u>	<u>1,396,554</u>

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2022	2022	2021
Expenses relating to short-term leases	\$ <u>39,255</u>	<u>29,851</u>	<u>112,833</u>	<u>90,925</u>
Income from sub-leasing right-of-use assets	\$ <u>8,824</u>	<u>11,542</u>	<u>26,537</u>	<u>34,621</u>
Interest on lease liabilities	\$ <u>9,261</u>	<u>9,175</u>	<u>32,097</u>	<u>28,600</u>

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

	For the nine months ended September 30,	
	2022	2021
Total cash outflow for leases	\$ <u>511,613</u>	<u>516,074</u>

(i) Real estate leases

The Group leases buildings for its office, store and factory. The leases for land use rights, which are usually prepaid and run for a period of 50 years. The leases for buildings typically run for a period of 3 to 10 years. The Group has to negotiate the new lease term and recognize relevant right-of-use assets and lease liabilities when the lease expires. Some of the leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Group leases transportation equipment, with lease terms of 1 to 5 years. In addition, the Group leases some plants, dormitory, and transportation equipment with contract terms within one year. These leases are short-term and the Group has elected to apply exemption and not to recognize right-of-use assets and lease liabilities.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(r) Provisions

	Warranties	Restructuring	Onerous Contracts	Litigation	Total
Balance at September 30, 2022	\$ 1,713,895	-	41,043	82,691	1,837,629
Current	\$ 952,359	-	41,043	82,691	1,076,093
Non-current	\$ 761,536	-	-	-	761,536
Balance at December 31, 2021	\$ 1,562,059	216	-	87,559	1,649,834
Current	\$ 818,693	216	-	87,559	906,468
Non-current	\$ 743,366	-	-	-	743,366
Balance at September 30, 2021	\$ 1,449,357	-	-	-	1,449,357
Current	\$ 781,766	-	-	-	781,766
Non-current	\$ 667,591	-	-	-	667,591

There was no significant change in provision for the three months and nine months ended September 30, 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 and nine months ended September 30, 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 nine months ended September 30, 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.

The expenses recognized in profit or loss were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Operating cost	\$ 1,143	1,037	3,536	3,022
Operating expenses	1,072	936	3,110	2,896
	\$ 2,215	1,973	6,646	5,918

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Defined contribution plans

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Operating cost	\$ 150,094	136,635	463,734	383,826
Operating expenses	<u>140,813</u>	<u>123,623</u>	<u>407,859</u>	<u>367,801</u>
	<u>\$ 290,907</u>	<u>260,258</u>	<u>871,593</u>	<u>751,627</u>

(u) Income taxes

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Current income tax expense	\$ 4,716,803	592,353	6,048,344	1,867,721
Deferred tax expense (benefit)	<u>(624,232)</u>	<u>1,648</u>	<u>(629,769)</u>	<u>156,980</u>
Income tax expense	<u>\$ 4,092,571</u>	<u>594,001</u>	<u>5,418,575</u>	<u>2,024,701</u>

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

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	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	<u>\$ (26,428)</u>	<u>8,547</u>	<u>(81,468)</u>	<u>109,341</u>

(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.

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QISDA CORPORATION AND SUBSIDIARIES
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(v) Capital and other equity

(i) Common stock

As of September 30, 2022, December 31 and September 30, 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 September 30, 2022, December 31 and September 30, 2021, the Company had issued 285 thousand units of global depository receipts (GDRs). The GDRs were listed on the Luxembourg Stock Exchange, and each GDR represents five common shares.

(ii) Capital surplus

	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>	<u>September 30,</u> <u>2021</u>
Share of changes in equity of associates and joint ventures	\$ 47,006	54,052	674
Changes in ownership interests in subsidiaries	<u>1,799,567</u>	<u>1,790,258</u>	<u>1,789,835</u>
	<u>\$ 1,846,573</u>	<u>1,844,310</u>	<u>1,790,509</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
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As the Company is a technology- and capital-intensive enterprise in its growing phase, the Company has adopted a remaining earnings appropriation method as its dividend policy in order to meet long-term capital needs and cash requirements of stockholders, and thereby maintain continuous development and steady growth.

The Company's requirements for future expansion and cash flow are the primary factors that the Company considers when appropriating its earnings. The distribution ratio for cash dividends shall not be less than 10% of the total distribution.

1) Legal reserve

If a company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve to shareholders by issuing new shares or by distributing cash for the portion in excess of 25% of the paid-in capital. 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 cash dividends of appropriation of 2021 and 2020 earnings was approved by the Company's Board of Directors on March 7, 2022 and May 11, 2021, respectively. Other appropriations of 2021 and 2020 earnings was approved by the shareholders during their meeting on May 31, 2022 and August 27, 2021, respectively. The resolved appropriations were as follows:

	2021 earnings		2020 earnings	
	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)	Amount
Legal reserve		\$ <u>798,486</u>		<u>455,392</u>
Appropriation (reversal) of special reserve		\$ <u>(431,423)</u>		<u>656,137</u>
Dividends per share:				
Cash dividends	\$ 2.50	<u>4,916,955</u>	1.50	<u>2,950,173</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 nine months ended September 30,	
	2022	2021
Balance at January 1	\$ (1,723,237)	(1,413,867)
Foreign exchange differences arising from translation of foreign operations	3,178,664	(199,029)
Shares of foreign currency translation differences of associates and joint ventures	292,056	(105,343)
Balance at September 30	\$ 1,747,483	(1,718,239)

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

	For the nine months ended September 30,	
	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	(6,635,196)	(3,226,211)
Disposal of financial assets at fair value through other comprehensive income	(93,959)	(178,405)
Share of other comprehensive income (loss) of associates	(179,441)	(84)
Balance at September 30	\$ (5,530,029)	(2,833,371)

3) Remeasurement of defined benefit plans:

	For the nine months ended September 30,	
	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	(105)
Balance at September 30	\$ (488,243)	(422,212)

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
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(v) Non-controlling interests (net after tax)

	For the nine months ended September 30,	
	2022	2021
Balance at January 1	\$ 24,706,340	22,937,719
Equity attributable to non-controlling interests		
Net income	2,182,979	1,637,796
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	(26,983)	(1,322,949)
Stock option compensation cost of subsidiary	2,612	5,849
Changes in ownership interest in subsidiaries	(9,309)	(7,946)
Foreign currency translation differences	597,543	(86,928)
Capital surplus—share of changes in equity of associates and joint ventures	36	1,057
Remeasurement of the defined benefit plans	442	-
Remeasurement of the defined benefit plans—share of changes in equity of associates	-	(99)
Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	3,372	(205)
Distribution of cash dividend by subsidiaries	(1,493,123)	(1,242,494)
Capital injection from non-controlling interests	-	77,547
Changes in non-controlling interests	611,988	1,218,159
Balance at September 30	\$ 26,575,897	23,217,506

(w) Share-based payment

There was no significant change in share-based payment for the three months and nine months ended September 30, 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 September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Profit attributable to shareholders of the Company	\$ 6,364,162	1,395,322	7,880,318	7,312,256
Weighted-average number of ordinary shares outstanding (in thousands)	1,966,782	1,966,782	1,966,782	1,966,782
Basic earnings per share (in New Taiwan Dollars)	\$ 3.24	0.71	4.01	3.72

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
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(ii) Diluted earnings per share

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Profit attributable to shareholders of the Company	\$ <u>6,364,162</u>	<u>1,395,322</u>	<u>7,880,318</u>	<u>7,312,256</u>
Weighted-average number of ordinary shares outstanding (in thousands)	1,966,782	1,966,782	1,966,782	1,966,782
Effect of dilutive potential common stock:				
Remuneration to employee	<u>33,242</u>	<u>29,781</u>	<u>38,332</u>	<u>33,963</u>
Weighted-average number of ordinary shares outstanding (including effect of dilutive potential common stock)	<u>2,000,024</u>	<u>1,996,563</u>	<u>2,005,114</u>	<u>2,000,745</u>
Diluted earnings per share (in New Taiwan Dollars)	\$ <u>3.18</u>	<u>0.70</u>	<u>3.93</u>	<u>3.65</u>

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended September 30, 2022					
	DMS	Brand	Material	Networks	Medical	Total
Primary geographical markets:						
Asia	\$ 16,295,467	10,027,921	3,595,271	2,080,809	2,830,891	34,830,359
Europe	2,696,522	2,337,678	16,302	732,772	-	5,783,274
America	9,446,029	3,289,649	26,879	6,417,277	-	19,179,834
Others	<u>77,484</u>	<u>183,635</u>	<u>5,465</u>	<u>12</u>	<u>-</u>	<u>266,596</u>
	<u>\$ 28,515,502</u>	<u>15,838,883</u>	<u>3,643,917</u>	<u>9,230,870</u>	<u>2,830,891</u>	<u>60,060,063</u>
Major products/services lines:						
Electronic products	\$ 28,096,172	15,250,370	3,643,739	9,125,935	-	56,116,216
Medical services	-	-	-	-	2,830,891	2,830,891
Others	<u>419,330</u>	<u>588,513</u>	<u>178</u>	<u>104,935</u>	<u>-</u>	<u>1,112,956</u>
	<u>\$ 28,515,502</u>	<u>15,838,883</u>	<u>3,643,917</u>	<u>9,230,870</u>	<u>2,830,891</u>	<u>60,060,063</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		For the three months ended September 30, 2021					
		DMS	Brand	Material	Networks	Medical	Total
Primary geographical markets:							
Asia	\$	17,639,149	8,645,742	4,018,078	1,884,636	2,363,506	34,551,111
Europe		2,213,761	2,573,569	8,973	513,151	-	5,309,454
America		8,923,266	3,783,845	15,558	4,307,929	-	17,030,598
Others		83,169	225,055	1,757	-	-	309,981
	\$	28,859,345	15,228,211	4,044,366	6,705,716	2,363,506	57,201,144
Major products/services lines:							
Electronic products	\$	28,525,276	14,795,857	4,044,366	6,620,872	-	53,986,371
Medical services		-	-	-	-	2,363,506	2,363,506
Others		334,069	432,354	-	84,844	-	851,267
	\$	28,859,345	15,228,211	4,044,366	6,705,716	2,363,506	57,201,144
		For the nine months ended September 30, 2022					
		DMS	Brand	Material	Networks	Medical	Total
Primary geographical markets:							
Asia	\$	51,317,594	28,445,666	11,762,473	5,492,879	7,544,365	104,562,977
Europe		9,481,388	7,636,459	43,221	2,156,684	-	19,317,752
America		30,789,813	11,129,640	95,322	16,743,363	-	58,758,138
Others		372,161	696,432	12,805	12	-	1,081,410
	\$	91,960,956	47,908,197	11,913,821	24,392,938	7,544,365	183,720,277
Major products/services lines:							
Electronic products	\$	90,485,295	46,411,634	11,912,797	24,130,952	-	172,940,678
Medical services		-	-	-	-	7,544,365	7,544,365
Others		1,475,661	1,496,563	1,024	261,986	-	3,235,234
	\$	91,960,956	47,908,197	11,913,821	24,392,938	7,544,365	183,720,277
		For the nine months ended September 30, 2021					
		DMS	Brand	Material	Networks	Medical	Total
Primary geographical markets:							
Asia	\$	33,298,673	25,171,144	12,337,268	4,890,390	6,924,542	82,622,017
Europe		18,183,085	8,542,113	24,045	2,241,857	-	28,991,100
America		27,167,388	8,950,040	28,638	14,138,848	-	50,284,914
Others		1,396,224	604,213	7,294	182,938	-	2,190,669
	\$	80,045,370	43,267,510	12,397,245	21,454,033	6,924,542	164,088,700
Major products/services lines:							
Electronic products	\$	79,366,338	42,217,935	12,397,245	21,217,065	-	155,198,583
Medical services		-	-	-	-	6,924,542	6,924,542
Others		679,032	1,049,575	-	236,968	-	1,965,575
	\$	80,045,370	43,267,510	12,397,245	21,454,033	6,924,542	164,088,700

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	September 30, 2022	December 31, 2021	September 30, 2021
Notes and accounts receivable (including related parties)	\$ 47,768,984	33,295,745	33,977,258
Less: loss allowance	<u>(337,366)</u>	<u>(288,648)</u>	<u>(246,459)</u>
	<u>\$ 47,431,618</u>	<u>33,007,097</u>	<u>33,730,799</u>
	September 30, 2022	December 31, 2021	September 30, 2021
Contract liabilities	<u>\$ 2,546,409</u>	<u>2,431,400</u>	<u>2,303,002</u>

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

The amount of revenue recognized for the nine months ended September 30, 2022 and 2021 that were included in the contract liability balance at January 1, 2022 and 2021, were \$1,738,972 and \$1,567,658, 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 and nine months ended September 30, 2022 and 2021, the Company estimated its remuneration to employees amounting to \$710,837, \$168,575, \$900,863 and \$853,231, respectively, and the remuneration to directors amounting to \$53,313, \$12,643, \$67,565 and \$63,992, 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

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	\$ <u>113,106</u>	<u>64,021</u>	<u>238,915</u>	<u>203,787</u>

(ii) Other income

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Government grants income	\$ 37,851	51,147	80,273	90,927
Dividend income	<u>882,648</u>	<u>267,486</u>	<u>905,061</u>	<u>283,347</u>
	<u>\$ 920,499</u>	<u>318,633</u>	<u>985,334</u>	<u>374,274</u>

(iii) Other gains and losses, net

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Gain (loss) on disposal of property, plant and equipment	\$ 15,983	2,786	7,246	(30,091)
Gain on disposal of subsidiaries (note 6(i))	8,756,655	-	8,756,655	104,928
Gain on disposal of investments accounted for using equity method (note 6(h))	-	169,370	55,851	2,957,682
Foreign currency exchange gains (losses)	528,787	(18,283)	635,540	(35,763)
Gains (losses) on financial instruments at fair value through profit or loss	(349,556)	38,191	(368,691)	182,054
Impairment loss on investments accounted for using equity method (note 6(h))	-	-	(7,000)	(6,632)
Gain on disposal of non-current assets held for sale (note 6(g))	783,358	-	907,772	365,338
Gain on bargain purchase (note 6(i))	-	-	81,089	-
Impairment losses on non-financial assets	(3,320)	-	(6,322)	-
Others	<u>86,397</u>	<u>76,615</u>	<u>281,902</u>	<u>273,680</u>
	<u>\$ 9,818,304</u>	<u>268,679</u>	<u>10,344,042</u>	<u>3,811,196</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Finance costs

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Interest expense of bank loans	\$ 352,931	161,760	778,183	477,880
Interest expense on lease liabilities	9,261	9,175	32,097	28,600
	<u>\$ 362,192</u>	<u>170,935</u>	<u>810,280</u>	<u>506,480</u>

(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 September 30, 2022, December 31 and September 30, 2021, the Group had unused credit facilities of \$105,491,739, \$96,345,394 and \$76,110,931, respectively.

The table below summarizes the maturity profile of the Group's financial liabilities based on contractual undiscounted payments, including principal and interest.

	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
September 30, 2022						
Non-derivative financial liabilities:						
Short-term borrowings (floating interest rates)	\$ 40,966,529	39,719,261	1,247,268	-	-	-
Financial liabilities at fair value through profit or loss — contingent consideration	104,295	-	2,826	37,987	63,482	-
Lease liabilities	2,229,689	276,951	240,445	395,460	902,390	414,443
Long-term debt (floating interest rates)	35,923,472	621,117	1,094,662	7,681,573	25,836,857	689,263
Bonds payable (fixed interest rates)	3,629,000	399,500	27,000	54,000	3,148,500	-
Notes and accounts payable	36,500,652	36,500,652	-	-	-	-
Other payables	13,876,188	13,876,188	-	-	-	-
Guarantee deposits	123,566	-	-	-	123,566	-
	<u>\$ 133,353,391</u>	<u>91,393,669</u>	<u>2,612,201</u>	<u>8,169,020</u>	<u>30,074,795</u>	<u>1,103,706</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 10,017,797	10,017,797	-	-	-	-
Inflow	(10,102,612)	(10,102,612)	-	-	-	-
Foreign exchange swaps:						
Outflow	16,586,996	16,586,996	-	-	-	-
Inflow	(16,237,637)	(16,237,637)	-	-	-	-
	<u>\$ 264,544</u>	<u>264,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<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>
September 30, 2021						
Non-derivative financial liabilities:						
Short-term borrowings (floating interest rates)	\$ 31,375,146	30,540,182	834,964	-	-	-
Financial liabilities at fair value through profit or loss — contingent consideration	185,556	2,395	11,666	13,713	157,782	-
Lease liabilities	2,044,518	251,138	233,280	352,382	735,972	471,746
Long-term debt (floating interest rates)	26,482,795	490,040	536,914	6,363,425	18,357,808	734,608
Bonds payable (fixed interest rates)	469,000	469,000	-	-	-	-
Notes and accounts payable	38,546,794	38,546,794	-	-	-	-
Other payables	11,410,427	11,410,427	-	-	-	-
Guarantee deposits	403,461	-	-	-	403,461	-
	<u>\$ 110,917,697</u>	<u>81,709,976</u>	<u>1,616,824</u>	<u>6,729,520</u>	<u>19,655,023</u>	<u>1,206,354</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 11,287,599	11,287,599	-	-	-	-
Inflow	(11,325,118)	(11,325,118)	-	-	-	-
Foreign exchange swaps:						
Outflow	8,659,360	8,659,360	-	-	-	-
Inflow	(8,665,389)	(8,665,389)	-	-	-	-
	<u>\$ (43,548)</u>	<u>(43,548)</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.

(Continued)

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):

	September 30, 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	\$ 2,303,617	31.7500	73,139,840	1 %	731,398
EUR	85,136	31.2450	2,660,074	1 %	26,601
CNY	2,821,341	4.4764	12,629,451	1 %	126,295
JPY	4,690,608	0.2201	1,032,403	1 %	10,324
<u>Non-monetary items</u>					
CNY	9,687	4.4764	43,361	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,628,696	31.7500	51,711,098	1 %	517,111
EUR	43,250	31.2450	1,351,346	1 %	13,513
CNY	2,395,242	4.4764	10,722,061	1 %	107,221
JPY	9,947,128	0.2201	2,189,363	1 %	21,894

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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	
September 30, 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	\$ 1,415,421	27.8400	39,405,321	1 %	394,053	
EUR	88,435	32.2940	2,855,920	1 %	28,559	
CNY	2,042,717	4.2996	8,782,866	1 %	87,829	
JPY	3,447,689	0.2488	857,785	1 %	8,578	
<u>Non-monetary items</u>						
CNY	71,367	4.2996	306,850	-	-	
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD	1,660,387	27.8400	46,225,174	1 %	462,252	
EUR	74,987	32.2940	2,421,630	1 %	24,216	
CNY	1,675,398	4.2996	7,203,541	1 %	72,035	
JPY	7,146,297	0.2488	1,777,999	1 %	17,780	

(Continued)

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. Please refer to note 6(aa) for the aggregate of realized and unrealized foreign exchange gain (loss) for the three months and nine months ended September 30, 2022 and 2021.

(iii) Categories of financial instruments

1) Financial assets

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets at fair value through profit or loss (including current and non-current)	\$ <u>678,728</u>	<u>487,545</u>	<u>505,239</u>
Financial assets at fair value through other comprehensive income (including current and non-current)	<u>11,544,486</u>	<u>18,149,096</u>	<u>14,169,943</u>
Financial assets measured at amortized cost:			
Cash and cash equivalents	34,792,256	17,781,480	16,830,176
Notes and accounts receivable and other receivables (including related parties)	50,205,669	34,163,350	34,765,406
Other financial assets (including current and non-current)	<u>3,506,450</u>	<u>5,150,299</u>	<u>7,954,824</u>
Subtotal	<u>88,504,375</u>	<u>57,095,129</u>	<u>59,550,406</u>
Total	<u>\$ 100,727,589</u>	<u>75,731,770</u>	<u>74,225,588</u>

2) Financial liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
Financial liabilities at fair value through profit or loss:			
Held-for-trading	\$ 509,370	72,942	49,108
Contingent consideration arising from business combinations	<u>73,496</u>	<u>103,222</u>	<u>104,529</u>
Subtotal	<u>582,866</u>	<u>176,164</u>	<u>153,637</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	September 30, 2022	December 31, 2021	September 30, 2021
Financial liabilities measured at amortized cost:			
Short-term borrowings	40,739,810	24,295,022	31,332,287
Notes and accounts payable and other payables (including related parties)	50,376,840	53,675,879	49,957,221
Lease liabilities (including current portion and related parties)	2,117,012	1,990,981	1,852,955
Long-term debt (including current portion)	35,458,847	27,417,210	25,276,746
Bonds payable (including current portion)	3,366,195	461,471	459,813
Other non-current liabilities — guarantee deposits	123,566	279,354	403,461
Subtotal	<u>132,182,270</u>	<u>108,119,917</u>	<u>109,282,483</u>
Total	<u>\$ 132,765,136</u>	<u>108,296,081</u>	<u>109,436,120</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.

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).

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

September 30, 2022				
Fair Value				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	178,966	-	178,966
Foreign exchange swaps	-	65,860	-	65,860
Open-end mutual funds	25,956	-	-	25,956
Listed stocks	56,354	-	-	56,354
Privately held equity securities	-	-	346,059	346,059
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	<u>82,310</u>	<u>244,826</u>	<u>351,592</u>	<u>678,728</u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	11,007,726	-	-	11,007,726
Domestic emerging stock	-	132,107	-	132,107
Privately held equity securities	-	-	404,653	404,653
Subtotal	<u>11,007,726</u>	<u>132,107</u>	<u>404,653</u>	<u>11,544,486</u>
Total	<u>\$ 11,090,036</u>	<u>376,933</u>	<u>756,245</u>	<u>12,223,214</u>
Financial liabilities at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	94,151	-	94,151
Foreign exchange swaps	-	415,219	-	415,219
Contingent consideration arising from business combinations	-	-	73,496	73,496
Total	<u>\$ -</u>	<u>509,370</u>	<u>73,496</u>	<u>582,866</u>
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>

(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 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>
	September 30, 2021			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	72,636	-	72,636
Foreign exchange swaps	-	20,020	-	20,020
Open-end mutual funds	25,610	-	-	25,610
Listed stocks	58,669	-	-	58,669
Embedded derivative — call and put options of convertible bonds	-	47	-	47
Privately held equity securities	-	-	312,220	312,220
Put option	-	-	10,504	10,504
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	<u>84,279</u>	<u>92,703</u>	<u>328,257</u>	<u>505,239</u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stock	12,029,716	-	-	12,029,716
Domestic emerging stock	-	1,584,371	-	1,584,371
Privately held equity securities	-	-	555,856	555,856
Subtotal	<u>12,029,716</u>	<u>1,584,371</u>	<u>555,856</u>	<u>14,169,943</u>
Total	<u>\$ 12,113,995</u>	<u>1,677,074</u>	<u>884,113</u>	<u>14,675,182</u>
Financial liabilities at fair value through profit and loss:				
Foreign currency forward contracts	\$ -	(35,117)	-	(35,117)
Foreign exchange swaps	-	(13,991)	-	(13,991)
Contingent consideration arising from business combinations	-	-	(104,529)	(104,529)
Total	<u>\$ -</u>	<u>(49,108)</u>	<u>(104,529)</u>	<u>(153,637)</u>

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

2) Valuation techniques and assumptions used in fair value measurement

a) Non-derivative financial instruments

The fair value of financial instruments traded in active liquid markets is determined with reference to quoted market prices.

For listed stock and open-end mutual funds with standard terms and conditions and traded in active markets. The fair value is based on quoted market prices.

Except for the abovementioned financial instruments traded in an active market, the fair value of other financial instruments are based on the valuation techniques or the quotation from counterparty. The fair value using valuation techniques refers to the current fair value of other financial instruments with similar conditions and characteristics, or using a discounted cash flow method, or other valuation techniques which include model calculating with observable market data at the reporting date.

For the Group's financial instruments that are not traded in active markets, the fair values are determined as follows:

- The fair value of the Group's domestic emerging 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.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) Transfers between levels of the fair value hierarchy

There was no transfer among fair value hierarchies for the nine months ended September 30, 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 September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Balance at January 1	\$ 367,558	303,156	354,333	173,731
Additions	-	-	-	100,000
Recognized in profit or loss	(15,966)	25,101	(2,741)	54,526
Balance at September 30	<u>\$ 351,592</u>	<u>328,257</u>	<u>351,592</u>	<u>328,257</u>

Financial assets at fair value through other comprehensive income:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Balance at January 1	\$ 254,672	479,437	288,852	420,505
Acquisition through business combination	-	-	1,644	-
Additions	149,424	-	151,710	69,187
Reclassification	-	(367)	-	(367)
Proceeds from capital reduction	-	-	(11,042)	-
Recognized in other comprehensive income	557	76,786	(26,511)	66,531
Balance at September 30	<u>\$ 404,653</u>	<u>555,856</u>	<u>404,653</u>	<u>555,856</u>

Financial liabilities at fair value through profit or loss:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Balance at January 1	\$ 92,994	104,529	103,222	80,518
Contingent consideration arising from business combination	-	-	-	23,298
Decrease in contingent consideration	-	-	(7,408)	-
Recognized in profit or loss	(19,498)	-	(22,318)	713
Balance at September 30	<u>\$ 73,496</u>	<u>80,518</u>	<u>73,496</u>	<u>104,529</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The above-mentioned total gains or losses were included in “other gains and losses, net” and “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”. The gains or losses attributable to the assets and liabilities held on September 30, 2022 and 2021 were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Total gains or losses:				
Recognized in profit or loss (included in other gains and losses, net)	\$ 3,532	25,101	19,577	53,813
Recognized in other comprehensive income (loss) (included in “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”)	557	76,786	(26,511)	66,531

(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.

(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.

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Notes to the Consolidated Financial Statements

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

(i) For acquisition of right-of-use assets under lease for the nine months ended September 30, 2022 and 2021, please refer to note 6(k).

(ii) Investing activities partially received and paid in cash were as follows:

	For the nine months ended September 30,	
	2022	2021
Net consideration from disposal of subsidiaries	\$ 12,141,558	315,645
Less: other receivables at September 30	(1,093,665)	-
Add: other payables at September 30	230,962	-
Decrease in cash for derecognition of subsidiaries	(861,614)	(3,604)
Cash received for disposal of subsidiaries	<u>\$ 10,417,241</u>	<u>312,041</u>
	For the nine months ended September 30,	
	2022	2021
Net consideration from disposal of non-current assets held for sale	\$ 1,355,725	561,173
Less: advance receipts at January 1	(84,000)	-
Less: accounts receivable at September 30	(118,193)	(43,327)
Cash received for disposal of non-current assets held for sale	<u>\$ 1,153,532</u>	<u>517,846</u>

(iii) Reconciliation of liabilities arising from financing activities were as follows:

	Non-cash changes					
	January 1, 2022	Cash flows	Acquisition through business combination	Additions	Effect of foreign exchange rate and others	September 30, 2022
Short-term borrowings	\$ 24,295,022	16,270,607	151,461	-	22,720	40,739,810
Long-term debt (including current portion)	27,417,210	7,642,126	850	-	398,661	35,458,847
Bonds payable (including current portion)	461,471	2,994,473	-	-	(89,749)	3,366,195
Lease liabilities	1,990,981	(366,683)	211,197	322,297	(40,780)	2,117,012
Guarantee deposits	279,354	(9,243)	-	-	(146,545)	123,566
	<u>\$ 54,444,038</u>	<u>26,531,280</u>	<u>363,508</u>	<u>322,297</u>	<u>144,307</u>	<u>81,805,430</u>

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QISDA CORPORATION AND SUBSIDIARIES
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	January 1, 2021	Cash flows	Non-cash changes			September 30, 2021
			Acquisition through business combination	Additions	Effect of foreign exchange rate	
Short-term borrowings	\$ 21,131,930	9,968,491	236,400	-	(4,534)	31,332,287
Long-term debt (including current portion)	22,903,335	2,299,799	123,927	-	(50,315)	25,276,746
Bonds payable (including current portion)	526,507	-	-	-	(66,694)	459,813
Lease liabilities	2,020,636	(396,549)	57,254	186,952	(15,338)	1,852,955
Guarantee deposits	1,621,811	(1,218,350)	-	-	-	403,461
	<u>\$ 48,204,219</u>	<u>10,653,391</u>	<u>417,581</u>	<u>186,952</u>	<u>(136,881)</u>	<u>59,325,262</u>

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.

Name of related party	Relationship with the Group
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 for its 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
Jiangsu Yudi Optical Co.,Ltd.	The Group’s associates
DMC Components International, LLC. (“DMC”)	The Group’s associates
The Linden Group Corp.	The Group’s associates
Qubyx Limited	The Group’s associates
Grandsys Inc. (“Grandsys”)	The Group’s associates

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

<u>Name of related party</u>	<u>Relationship with the Group</u>
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
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
Space Money Inc.	AU’s subsidiaries
Unictron Technologies Corporation	DFN’s subsidiaries
Darfon America Corp. (“DFA”)	DFN’s subsidiaries
Darfon Electronics Czech s.r.o (“DFC”)	DFN’s subsidiaries
Darfon Electronics (Suzhou) Co., Ltd. (“DFS”)	DFN’s subsidiaries
Huaian Darfon Electronics Co., Ltd. (“DFH”)	DFN’s subsidiaries
Darfon Electronics (Chongqing) Co., Ltd. (“DFQ”)	DFN’s subsidiaries
Darad Innovation Corporation	DFN’s subsidiaries
Astro Tech Co., Ltd.	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
Suzhou BenQ Foundation	Substantive related party

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(b) Significant related-party transactions

(i) Revenue

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Associates:				
AU	\$ -	-	-	3,169,024
AUSZ	-	-	-	1,064,012
Other associates	<u>260,683</u>	<u>306,666</u>	<u>672,226</u>	<u>966,554</u>
	<u>260,683</u>	<u>306,666</u>	<u>672,226</u>	<u>5,199,590</u>
Joint ventures	<u>4,037</u>	<u>3,667</u>	<u>6,502</u>	<u>6,702</u>
The entity who has significant influence over the Group:				
AU	1,180,539	2,462,220	5,735,834	4,122,591
AUSZ	413,588	841,381	1,658,911	1,344,857
Other	<u>251,599</u>	<u>196,901</u>	<u>876,085</u>	<u>332,968</u>
	<u>1,845,726</u>	<u>3,500,502</u>	<u>8,270,830</u>	<u>5,800,416</u>
	<u>\$ 2,110,446</u>	<u>3,810,835</u>	<u>8,949,558</u>	<u>11,006,708</u>

The sales prices for some of the abovementioned transactions were not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transactions, there were no significant differences between the sales prices for related parties and those for third-party customers. The payment terms of 30~120 days showed no significant difference between related parties and third-party customers.

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QISDA CORPORATION AND SUBSIDIARIES
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(ii) Purchases

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Associates:				
AU	\$ -	-	-	4,085,451
Other associates	<u>171,750</u>	<u>206,455</u>	<u>514,655</u>	<u>537,581</u>
	<u>171,750</u>	<u>206,455</u>	<u>514,655</u>	<u>4,623,032</u>
Joint ventures	<u>23,405</u>	<u>13,600</u>	<u>44,345</u>	<u>44,204</u>
The entity who has significant influence over the Group:				
AU	1,405,607	3,029,600	5,542,391	5,173,873
Other	<u>33,286</u>	<u>-</u>	<u>169,891</u>	<u>-</u>
	<u>1,438,893</u>	<u>3,029,600</u>	<u>5,712,282</u>	<u>5,173,873</u>
	<u>\$ 1,634,048</u>	<u>3,249,655</u>	<u>6,271,282</u>	<u>9,841,109</u>

There were no significant differences between the purchase prices for related parties and those for third-party vendors. The payment terms of 30~120 days showed no significant difference between related parties and third-party vendors.

(iii) Property transactions

In June 2021, the Group disposed its land and building located at Penang, Malaysia to its associate (VVM) at a total contract price of MYR 92,000 thousand, wherein the net proceeds of disposal of property amounted to \$561,173. As of September 30, 2022, the outstanding receivables of \$43,327 were recorded under other receivables as the attorney collected 7% of the total contract price on behalf of the Group. The gain on disposal of the aforementioned property was \$365,338.

(iv) 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 and nine months ended September 30, 2022 and 2021, the related interest expense on lease liabilities amounted to \$318, \$587, \$1,386 and \$2,080, respectively. As of September 30, 2022, December 31, September 30, 2021, the balance of the lease liabilities amounted to \$33,757, \$101,388, and \$115,341, respectively.

The Group leased its plant and office to associates. For the three months and nine months ended September 30, 2022 and 2021, the rental income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Associates	<u>\$ 3,389</u>	<u>3,695</u>	<u>10,435</u>	<u>16,712</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(v) Donation

For the three months and nine months ended September 30, 2022 and 2021, the Group made a donation to substantive related party, BenQ Foundation, amounting to \$1,500, \$13,500, \$26,750 and \$22,000, respectively.

(vi) 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>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Accounts receivable	The entity who has significant influence over the Group:			
	AU	\$ 842,462	1,788,712	1,734,751
	AUSZ	418,469	799,884	1,068,865
	Other	<u>180,383</u>	<u>65,741</u>	<u>213,048</u>
		<u>1,441,314</u>	<u>2,654,337</u>	<u>3,016,664</u>
	Joint ventures	<u>16,111</u>	<u>16,987</u>	<u>7,522</u>
	Associates	<u>216,539</u>	<u>336,296</u>	<u>233,690</u>
		<u>\$ 1,673,964</u>	<u>3,007,620</u>	<u>3,257,876</u>
Other receivables	Associates:			
	NSHD	\$ 301,711	292,012	288,075
	Other	<u>11,657</u>	<u>12,154</u>	<u>13,331</u>
		<u>\$ 313,368</u>	<u>304,166</u>	<u>301,406</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vii) 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>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Accounts payable	The entity who has significant influence over the Group:			
	AU	\$ 619,407	1,152,322	1,226,717
	Other	<u>26,744</u>	<u>72,732</u>	<u>53,714</u>
		<u>646,151</u>	<u>1,225,054</u>	<u>1,280,431</u>
	Joint ventures	<u>699</u>	<u>1,581</u>	<u>2,904</u>
	Associates	<u>244,358</u>	<u>238,764</u>	<u>197,486</u>
		<u>\$ 891,208</u>	<u>1,465,399</u>	<u>1,480,821</u>
Other payables		<u>\$ 21,429</u>	<u>27,307</u>	<u>274,214</u>
Lease liabilities				
—current		<u>\$ 32,255</u>	<u>96,767</u>	<u>92,284</u>
Lease liabilities				
—non-current		<u>\$ 1,502</u>	<u>4,621</u>	<u>23,057</u>

(c) Compensation for key management personnel

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ 157,024	98,623	231,223	209,615
Post-employment benefits	<u>288</u>	<u>252</u>	<u>882</u>	<u>666</u>
	<u>\$ 157,312</u>	<u>98,875</u>	<u>232,105</u>	<u>210,281</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>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Other financial assets — current (time deposits)	Credit lines of bank loans and guarantee for tax clearance certificate and performance guarantee	\$ 101,635	58,852	63,873
Other financial assets — non-current (special deposit account)	Restrictions on utilization of repatriated offshore funds	608,023	668,202	794,379
Other financial assets — non-current	Guarantee for construction project, guarantee to lawsuits, and guarantee for land lease	260,146	127,378	147,487
Land and buildings	Credit lines of bank loans	4,680,971	4,948,215	4,371,066
Investment property	Credit lines of bank loans	401,897	204,004	204,682
Notes and accounts receivable	Credit lines of bank loans	127,494	18,196	29,600
Financial assets at fair value through other comprehensive income — non-current	Credit lines of bank loans	-	-	2,294,500
Inventory	Credit lines of bank loans and deposit of customs	-	2,000	-
		<u>\$ 6,180,166</u>	<u>6,026,847</u>	<u>7,905,587</u>

9. Significant commitments and contingencies

(a) Significant unrecognized commitments

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Unused letters of credit	<u>\$ 1,571,839</u>	<u>870,076</u>	<u>1,334,556</u>

(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.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

10. Significant loss from disaster: None.

11. Significant subsequent events: None.

In order to accelerate enterprise transformation, expand the percentage of revenue of medical products, as well as extend the core research & development and manufacturing technology for the related medical materials, a resolution was approved during the board meeting of BenQ Materials Corp. (“ BMC”) held on November 1, 2022 to acquire 35,700 thousand common shares of WEB-PRO Corporation (“ WPC”) at a maximum price of \$88.58 (dollars) per share, wherein the total investment amount should not exceed \$3,162,000. After the completion of the above investment, BMC is expected to hold 51% ownership of WPC and obtains control over it.

12. Others

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

	For the three months ended September 30, 2022			For the three months ended September 30, 2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits:						
Salaries	2,844,251	4,070,787	6,915,038	2,627,226	2,977,383	5,604,609
Insurance	233,737	280,313	514,050	206,879	248,653	455,532
Pension	151,237	141,885	293,122	137,672	124,559	262,231
Others	196,949	216,273	413,222	211,297	195,611	406,908
Depreciation	707,797	372,268	1,080,065	598,116	353,012	951,128
Amortization	30,091	249,935	280,026	9,957	247,791	257,748

	For the nine months ended September 30, 2022			For the nine months ended September 30, 2021		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits:						
Salaries	8,436,675	10,439,282	18,875,957	7,729,799	8,973,960	16,703,759
Insurance	685,275	828,807	1,514,082	585,913	729,712	1,315,625
Pension	467,270	410,969	878,239	386,848	370,697	757,545
Others	641,718	652,861	1,294,579	608,562	544,304	1,152,866
Depreciation	1,989,318	1,113,616	3,102,934	1,815,439	1,002,781	2,818,220
Amortization	84,897	737,259	822,156	41,417	676,696	718,113

(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: Table 4 (attached)
 - (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 5 (attached)
 - (vii) Total purchases from and sales to related parties which exceed \$100 million or 20% of the paid-in capital: Table 6 (attached)
 - (viii) Receivables from related parties which exceed \$100 million or 20% of the paid-in capital: Table 7 (attached)
 - (ix) Transactions about derivative instruments: Please refer to note 6(b)
 - (x) Business relationships and significant intercompany transactions: Table 8 (attached)
- (b) Information on investees: Table 9 (attached)
- (c) Information on investment in Mainland China: Table 10 (attached)
- (d) Major shareholders:

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

(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 September 30, 2022							
	DMS	Brand	Material	Medical	Networks	Others	Eliminations	Total
External revenue	\$ 28,515,502	15,838,883	3,643,918	2,830,890	9,230,870	-	-	60,060,063
Intra-group revenue	2,756,895	205,434	2,782	5,172	-	-	(2,970,283)	-
Total segment revenue	\$ 31,272,397	16,044,317	3,646,700	2,836,062	9,230,870	-	(2,970,283)	60,060,063
Segment profit (loss)	\$ (677,245)	615,787	144,582	239,754	418,292	(61)	47,050	788,159
	For the three months ended September 30, 2021							
	DMS	Brand	Material	Medical	Networks	Others	Eliminations	Total
External revenue	\$ 28,859,345	15,228,211	4,044,366	2,363,506	6,705,716	-	-	57,201,144
Intra-group revenue	3,106,983	151,647	2,489	8,009	240	-	(3,269,368)	-
Total segment revenue	\$ 31,966,328	15,379,858	4,046,855	2,371,515	6,705,956	-	(3,269,368)	57,201,144
Segment profit (loss)	\$ 704,054	733,895	306,632	77,316	127,820	(703)	32,759	1,981,773
	For the nine months ended September 30, 2022							
	DMS	Brand	Material	Medical	Networks	Others	Eliminations	Total
External revenue	\$ 91,960,956	47,908,197	11,913,821	7,544,365	24,392,938	-	-	183,720,277
Intra-group revenue	8,439,530	470,471	8,618	6,616	-	-	(8,925,235)	-
Total segment revenue	\$ 100,400,486	48,378,668	11,922,439	7,550,981	24,392,938	-	(8,925,235)	183,720,277
Segment profit (loss)	\$ 278,658	1,953,276	596,057	403,863	1,032,048	(258)	111,813	4,375,457
	For the nine months ended September 30, 2021							
	DMS	Brand	Material	Medical	Networks	Others	Eliminations	Total
External revenue	\$ 80,045,370	43,267,510	12,397,245	6,924,542	21,454,033	-	-	164,088,700
Intra-group revenue	8,346,749	406,037	9,013	8,577	240	-	(8,770,616)	-
Total segment revenue	\$ 88,392,119	43,673,547	12,406,258	6,933,119	21,454,273	-	(8,770,616)	164,088,700
Segment profit (loss)	\$ 1,679,866	2,446,629	770,217	263,348	358,198	(1,756)	90,122	5,606,624

QISDA CORPORATION AND SUBSIDIARIES
Financing provided to other parties
For the nine months ended September 30, 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	285,750	285,750	285,750	-	2	-	Operating requirements	-	-	-	6,379,732	6,379,732
1	BenQ	Darly Venture (L) Ltd	Other receivables from related parties	Yes	158,750	158,750	158,750	0.75%	2	-	Operating requirements	-	-	-	6,379,732	6,379,732
1	BenQ	APV	Other receivables from related parties	Yes	300,000	300,000	210,000	0.50%	2	-	Operating requirements	-	-	-	6,379,732	6,379,732
2	APV	BenQ	Other receivables from related parties	Yes	200,000	-	-	0.50%	2	-	Operating requirements	-	-	-	1,219,065	1,219,065
3	Darly 2	BenQ	Other receivables from related parties	Yes	400,000	50,000	-	0.50%	2	-	Operating requirements	-	-	-	1,453,788	1,453,788
3	Darly 2	APV	Other receivables from related parties	Yes	100,000	40,000	40,000	0.50%	2	-	Operating requirements	-	-	-	1,453,788	1,453,788
4	Darly C	BenQ	Other receivables from related parties	Yes	100,000	100,000	100,000	0.50%	2	-	Operating requirements	-	-	-	168,438	168,438
5	QLLB	Qisda (Shanghai) Co., Ltd. ("QCSH")	Other receivables from related parties	Yes	1,841,500	1,841,500	1,841,500	-	2	-	Operating requirements	-	-	-	6,665,109	6,665,109
6	QLPG	QLLB	Other receivables from related parties	Yes	557,985	309,186	288,574	3.20%	2	-	Operating requirements	-	-	-	8,214,087	16,428,174
7	BBM	Suzhou BenQ Hospital Co., Ltd. ("SMH")	Other receivables from related parties	Yes	112,100	-	-	-	2	-	Operating requirements	-	-	-	2,257,367	2,257,367
7	BBM	Nanjing BenQ Hospital Co., Ltd. ("NMH")	Other receivables from related parties	Yes	943,950	666,750	666,750	-	2	-	Operating requirements	-	-	-	2,257,367	2,257,367
8	BIC	Suzhou BenQ Hospital Co., Ltd. ("SMH")(Note 24)	Other receivables from related parties	Yes	22,485	22,382	22,382	1.00%	2	-	Operating requirements	-	-	-	346,024	346,024
9	NMHC	Nanjing BenQ Hospital Co., Ltd. ("NMH")(Note 24)	Other receivables from related parties	Yes	23,384	22,382	22,382	1.00%	2	-	Operating requirements	-	-	-	23,663	23,663
10	QCOS	Suzhou BenQ Hospital Co., Ltd. ("SMH")(Note 24)	Other receivables from related parties	Yes	764,473	760,988	760,988	3.60%	2	-	Operating requirements	-	-	-	1,811,606	1,811,606
10	QCOS	Qisda (Shanghai) Co., Ltd. ("QCSH")(Note 24)	Other receivables from related parties	Yes	89,938	89,528	89,528	2.00%	2	-	Operating requirements	-	-	-	4,107,044	41,070,436
11	BMS	BenQ Materials (Wuhu) Co., Ltd.(Note 24)	Other receivables from related parties	Yes	1,191,679	1,186,246	849,621	1.30%	2	-	Operating requirements	-	-	-	2,547,067	2,547,067
11	BMS	BenQ Materials Medical Supplies (Suzhou) Co., Ltd.(Note 24)	Other receivables from related parties	Yes	358,112	358,112	205,914	1.30%	2	-	Operating requirements	-	-	-	2,547,067	2,547,067
12	ACE	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	271,022	184,778	184,778	-	2	-	Operating requirements	-	-	-	412,880	825,761
12	ACE	Suzhou Super Pillar Automation Equipment Co., Ltd.	Other receivables from related parties	Yes	121,278	121,278	31,750	-	2	-	Operating requirements	-	-	-	412,880	825,761
13	AEWIN	Aewin Beijing Technologies Co., Ltd.	Other receivables from related parties	Yes	103,719	41,162	41,162	-	1	572,296	Business transaction	-	-	-	248,663	497,325
14	Alpha HK	Alpha CSF	Other receivables from related parties	Yes	1,108,075	1,108,075	1,108,075	-	2	-	Operating requirements	-	-	-	2,228,696	2,228,696
15	Alpha CD	Alpha CSF	Other receivables from related parties	Yes	179,876	-	-	2.00%	2	-	Operating requirements	-	-	-	601,821	601,821
16	Hitron	HVN	Other receivables from related parties	Yes	952,500	952,500	428,625	1.00%	2	-	Operating requirements	-	-	-	1,049,633	2,099,266
17	Alpha DGF	Alpha CSF	Other receivables from related parties	Yes	307,423	-	-	2.00%	2	-	Operating requirements	-	-	-	1,446,744	1,446,744
18	D-Link Asia	Alpha CSF	Other receivables from related parties	Yes	158,750	158,750	158,750	-	2	-	Operating requirements	-	-	-	2,234,315	2,234,315
19	STC	Intelligent fluids GmbH	Other receivables	No	625	625	625	20.00%	1	627	Business transaction	-	-	-	15,935	31,869

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		
20	Alpha	Alpha VN	Other receivables from related parties	Yes	635,000	635,000	-	3.00%	2	-	Operating requirements	-	-	-	2,062,712	4,125,424
21	ACECS	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	22,225	22,225	-	-	2	-	Operating requirements	-	-	-	620,403	620,403
22	ACEPR	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	12,700	12,700	-	-	2	-	Operating requirements	-	-	-	500,080	500,080

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

(Note 2)The aggregate financing amount and the individual financing amount of 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% 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 of Hitron and its subsidiaries to subsidiaries shall not exceed 40% of the the most recent audited or reviewed net worth of both parties. The financing reason and limit for each type of party is stated as below:

a.For entities who have business transactions with Hitron, the individual financing amount shall not exceed 20% of the most recent net worth of Hitron in the nearest 12 months. The transaction referring to the higher of sales or purchase amount.

b.For entities who have a need in short-term financing, the individual financing amount shall not exceed 20% of the most recent audited and reviewed net worth of Hitron .

c.Financing among foreign subsidiaries which Hitron has 100% of direct or indirect voting rights, or foreign subsidiaries which Hitron has 100% of direct or indirect voting rights financing to Hitron, there is no limit to the financing amount and period of lending, but should state the financing limit and term of lending.

(Note 17)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 18)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 19)The aggregate financing amount and the individual financing amount of STC to other parties shall not exceed 20% and 10%, respectively, of the most recent net worth of STC.

(Note 20)The aggregate financing amount and the individual financing amount of Alpha to other parties shall not exceed 40% and 20%, respectively, of the most recent net worth of Alpha.

(Note 21)The aggregate financing amount and the individual financing amount of ACECS to subsidiaries shall not exceed 10% and 5%, respectively, of the most recent net worth of ACECS.

For foreign subsidiaries wholly owned by the parent company (ACE), the aggregate financing amount and the individual financing amount of ACECS shall not exceed 100% of the most recent net worth of ACECS.

(Note 22)The aggregate financing amount and the individual financing amount of ACEPR to subsidiaries shall not exceed 10% and 5%, respectively, of the most recent net worth of ACEPR.

For foreign subsidiaries wholly owned by the parent company (ACE), the aggregate financing amount and the individual financing amount of ACEPR to subsidiaries shall not exceed 100% of the most recent net worth of ACEPR.

(Note 23)Purpose of Fund Financing: 1.Business transaction purpose. 2. Short-term financing purpose.

(Note 24)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 25)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 nine months ended September 30, 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	8,214,087	4,823,960	3,365,500	3,365,500	-	8.19%	20,535,218	Y	-	-
1	BenQ	MaxGen	Parent/Subsidiary	3,189,866	107,860	101,528	101,528	-	0.64%	15,949,329	N	-	-
2	PTT	Partner Tech Middle East FZCO	Parent/Subsidiary	218,616	149,690	95,250	95,250	-	8.71%	546,541	N	-	-
2	PTT	Partner-Tech Europe GmbH	Parent/Subsidiary	218,616	63,500	63,500	63,500	-	5.81%	546,541	N	-	-
2	PTT	Partner Tech USA Inc.	Parent/Subsidiary	218,616	31,750	31,750	31,750	-	2.90%	546,541	N	-	-
3	DIC	Data Image (Suzhou) Corporation	Parent/Subsidiary	291,677	31,750	31,750	4,131	-	2.18%	729,193	N	-	Y
4	ACE	Tianjin Ace Pillar Co., Ltd.	Parent/Subsidiary	825,761	190,125	-	-	-	-	1,032,201	N	-	Y
5	AEWIN	Aewin Beijing Technologies Co., Ltd.	Parent/Subsidiary	248,663	130,608	-	-	-	-	621,657	N	-	Y
6	Alpha	Alpha DGF	Parent/Subsidiary	5,156,780	63,500	63,500	5,479	-	0.62%	10,313,560	N	-	Y
6	Alpha	Alpha CSF	Parent/Subsidiary	5,156,780	222,250	222,250	-	-	2.15%	10,313,560	N	-	Y
7	Hitron	HBV	Parent/Subsidiary	5,248,165	688,790	597,045	99,984	-	11.38%	7,872,248	N	-	-
7	Hitron	HUS	Parent/Subsidiary	5,248,165	598,760	571,500	-	-	10.89%	7,872,248	N	-	-
7	Hitron	HVN	Parent/Subsidiary	5,248,165	2,283,750	2,063,750	590,550	-	39.32%	7,872,248	N	-	-
8	MTG	Corex	Parent/Subsidiary	829,637	222,600	158,750	40,337	-	3.83%	2,074,091	N	-	-
8	MTG	Ginnet	Parent/Subsidiary	829,637	100,000	100,000	64,146	-	2.41%	2,074,091	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 to Hitron's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 150% and 20%, respectively, of the net worth of Hitron.

However, there is no restriction for those directly or indirectly held subsidiaries with more than 50% of the voting shares and for those directly and indirectly hold 100% of the voting shares are indirectly endorsed and guaranteed, but it shall not exceed Hitron 100% of the net worth of the most recent financial statements.

(Note 9)The aggregate endorsement/guarantee amount provided by MTG to MTG'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 MTG.

QISDA CORPORATION AND SUBSIDIARIES
Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures)
September 30, 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	September 30, 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	67,155	4.61%	67,155	-
The Company	Stock: AU	-	Financial assets at fair value through other comprehensive income-non-current	663,599	9,754,900	6.93%	9,754,900	-
QLLB	CPEC Huachuang Private Equity Fund (Fujian) Co., Ltd. Fund	-	Financial assets at fair value through other comprehensive income-non-current	-	43,361	2.50%	43,361	-
BMC	Stock: Lagis Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	1,680	56,565	5.25%	56,565	-
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	2,435	2.73%	2,435	-
BMC	Stock: CUUMed Catheter Medical Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	2,970	94,078	11.27%	94,078	-
APV	Stock: Hi-Clearance Inc.	-	Financial assets at fair value through other comprehensive income-current	317	47,497	0.78%	47,497	-
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	31,785	2.77%	31,785	-
APV	Stock: Gigastone Corporation	-	Financial assets at fair value through other comprehensive income-non-current	31	329	0.06%	329	-
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	103,791	7.13%	103,791	-
APV	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	2,309	501,002	3.04%	501,002	-
APV	Stock: PlayNitride Inc.	-	Financial assets at fair value through other comprehensive income-non-current	470	41,877	0.44%	41,877	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	September 30, 2022				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Darly 2	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	470	22,231	1.94%	22,231	-
Darly 2	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	1,361	295,239	1.79%	295,239	-
Darly 2	Stock: Fong Huang Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	6,000	64,679	18.75%	64,679	-
Darly 2	Stock: Fong Huang 2 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	30,588	7.01%	30,588	-
Darly 2	Stock: Fong Huang 3 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	29,986	13.04%	29,986	-
Darly C	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	34	1,608	0.14%	1,608	-
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	-
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	75,213	0.52%	75,213	-
BenQ	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	1,452	68,680	5.98%	68,680	-
BenQ	Stock: GT Booster Corp.	-	Financial assets at fair value through other comprehensive income-non-current	63	59,440	8.00%	59,440	-
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	1,487	71,961	4.49%	71,961	-
DFI	Fund: Cathay No 1 REIT	-	Financial assets at fair value through profit or loss-current	1,442	25,956	-	25,956	-
DFI	Stock: Asia Tech Venture Fund	-	Financial assets at fair value through profit or loss-non-current	USD 225	(Note 1)	-	-	-
DFI	Bond: WM 7.25% Perpetual	-	Financial assets at fair value through profit or loss-current	USD 200	(Note 1)	-	-	-
AEWIN	Stock: Aewin Korea Technologies Co., Ltd.	Substantive related party	Financial assets at fair value through other comprehensive income-non-current	10	790	16.67%	790	-
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%	-	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	September 30, 2022				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
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	-
MTG	Stock: CDS Holdings Limited	-	Financial assets at fair value through profit or loss-non-current	600	(Note 1)	1.11%	-	-
MTG	Stock: Yobon Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	3	(Note 1)	0.42%	-	-
MTG	Stock: Dynasafe Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	3,906	240,964	19.53%	240,964	-
MTG	Stock: Touch Cloud, Inc.	-	Financial assets at fair value through profit or loss-non-current	200	650	1.50%	650	-
MTG	Stock: Gemini Data, Inc.	-	Financial assets at fair value through profit or loss-non-current	2,706	6,917	1.70%	6,917	-
MTG	Stock: Kingtel Corporation	-	Financial assets at fair value through profit or loss-non-current	443	359	18.09%	359	-
MTG	Limited Partnership Equity: Taiwania Capital Buffalo Fund V, LP.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	97,169	12.78%	97,169	-
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	1,446	16.67%	1,446	-
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%	-	-
Hitron	Stock: Senao International Co., Ltd.	-	Financial assets at fair value through profit or loss-current	152	4,560	-	4,560	-
Hitron	Stock: Transcend Information Inc.	-	Financial assets at fair value through profit or loss-current	441	28,445	-	28,445	-
Hitron	Stock: Chao Long Motor Parts Corp.	-	Financial assets at fair value through other comprehensive income-non-current	668	19,094	1.79%	19,094	-
Hitron	Stock: Imagetech Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	120	(Note 1)	1.20%	-	-
Hitron	Stock: Tsunami Visual Technologies, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,220	(Note 1)	9.34%	-	-
Hitron	Stock: Pivot Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	198	(Note 1)	10.94%	-	-
Hitron	Stock: Cardtek Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,000	(Note 1)	6.45%	-	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	September 30, 2022				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
Hitron	Stock: Yesmobile Holdings Company Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	294	(Note 1)	0.75%	-	-
Hitron	Preferred Stock: Codent Networks (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,570	(Note 1)	-	-	-
IDT	Stock: Transcend Information Inc.	-	Financial assets at fair value through profit or loss-current	362	23,349	-	23,349	-
DIVA	Stock: Insight Genomics Inc.	-	Financial assets at fair value through other comprehensive income-non-current	600	3,408	8.00%	3,408	-
DIVA	Stock: Renown Information Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	240	1,414	4.80%	1,414	-
DIVA	Stock: Pharmally International Holding Co. Ltd.	-	Financial assets at fair value through profit or loss-non-current	150	(Note 1)	-	-	-
CKCARE	Stock: Pchain Biotechnology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	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
Marketable securities for which the accumulated purchase or sale amount for the Period exceed NTS300 million or 20% of the paid-in capital
For the nine months ended September 30, 2022
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 4

Company name	Marketable Securities Type and Name	Financial Statement Account	Counter-Party	Name of Relationship	Beginning Balance		Purchase		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Shares	Amount (Note1)
The Company	TCI GENE INC (TCI Gene)	Investment accounted for using equity method	-	-	-	-	4,720	545,160	-	-	-	-	4,720	526,366
BenQ	BQHK	Investment accounted for using equity method	-	Parent/Subsidiary	466,200	3,000,943	-	-	466,200	12,141,558	3,384,903	8,756,655	-	-
Alpha	Alpha VN	Investment accounted for using equity method	-	Parent/Subsidiary	-	-	-	510,378	-	-	-	-	-	493,363

(Note 1) The ending balance includes shares of profits/losses of investees and other related adjustment.

QISDA CORPORATION AND SUBSIDIARIES
Disposal of real estate which exceeds NT\$300 million or 20% of the paid-in capital
For the nine months ended September 30, 2022
(Amounts in thousands of New Taiwan dollars and other currencies, unless specified otherwise)

Table 5

Company Name	Property Name	Transaction Date	Acquisition date	Book Value	Transaction Amount	Status of Payment	Gain or Loss on Disposal of real estate	Counter Party	Relation with the 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	301,762	CNY 264,036	90% of the contract price has been received and the remaining 10% of the contract price of \$118,193 was recorded under other receivables.	Gain on disposal amounted to \$780,563 (net of relevant land value increment tax and income tax).	Siliconware Technology (Suzhou) Co., Ltd.	Not applicable	To activate asset and increase operation efficiency	Refer to appraisal report	-

QISDA CORPORATION AND SUBSIDIARIES
Total purchases from and sales to related parties which exceed NTS100 million or 20% of the paid-in capital
For the nine months ended September 30, 2022
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 6

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/ (Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/ Accounts Receivable or (Payable)	
The Company	BenQ	Parent/Subsidiary	(Sales)	(5,720,285)	(7)	OA90	-	-	106,007	-	-
The Company	QJTO	Parent/Subsidiary	(Sales)	(2,351,753)	(3)	OA120	-	-	1,419,100	5	-
The Company	QALA	Parent/Subsidiary	(Sales)	(20,532,305)	(24)	OA90	-	-	12,408,302	40	-
The Company	AU	The entity who has significant influence over the Group	(Sales)	(3,243,059)	(4)	OA120	-	-	471,497	2	-
The Company	AUSZ	The entity who has significant influence over the Group	(Sales)	(923,799)	(1)	OA120	-	-	349,444	1	-
The Company	AUKS	The entity who has significant influence over the Group	(Sales)	(245,528)	-	OA120	-	-	90,589	-	-
The Company	DFI	Parent/Subsidiary	(Sales)	(420,919)	-	OA60	-	-	156,030	1	-
The Company	QCSZ	Parent/Subsidiary	Purchases	62,981,488	78	OA120	-	-	(17,628,231)	(64)	-
The Company	QCOS	Parent/Subsidiary	Purchases	13,951,565	17	OA120	-	-	(5,621,164)	(20)	-
The Company	QVH	Parent/Subsidiary	Purchases	1,103,318	1	OA60	-	-	(389,791)	(1)	-
QCSZ	The Company	Parent/Subsidiary	(Sales)	(62,981,488)	(91)	OA120	-	-	17,628,231	90	-
QCSZ	BQC_RO	Affiliates	(Sales)	(997,881)	(1)	OA120	-	-	123,180	1	-
QCSZ	QCES	Affiliates	(Sales)	(113,427)	-	OA60	-	-	3,089	-	-
QCSZ	QCPS	Affiliates	Purchases	1,126,633	2	OA60	-	-	(102,085)	(1)	-
QCSZ	DIC	Affiliates	Purchases	210,174	-	EOM45	-	-	(41,169)	-	-
QCSZ	AU	The entity who has significant influence over the Group	Purchases	3,487,312	5	EOM45	-	-	(403,805)	(3)	-
QCES	QCOS	Affiliates	(Sales)	(607,430)	6	OA60	-	-	100,766	5	-
QCES	QCSZ	Affiliates	Purchases	113,427	1	OA60	-	-	(3,089)	-	-
QCOS	The Company	Parent/Subsidiary	(Sales)	(13,951,565)	(87)	OA120	-	-	5,621,164	93	-
QCOS	BQC_RO	Affiliates	(Sales)	(825,236)	(5)	OA120	-	-	77,499	1	-
QCOS	QCES	Affiliates	Purchases	607,430	4	OA60	-	-	(100,766)	(2)	-
QCOS	QCPS	Affiliates	Purchases	214,930	1	OA60	-	-	(29,336)	(1)	-
QCOS	AU	The entity who has significant influence over the Group	Purchases	371,560	2	OA60	-	-	(70,636)	(1)	-
QCOS	DFI	Affiliates	Purchases	122,058	1	60-90 Days	-	-	(49,193)	(1)	-
QCPS	QCSZ	Affiliates	(Sales)	(1,126,633)	(79)	OA60	-	-	102,085	64	-
QCPS	QCOS	Affiliates	(Sales)	(214,930)	(15)	OA60	-	-	29,336	18	-
QALA	The Company	Parent/Subsidiary	Purchases	20,532,305	100	OA90	-	-	(12,408,302)	(100)	-
QJTO	The Company	Parent/Subsidiary	Purchases	2,351,753	97	OA120	-	-	(1,419,100)	(100)	-
QVH	The Company	Parent/Subsidiary	(Sales)	(1,103,318)	(98)	OA60	-	-	389,791	97	-
BenQ	The Company	Parent/Subsidiary	Purchases	5,720,285	49	OA90	-	-	(106,007)	(11)	-
BenQ	AU	The entity who has significant influence over the Group	Purchases	1,289,217	11	EOM55	-	-	(49,438)	(5)	-
BenQ	BQA	Affiliates	(Sales)	(3,389,280)	(27)	OA90	-	-	1,383,012	23	-
BenQ	BQC_RO	Affiliates	(Sales)	(108,463)	(1)	OA120	-	-	14,484	-	-
BenQ	BQE	Affiliates	(Sales)	(4,019,786)	(32)	OA90	-	-	2,210,786	37	-
BenQ	BQHK_HLD	Affiliates	(Sales)	(100,088)	(1)	OA90	-	-	14,253	-	-
BenQ	BQL	Affiliates	(Sales)	(564,105)	(5)	OA90	-	-	433,572	7	-
BenQ	BQP	Affiliates	(Sales)	(4,257,268)	(34)	OA60	-	-	1,728,584	29	-
BQA	BQCA	Affiliates	(Sales)	(625,804)	(15)	OA60	-	-	124,611	17	-
BQA	BenQ	Affiliates	Purchases	3,389,280	97	OA90	-	-	(1,383,012)	(100)	-
BQC_RO	QCOS	Affiliates	Purchases	825,236	39	OA120	-	-	(77,499)	(15)	-
BQC_RO	QCSZ	Affiliates	Purchases	997,881	47	OA120	-	-	(123,180)	(24)	-

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)	
BQC_RO	BenQ	Affiliates	Purchases	108,463	5	OA120	-	-	(14,484)	(3)	-
BQC_RO	BQsha_EC2	Affiliates	(Sales)	(113,366)	(3)	OA120	-	-	3,783	1	-
BQE	BenQ	Affiliates	Purchases	4,019,786	97	OA90	-	-	(2,210,786)	(98)	-
BQE	BQDE	Affiliates	(Sales)	(1,085,103)	(24)	OA30	-	-	169,020	26	-
BQE	BQFR	Affiliates	(Sales)	(575,716)	(13)	OA30	-	-	256,366	39	-
BQE	BQIT	Affiliates	(Sales)	(255,664)	(6)	OA30	-	-	13,126	2	-
BQE	BQUK	Affiliates	(Sales)	(835,073)	(18)	OA30	-	-	31,258	5	-
BQE	BQAT	Affiliates	(Sales)	(607,815)	(13)	OA45	-	-	63,111	10	-
BQE	BQSE	Affiliates	(Sales)	(227,713)	(5)	OA30	-	-	13,211	2	-
BQE	BQIB	Affiliates	(Sales)	(330,965)	(7)	OA30	-	-	30,605	5	-
BQE	BQNL	Affiliates	(Sales)	(224,173)	(5)	OA30	-	-	36,249	6	-
BQE	BQCH	Affiliates	(Sales)	(107,942)	(2)	OA30	-	-	38,343	6	-
BQL	BenQ	Affiliates	Purchases	564,105	100	OA90	-	-	(433,572)	(99)	-
BQL	BQMX	Affiliates	(Sales)	(303,266)	(53)	OA90	-	-	159,315	21	-
BQL	MaxGen	Affiliates	(Sales)	(143,115)	(25)	OA90	-	-	562,679	76	-
BQP	BQAU	Affiliates	(Sales)	(335,947)	(6)	OA60	-	-	126,249	6	-
BQP	BOIN	Affiliates	(Sales)	(928,473)	(18)	OA60	-	-	766,138	37	-
BQP	BQJP	Affiliates	(Sales)	(1,293,069)	(25)	OA60	-	-	358,354	17	-
BQP	BOME	Affiliates	(Sales)	(835,637)	(16)	OA60	-	-	338,609	16	-
BQP	BQTH	Affiliates	(Sales)	(139,503)	(3)	OA60	-	-	95,897	5	-
BQP	BenQ	Affiliates	Purchases	4,257,268	92	OA60	-	-	(1,728,584)	(100)	-
BQAT	BQE	Affiliates	Purchases	607,815	99	OA45	-	-	(63,111)	(100)	-
BQAU	BQP	Affiliates	Purchases	335,947	98	OA60	-	-	(126,249)	(97)	-
BQCA	BQA	Affiliates	Purchases	625,804	98	OA60	-	-	(124,611)	(100)	-
BQCH	BQE	Affiliates	Purchases	107,942	100	OA30	-	-	(38,343)	(97)	-
BQDE	BQE	Affiliates	Purchases	1,085,103	98	OA30	-	-	(169,020)	(100)	-
BQFR	BQE	Affiliates	Purchases	575,716	98	OA30	-	-	(256,366)	(97)	-
BQHK_HLD	BenQ	Affiliates	Purchases	100,088	92	OA90	-	-	(14,253)	(87)	-
BQIB	BQE	Affiliates	Purchases	330,965	100	OA30	-	-	(30,605)	(85)	-
BQIN	BQP	Affiliates	Purchases	928,473	92	OA60	-	-	(766,138)	(100)	-
BQIT	BQE	Affiliates	Purchases	255,664	100	OA30	-	-	(13,126)	(89)	-
BQJP	BQP	Affiliates	Purchases	1,293,069	88	OA60	-	-	(358,354)	(97)	-
BQME	BQP	Affiliates	Purchases	835,637	89	OA60	-	-	(338,609)	(98)	-
BQMX	BQL	Affiliates	Purchases	303,266	100	OA90	-	-	(159,315)	(94)	-
BQNL	BQE	Affiliates	Purchases	224,173	99	OA30	-	-	(36,249)	(91)	-
BQSE	BQE	Affiliates	Purchases	227,713	100	OA30	-	-	(13,211)	(95)	-
BQsha_EC2	BQC_RO	Affiliates	Purchases	113,366	95	OA120	-	-	(3,783)	(96)	-
BQTH	BQP	Affiliates	Purchases	139,503	100	OA60	-	-	(95,897)	(99)	-
BQUK	BQE	Affiliates	Purchases	835,073	100	OA30	-	-	(31,258)	(80)	-
Maxgen	BQL	Affiliates	Purchases	143,115	100	OA90	-	-	(562,679)	(98)	-
ESM	GSC	Affiliates	(Sales)	(343,534)	(79)	OA60	-	-	97,901	76	-
GSC	ESM	Affiliates	Purchases	343,534	85	OA60	-	-	(97,901)	(96)	-
K2	K2SH	Affiliates	(Sales)	(112,638)	(19)	OA90	-	-	22,900	12	-
K2SH	K2	Affiliates	Purchases	112,638	64	OA90	-	-	(22,900)	(98)	-
DIC	QCSZ	Affiliates	(Sales)	(210,174)	(6)	EOM45	-	-	41,169	4	-
DIC	Data Image (Suzhou) Corporation	Affiliates	Processing cost	(1,297,706)	(55)	Depends on its working capital status	-	-	(226,647)	(37)	-
Data Image (Suzhou) Corporation	DIC	Affiliates	Processing Revenue	1,297,706	34	Depends on its working capital status	-	-	226,647	24	-
Data Image (Suzhou) Corporation	AU	The entity who has significant influence over the Group	Purchases	181,223	8	EOM45	-	-	(32,723)	(4)	-
Topview	Messoa Technologies Inc	Affiliates	(Sales)	(283,295)	(17)	Depends on its contractual terms	-	-	73,997	11	-
Messoa Technologies Inc	Topview	Affiliates	Purchases	283,295	99	Depends on its contractual terms	-	-	(73,997)	(99)	-

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)	
DFI	The Company	Parent/Subsidiary	Purchases	420,919	13	OA60	-	-	(156,030)	(15)	-
DFI	DFI AMERICA,LLC	Affiliates	(Sales)	(627,191)	(16)	60-90 Days	-	-	142,825	11	-
DFI AMERICA,LLC	DFI	Affiliates	Purchases	627,191	98	60-90 Days	-	-	(142,825)	(100)	-
DFI	Diamond Flower Information (NL) B.V.	Affiliates	(Sales)	(383,696)	(10)	60-90 Days	-	-	75,439	6	-
Diamond Flower Information (NL) B.V.	DFI	Affiliates	Purchases	383,696	100	60-90 Days	-	-	(75,439)	(100)	-
DFI	DFI Co., Ltd.	Affiliates	(Sales)	(167,246)	(4)	60-90 Days	-	-	26,357	2	-
DFI Co., Ltd.	DFI	Affiliates	Purchases	167,246	100	60-90 Days	-	-	(26,357)	(98)	-
DFI	Yan Ying Hao Trading (ShenZhen) Co., Ltd	Affiliates	(Sales)	(194,264)	(5)	60-90 Days	-	-	80,497	6	-
Yan Ying Hao Trading (ShenZhen) Co., Ltd	DFI	Affiliates	Purchases	194,264	98	60-90 Days	-	-	(80,497)	(99)	-
DFI	QCOS	Affiliates	(Sales)	(122,058)	(3)	60-90 Days	-	-	49,193	4	-
DFI	AEWIN	Affiliates	(Sales)	(607,503)	(16)	EOM90	-	-	343,979	26	-
AEWIN	DFI	Affiliates	Purchases	607,503	44	EOM90	-	-	(343,979)	(64)	-
AEWIN	Aewin Beijing Technologies Co.,Ltd.	Affiliates	(Sales)	(422,989)	(28)	150 Days after shipment	-	-	567,920	59	-
Aewin Beijing Technologies Co.,Ltd.	AEWIN	Affiliates	Purchases	422,989	59	150 Days after shipment	-	-	(567,920)	(81)	-
AEWIN	AEWIN TECH Inc.	Affiliates	(Sales)	(209,180)	(14)	120 Days after shipment	-	-	84,898	9	-
AEWIN TECH Inc.	AEWIN	Affiliates	Purchases	209,180	100	120 Days after shipment	-	-	(84,898)	(100)	-
Advancedtek Ace (TJ) Inc.	Tianjin Ace Pillar Co., Ltd.	Affiliates	(Sales)	(339,000)	(100)	T/T 30 Days	-	-	47,523	96	-
Tianjin Ace Pillar Co., Ltd.	Advancedtek Ace (TJ) Inc.	Affiliates	Purchases	339,000	37	T/T 30 Days	-	-	(47,523)	(37)	-
Alpha	Alpha USA	Affiliates	(Sales)	(4,939,534)	(33)	90 Days	-	-	1,397,079	31	-
Alpha	D-Link Asia	Affiliates	Purchases	3,361,336	24	90 Days	-	-	(978,414)	(28)	-
Alpha	Alpha CSF	Affiliates	Purchases	6,712,352	47	90 Days	-	-	(1,285,558)	(36)	-
Alpha	Hitron	Affiliates	(Sales)	(115,258)	(1)	90 Days	-	-	54,353	1	-
Alpha CSF	Mirac	Affiliates	(Sales)	(506,035)	(7)	90 Days	-	-	71,822	5	-
Alpha HK	Alpha CSF	Affiliates	(Sales)	(6,459,041)	(100)	90 Days	-	-	1,267,472	100	-
D-Link Asia	Alpha DGF	Affiliates	Purchases	3,361,336	59	90 Days	-	-	(1,113,471)	(60)	-
Hitron	HUS	Affiliates	(Sales)	(4,193,663)	(48)	90 Days	-	-	2,228,951	86	-
Hitron	HBV	Affiliates	(Sales)	(854,083)	(10)	90 Days	-	-	368,173	14	-
HVN	Hitron	Affiliates	(Sales)	(6,918,242)	(80)	60 Days	-	-	2,136,092	83	-
HSZ	Hitron	Affiliates	(Sales)	(126,950)	(1)	60 Days	-	-	27,238	1	-
Alpha USA	Alpha	Affiliates	Purchases	4,939,534	100	90 Days	-	-	(1,397,079)	(100)	-
D-Link Asia	Alpha	Affiliates	(Sales)	(3,361,336)	(59)	90 Days	-	-	978,414	52	-
Alpha CSF	Alpha	Affiliates	(Sales)	(6,712,352)	(92)	90 Days	-	-	1,285,558	92	-
Hitron	Alpha	Affiliates	Purchases	115,258	1	90 Days	-	-	(54,353)	(2)	-
Mirac	Alpha CSF	Affiliates	Purchases	506,035	94	90 Days	-	-	(71,822)	(31)	-
Alpha CSF	Alpha HK	Affiliates	Purchases	6,459,041	97	90 Days	-	-	(1,267,472)	(82)	-
Alpha DGF	D-Link Asia	Affiliates	(Sales)	(3,361,336)	(82)	90 Days	-	-	1,113,471	73	-
HUS	Hitron	Affiliates	Purchases	4,193,663	95	90 Days	-	-	(2,228,951)	(96)	-
HBV	Hitron	Affiliates	Purchases	854,083	100	90 Days	-	-	(368,173)	(16)	-
Hitron	HVN	Affiliates	Purchases	6,918,242	71	60 Days	-	-	(2,136,092)	(92)	-
Hitron	HSZ	Affiliates	Purchases	126,950	8	60 Days	-	-	(27,238)	(7)	-
BMC	AU	The entity who has significant influence over the Group	(Sales)	(2,453,608)	(21)	OA90	(Note 1)	-	357,013	11	-
BMC	AUSZ	The entity who has significant influence over the Group	(Sales)	(731,323)	(6)	OA90	(Note 1)	-	68,420	2	-
BMC	AUXM	The entity who has significant influence over the Group	(Sales)	(595,900)	(5)	OA90	(Note 1)	-	66,323	2	-
BMC	BMM	Affiliates	(Sales)	(402,864)	(4)	OA180	(Note 1)	-	217,908	7	-
BMC	SMS	Affiliates	(Sales)	(175,761)	(2)	OA180	(Note 1)	-	8,823	-	-
BMC	VVM	Associate	(Sales)	(116,638)	(1)	OA60	(Note 1)	-	33,195	1	-
BMC	BMS	Affiliates	Purchases	701,659	10	OA180	(Note 2)	-	(506,737)	(16)	-
BMC	VVT	Associate	Purchases	301,108	4	OA60	(Note 2)	-	(89,250)	(3)	-
BMC	BMW	Affiliates	Purchases	189,555	3	OA180	(Note 2)	-	(177,423)	(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)	
BMM	BMC	Affiliates	Purchases	402,864	87	OA180	-	-	(217,908)	(90)	-
SMS	BMC	Affiliates	Purchases	175,761	87	OA180	-	-	(8,823)	72	-
BMS	BMC	Affiliates	(Sales)	(701,659)	(90)	OA180	-	-	506,737	98	-
BMW	BMC	Affiliates	(Sales)	(189,555)	(58)	OA180	-	-	177,423	90	-
Simula	Simula Technology (ShenZhen) Co., Ltd.	Affiliates	Purchases	301,731	44	EOM60	(Note 4)	-	(12,005)	(8)	-
Simula Technology (ShenZhen) Co., Ltd.	Simula	Affiliates	(Sales)	(301,731)	(45)	EOM60	-	-	12,005	9	-
Simula	Simula Company Limited	Affiliates	Purchases	288,201	42	EOM60	(Note 4)	-	(84,294)	(58)	-
Simula Company Limited	Simula	Affiliates	(Sales)	(288,201)	(100)	EOM60	-	-	84,294	100	-
Simula Company Limited	Simula Technology (ShenZhen) Co., Ltd.	Affiliates	Purchases	275,836	100	EOM60	(Note 4)	-	(90,437)	(100)	-
Simula Technology (ShenZhen) Co., Ltd.	Simula Company Limited	Affiliates	(Sales)	(275,836)	(41)	EOM60	-	-	90,437	69	-
Simula	Simula Technology Corp.	Affiliates	(Sales)	(119,367)	(13)	EOM60	-	-	18,186	6	-
Simula Technology Corp.	Simula	Affiliates	Purchases	119,367	82	EOM60	(Note 4)	-	(18,186)	(83)	-
PTT	PTE	Affiliates	(Sales)	(256,880)	(26)	OA90	(Note 3)	-	177,900	30	-
PTT	PTU	Affiliates	(Sales)	(263,508)	(26)	OA90	(Note 3)	-	106,870	18	-
PTT	PTUK	Affiliates	(Sales)	(113,066)	(11)	OA90	(Note 3)	-	70,587	12	-
PTT	PTME	Affiliates	(Sales)	(150,669)	(11)	OA90	(Note 3)	-	115,912	19	-
PTE	PTT	Affiliates	Purchases	256,880	48	OA90	(Note 3)	-	(177,900)	(79)	-
PTU	PTT	Affiliates	Purchases	263,508	96	OA90	(Note 3)	-	(106,870)	(99)	-
PTUK	PTT	Affiliates	Purchases	113,066	94	OA90	(Note 3)	-	(70,587)	(97)	-
PTME	PTT	Affiliates	Purchases	150,669	43	OA90	(Note 3)	-	(115,912)	(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
September 30, 2022
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 7

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Company	BenQ	Parent/Subsidiary	106,007	5.80	-	-	106,007	-
The Company	QJTO	Parent/Subsidiary	1,419,100	2.60	158,853	-	156,818	-
The Company	QALA	Parent/Subsidiary	12,408,302	3.05	6,535,862	-	1,568,198	-
The Company	AU	The entity who has significant influence over the Group	471,497	4.93	-	-	-	-
The Company	AUSZ	The entity who has significant influence over the Group	349,444	2.33	-	-	88,501	-
The Company	QCSZ	Parent/Subsidiary	302,848	(Note 1)	32,272	-	86,703	-
The Company	QCOS	Parent/Subsidiary	545,372	(Note 1)	9,021	-	317,587	-
The Company	QVH	Parent/Subsidiary	128,192	(Note 1)	43,270	-	79,184	-
The Company	DFI	Parent/Subsidiary	156,030	5.43	-	-	1,529	-
QCSZ	The Company	Parent/Subsidiary	17,628,231	4.68	1,636,863	-	-	-
QCSZ	BQC_RO	Affiliates	123,180	20.34	-	-	-	-
QCOS	The Company	Parent/Subsidiary	5,621,164	4.05	-	-	2,412	-
QCES	The Company	Parent/Subsidiary	1,920,896	(Note 1)	-	-	-	-
QCES	QCOS	Affiliates	100,766	8.55	-	-	-	-
QVH	The Company	Parent/Subsidiary	389,791	5.40	-	-	-	-
DFI	The Company	Parent/Subsidiary	152,131	0.62	-	-	46,228	-
QCPS	QCSZ	Affiliates	102,085	10.92	-	-	-	-
BenQ	BQA	Affiliates	1,383,012	4.27	-	-	120,569	-
BenQ	BQE	Affiliates	2,210,786	2.54	-	-	-	-
BenQ	BQL	Affiliates	433,572	2.24	-	-	22,892	-
BenQ	BQP	Affiliates	1,728,584	3.05	-	-	209,538	-
BenQ	QCSZ	Affiliates	103,013	(Note 1)	-	-	-	-
BQA	BQCA	Affiliates	124,611	6.40	-	-	46,628	-
BQE	BQDE	Affiliates	169,020	10.40	31,604	-	112,377	-
BQE	BQFR	Affiliates	256,366	3.17	192,461	-	91,189	-
BQL	MaxGen	Affiliates	562,679	0.38	477,486	-	-	-
BQL	BQmx	Affiliates	159,315	3.20	50,709	-	2,096	-
BQP	BQAU	Affiliates	126,249	3.66	16,892	-	-	-
BQP	BQIN	Affiliates	766,138	1.73	550,049	-	128,962	-
BQP	BQJP	Affiliates	358,354	3.53	181,884	-	82,538	-
BQP	BQME	Affiliates	338,609	3.50	155,757	-	116,287	-
Data Image (Suzhou) Corporation	DIC	Affiliates	226,647	8.12	-	-	226,647	-
BBC	Guangxi Youshan Medical Technology Co.,Ltd	Affiliates	125,971	0.89	13,027	-	5,114	-
DFI	AEWIN	Affiliates	343,979	3.55	-	-	111,530	-
DFI	DFI AMERICA,LLC	Affiliates	142,825	7.88	-	-	118,817	-
AEWIN	Aewin Beijing Technologies Co., Ltd.	Affiliates	567,920	1.17	207,643	-	-	-
ACE	Tianjin Ace Pillar Co., Ltd.	Affiliates	184,778	(Note 1)	-	-	-	-
Alpha	Alpha USA	Affiliates	1,397,079	5.85	-	-	687,841	-
Alpha	Alpha HK	Affiliates	429,799	(Note 1)	376	-	-	-

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
D-Link Asia	Alpha	Affiliates	978,414	6.75	114	-	32,221	-
Alpha CSF	Alpha	Affiliates	1,285,558	10.79	-	-	670,009	-
Alpha DGF	D-Link Asia	Affiliates	1,113,471	6.01	282,910	-	32,221	-
Alpha HK	Alpha CSF	Affiliates	1,267,472	6.69	75,629	-	9,804	-
D-Link Asia	Alpha DGF	Affiliates	753,573	4.70	17,044	-	32,219	-
Hitron	HUS	Affiliates	2,228,951	3.12	-	-	472,500	-
Hitron	HBV	Affiliates	368,173	4.75	-	-	13,302	-
Hitron	HVN	Affiliates	594,039	(Note 1)	-	-	-	-
HVN	Hitron	Affiliates	2,136,092	6.66	-	-	242,248	-
BMC	AU	The entity who has significant influence over the Group	357,013	3.59 (Note 2)	-	-	-	-
BMC	BMM	Affiliates	217,908	2.31 (Note 2)	-	-	-	-
BMS	BMC	Affiliates	506,737	2.18(Note 2)	-	-	-	-
BMW	BMC	Affiliates	177,423	2.30(Note 2)	-	-	-	-
PTT	PTE	Affiliates	177,900	2.13	94,131	-	2,833	-
PTT	PTU	Affiliates	106,870	3.20	17,639	-	5,628	-
PTT	PTME	Affiliates	115,912	1.88	44,116	-	2,833	-

(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 nine months ended September 30, 2022
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 8

Number (Note 1)	Company Name	Related Party	Name of Relationship (Note 2)	Transaction Details			
				Financial Statements Account	Amount	Payment Terms	Percentage of Consolidated Operating Revenue and Total Assets (Note 4)
0	The Company	BenQ	1	(Sales)	(5,720,285)	OA90	(3%)
0	The Company	QJTO	1	(Sales)	(2,351,753)	OA120	(1%)
0	The Company	QALA	1	(Sales)	(20,532,305)	OA90	(11%)
1	QCSZ	The Company	2	(Sales)	(62,981,488)	OA120	(34%)
2	QCOS	The Company	2	(Sales)	(13,951,565)	OA120	(8%)
3	BenQ	BQA	3	(Sales)	(3,389,280)	OA90	(2%)
3	BenQ	BQE	3	(Sales)	(4,019,786)	OA90	(2%)
3	BenQ	BQP	3	(Sales)	(4,257,268)	OA60	(2%)
3	Alpha	Alpha USA	3	(Sales)	(4,939,534)	90 days	(3%)
4	Alpha HK	Alpha CSF	3	(Sales)	(6,459,041)	90 days	(4%)
5	Hitron	HUS	3	(Sales)	(4,193,663)	90 days	(2%)
6	HVN	Hitron	3	(Sales)	(6,918,242)	60 days	(4%)
7	D-Link Asia	Alpha	3	(Sales)	(3,361,336)	90 days	(2%)
8	Alpha CSF	Alpha	3	(Sales)	(6,712,352)	90 days	(4%)
9	Alpha DGF	D-Link Asia	3	(Sales)	(3,361,336)	90 days	(2%)
0	The Company	QALA	1	Accounts receivable	12,408,302	OA90	6%
1	QCSZ	The Company	2	Accounts receivable	17,628,231	OA120	8%
2	QCOS	The Company	2	Accounts receivable	5,621,164	OA120	3%
3	BenQ	BQE	3	Accounts receivable	2,210,786	OA90	1%
4	Hitron	HUS	3	Accounts receivable	2,228,951	90 days	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 nine months ended September 30, 2022
(Amounts in thousands of New Taiwan dollars / shares, unless specified otherwise)

Table 9

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of September 30, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 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%	2,137,510	873,406	181,138	Associate
The Company	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	507,883	507,883	43,659	13.61%	701,373	1,088,530	150,916	Parent/Subsidiary
The Company	BenQ	Taiwan	Manufacture and sales of brand-name electronic products	7,160,050	7,160,050	539,661	100.00%	15,983,609	7,062,056	7,072,789	Parent/Subsidiary
The Company	QALA	USA	Sales of electronic products	32,800	32,800	1,000	100.00%	62,074	3,380	3,380	Parent/Subsidiary
The Company	QJTO	Japan	Sales and maintenance of electronic products in Japanese market	2,701	2,701	-	100.00%	78,806	15,917	15,917	Parent/Subsidiary
The Company	QLPG	Malaysia	Leasing and management services	578,128	578,128	50,000	100.00%	394,559	6,044	6,044	Parent/Subsidiary
The Company	QLLB	Malaysia	Investment and holding activity	3,687,539	3,687,539	114,250	100.00%	16,649,860	(497,031)	54,775	Parent/Subsidiary
The Company	APV	Taiwan	Investment and holding activity	570,016	570,016	153,258	100.00%	3,047,663	363,222	363,222	Parent/Subsidiary
The Company	Darly	Malaysia	Investment and holding activity	165,000	165,000	6,000	100.00%	233,112	17,258	17,258	Parent/Subsidiary
The Company	BBHC	Cayman	Investment and holding activity	1,476,632	1,476,632	47,400	19.35%	1,100,990	352,063	68,132	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%	1,396,630	103,496	39,181	Parent/Subsidiary
The Company	BDT	Taiwan	Manufacture and sale of medical consumable and equipment	280,000	280,000	28,000	100.00%	46,464	(24,084)	(26,812)	Parent/Subsidiary
The Company	QTOS	Taiwan	Manufacture of computer peripheral products	1,000	1,000	100	100.00%	1,011	9	9	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%	62,126	15,322	3,064	Associate
The Company	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	3,154,750	3,154,750	51,610	45.08%	2,804,288	393,157	116,977	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%	8,031,863	692,100	307,764	Parent/Subsidiary
The Company	K2	Taiwan	Sale of medical consumable and equipment	217,763	217,763	6,997	34.99%	234,195	81,097	25,279	Parent/Subsidiary
The Company	DIC	Taiwan	Manufacture and sales of marine display modules	260,000	260,000	20,000	28.82%	402,340	316,123	91,111	Parent/Subsidiary
The Company	EASCHK	Hong Kong	Sales of brand-name electronic products and smart services	78,338	78,338	1	54.00%	91,842	15,626	(2,066)	Parent/Subsidiary
The Company	MTG (Formerly Sysage)	Taiwan	Distributing and reselling software and hardware equipment of ICT infrastructures, computing & data utilization, and digitalization.	3,202,856	3,202,856	96,841	51.41%	2,584,367	320,778	159,776	Parent/Subsidiary
The Company	Topview	Taiwan	Manufacture and sales of video surveillance cameras	172,500	172,500	5,750	20.00%	237,832	208,714	42,153	Parent/Subsidiary
The Company	QVH	Vietnam	Manufacture of monitors	1,212,849	1,212,849	-	100.00%	563,114	(236,672)	(236,672)	Parent/Subsidiary
The Company	Simula	Taiwan	Manufacture and sales of electronic material	600,000	600,000	30,000	37.51%	674,886	209,281	66,730	Parent/Subsidiary
The Company	GSC	Taiwan	Sale of alcohol and medical disinfectant	254,000	254,000	10,000	50.00%	332,671	122,739	56,916	Parent/Subsidiary
The Company	TCI Gene	Taiwan	Genetic testing and wholesale of nutritional supplement	545,160	-	4,720	17.84%	526,366	26,566	(12,133)	Associate
BMC	BMLB	Malaysia	Investment and holding activity	1,141,340	1,141,340	35,082	100.00%	2,361,087	691,888	-	Affiliates
BMC	SGM	Taiwan	Manufacture and sales of medical consumables and equipment	231,727	231,727	2,000	100.00%	95,825	272,238	-	Affiliates
BMC	Visco Vision Inc.	Taiwan	Manufacture and sale of contact lenses	177,811	177,811	9,834	17.97%	193,622	493,528	-	Associate
BMC	Cenefom Corporation	Taiwan	R&D, manufacture and sale of medical consumable and equipment	98,012	92,262	4,648	36.64%	81,389	(6,559)	-	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%	43,103	170	-	Affiliates
BMC	MLK Bioscience Co., Ltd.	Taiwan	R&D and sale of medical consumable and equipment	6,000	6,000	217	20.00%	4,392	(748)	-	Associate
BMC	Kangde Corp.	Taiwan	R&D and sale of medical consumable and equipment	5,980	5,980	598	20.00%	3,337	(3,677)	-	Associate
APV	Darly C	Taiwan	Investment management consulting	77,933	77,933	12,105	45.11%	189,962	20,034	-	Affiliates
APV	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	221,786	221,786	15,182	4.73%	270,102	1,088,530	-	Affiliates
APV	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	42,584	42,584	3,549	7.96%	94,064	157,193	-	Affiliates
APV	BBHC	Cayman	Investment and holding activity	904,102	904,102	25,000	10.21%	580,046	352,063	-	Affiliates
APV	AEG (Formerly ESCO)	Taiwan	Energy service	-	50,250	-	-	-	-	-	Affiliates
APV	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	112,080	112,080	6,006	8.00%	165,206	103,496	-	Affiliates
APV	MRU (Formerly GST)	Taiwan	R&D and sales of computer information system	-	12	-	-	-	-	-	Affiliates
APV	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	149,096	149,096	2,294	2.00%	150,830	393,157	-	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%	254,953	692,100	-	Affiliates
APV	Topview	Taiwan	Manufacture and sales of video surveillance cameras	63,525	63,525	1,286	4.47%	71,273	208,714	-	Affiliates
APV	DIC	Taiwan	Manufacture and sales of marine display modules	88,222	88,222	3,607	5.20%	89,985	316,123	-	Affiliates
APV	Simula	Taiwan	Manufacture and sales of electronic material	201,673	201,673	5,390	6.74%	221,978	209,281	-	Affiliates
APV	GSC	Taiwan	Sale of alcohol and medical disinfectant	150,000	150,000	14,000	50.00%	248,092	122,739	-	Affiliates
APV	TCI Gene	Taiwan	Genetic testing and wholesale of nutritional supplement	189,516	-	1,480	5.59%	188,365	26,566	-	Associate
Darly C	AEG	Taiwan	Energy service	-	28,000	-	-	-	-	-	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%	243,636	692,100	-	Affiliates
Darly	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	30,456	30,456	7,800	12.50%	15,721	(24,827)	-	Affiliates
Darly	BBHC	Cayman	Investment and holding activity	471,516	471,516	14,158	5.78%	327,315	352,063	-	Affiliates
BenQ	BQA	USA	Sales of brand-name electronic products in North America markets	114,553	114,553	200	100.00%	1,045,825	102,852	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of September 30, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
BenQ	BQL	USA	Sales of brand-name electronic products in Latin America markets	342,589	203,839	9,350	100.00%	(7,782)	32,862	-	Affiliates
BenQ	BQHK	Hong Kong	Investment and holding activity	-	859,037	-	-	-	94,923	-	Affiliates
BenQ	BQE	The Netherlands	Sales of electronic products in European markets	960,568	960,568	5,009	100.00%	754,744	(1,463)	-	Affiliates
BenQ	BQP	Taiwan	Sales of brand-name electronic products in Asia markets	950,000	950,000	20,000	100.00%	432,227	267,011	-	Affiliates
BenQ	Darly 2	Taiwan	Investment and holding activity	2,361,132	2,361,132	189,000	100.00%	3,634,470	284,578	-	Affiliates
BenQ	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	74,021	74,021	23,400	37.50%	47,153	(24,827)	-	Affiliates
BenQ	DFN	Taiwan	R&D, manufacture and sale of MLCC and keyboards	233,491	233,491	14,017	5.01%	516,168	873,406	-	Associate
BenQ	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	946,731	946,731	80,848	25.21%	1,441,158	1,088,530	-	Affiliates
BenQ	BBHC	Cayman	Investment and holding activity	719,088	719,088	20,000	8.17%	464,037	352,063	-	Affiliates
BenQ	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	235,069	235,069	19,353	43.43%	501,684	157,193	-	Affiliates
BenQ	MQE	The Netherlands	Maintenance of brand-name electronic monitors and projectors in European markets	90,912	90,912	82	100.00%	75,158	7,232	-	Affiliates
BenQ	INF	Taiwan	Assembly and sales of gaming electronic products	117,987	117,987	6,947	100.00%	98,091	12,045	-	Affiliates
BenQ	BQHK_HLD	Hong Kong	Sales of brand-name electronic products in HK markets	118,282	118,282	4,000	100.00%	1,802,657	340,055	-	Affiliates
BenQ	PT BenQ Teknologi Indonesia	Indonesia	Sales of brand-name electronic products	21	21	-	0.31%	79	6,566	-	Affiliates
BenQ	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	342	342	18	0.00%	359	692,100	-	Affiliates
BQP	BenQ India Private Ltd.	India	Sales of brand-name electronic products	224,405	224,405	440,296	100.00%	52,213	(10,066)	-	Affiliates
BQP	BenQ (M.E.) FZE	United Arab Emirates	Sales of brand-name electronic products	8,891	8,891	-	100.00%	90,714	26,708	-	Affiliates
BQP	BenQ Japan Co., Ltd.	Japan	Sales of brand-name electronic products	4,518	4,518	-	100.00%	170,298	46,641	-	Affiliates
BQP	BenQ Singapore Pte Ltd.	Singapore	Sales of brand-name electronic products	1,837	1,837	500	100.00%	(2,639)	4,276	-	Affiliates
BQP	BenQ Australia Pte Ltd.	Australia	Sales of brand-name electronic products	132,590	132,590	2,191	100.00%	81,835	244	-	Affiliates
BQP	BenQ Service & Marketing (M) Sdn Bhd	Malaysia	Sales of brand-name electronic products	119,488	119,488	100	100.00%	6,757	(997)	-	Affiliates
BQP	BenQ (Thailand) Co., Ltd.	Thailand	Sales of brand-name electronic products	120,116	120,116	12,000	100.00%	(65,950)	(14,195)	-	Affiliates
BQP	BenQ Korea Co., Ltd.	Korea	Providing administration and management service to affiliates	1,713	1,713	10	100.00%	(3,940)	(10,227)	-	Affiliates
BQP	PT BenQ Teknologi Indonesia	Indonesia	Sales of brand-name electronic products	6,901	6,901	6	99.69%	25,561	6,566	-	Affiliates
BQP	BenQ Vietnam Co., Ltd.	Vietnam	Sales of brand-name electronic products	5,576	5,576	1	100.00%	5,395	(575)	-	Affiliates
BQA	BenQ Canada Corp.	Canada	Sales of brand-name electronic products	26	26	1	100.00%	70,036	27,184	-	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%	58,903	14,473	-	Affiliates
BQL	Joytech LLC	USA	Investment and holding activity	74,046	4,671	1	100.00%	(72,257)	9,660	-	Affiliates
BQL	Vividtech LLC	USA	Investment and holding activity	74,046	4,671	1	100.00%	(72,257)	9,660	-	Affiliates
Joytech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of brand-name electronic products	74,046	4,671	1	50.00%	(72,257)	19,323	-	Affiliates
Vividtech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of brand-name electronic products	74,046	4,671	1	50.00%	(72,257)	19,323	-	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%	3,745	(3)	-	Affiliates
GSH	MRU (Formerly GST)	Taiwan	R&D and sales of computer information system	1,127	64,898	100	100.00%	25,176	2,705	-	Affiliates
Darly 2	Darly C	Taiwan	Investment management consulting	89,179	89,179	14,728	54.89%	231,134	20,034	-	Affiliates
Darly 2	BBHC	Cayman	Investment and holding activity	2,122,721	2,122,721	65,024	26.55%	1,508,675	352,063	-	Affiliates
Darly 2	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	121,860	121,860	31,200	50.00%	62,869	(24,827)	-	Affiliates
Darly 2	BMTC	Taiwan	Manufacture and sales of medical consumables and equipment	27,337	27,337	1,590	3.57%	42,143	157,193	-	Affiliates
Darly 2	AEG	Taiwan	Energy service	-	22,250	-	-	-	-	-	Affiliates
Darly 2	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	49,426	49,426	1,648	2.19%	45,332	103,496	-	Affiliates
Darly 2	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	596,382	596,382	9,175	8.01%	603,638	393,157	-	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%	75,678	692,100	-	Affiliates
Darly 2	K2	Taiwan	Sale of medical consumable and equipment	44,997	44,997	1,003	5.01%	51,468	81,097	-	Affiliates
Darly 2	DIC	Taiwan	Manufacture and sales of marine display modules	48,093	48,093	3,005	4.33%	71,720	316,123	-	Affiliates
Darly 2	Topview	Taiwan	Manufacture and sales of video surveillance cameras	123,252	123,252	2,615	9.10%	143,464	208,714	-	Affiliates
Darly 2	Simula	Taiwan	Manufacture and sales of electronic material	205,920	205,920	5,500	6.88%	226,484	209,281	-	Affiliates
BQE	BenQ UK Limited	UK	Sales of brand-name electronic products	14,800	14,800	-	100.00%	75,742	18,833	-	Affiliates
BQE	BenQ Deutschland GmbH	Germany	Sales of brand-name electronic products	25,587	25,587	-	100.00%	147,297	7,579	-	Affiliates
BQE	BenQ Benelux B.V.	The Netherlands	Sales of brand-name electronic products	567	567	-	100.00%	(23,786)	4,540	-	Affiliates
BQE	BenQ Austria GmbH	Australia	Sales of brand-name electronic products	1,091	1,091	-	100.00%	67,491	6,208	-	Affiliates
BQE	BenQ Iberica S.L. Unipersonal	Spain	Sales of brand-name electronic products	4,677	4,677	-	100.00%	87,522	3,427	-	Affiliates
BQE	BenQ Italy S.R.L.	Italy	Sales of brand-name electronic products	92,654	92,654	50	100.00%	30,528	(3,944)	-	Affiliates
BQE	BenQ France SAS	France	Sales of brand-name electronic products	2,045	2,045	-	100.00%	(117,474)	(12,305)	-	Affiliates
BQE	BenQ Nordic A.B.	Sweden	Sales of brand-name electronic products	445	445	-	100.00%	33,445	5,275	-	Affiliates
BQE	BenQ LLC.	Russia	Providing administration and management services to affiliates	52	52	-	100.00%	23,786	4,258	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of September 30, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
BMTC	Asiacconnect	Taiwan	Sales of medical consumables and equipment	21,984	21,984	1,995	99.75%	25,123	(67)	-	Affiliates
BMTC	Highview	Samoa	Investment and holding activity	36,211	36,211	1,062	100.00%	15,964	5,184	-	Affiliates
BMTC	LILY	Taiwan	Manufacture and sales of medical consumables and equipment	185,000	185,000	10,000	100.00%	246,307	20,101	-	Affiliates
BMTC	BABD	Taiwan	Manufacture and sales of medical consumables and equipment	88,000	88,000	8,800	88.00%	62,169	3,127	-	Affiliates
BMTC	BHS	Taiwan	Manufacture and sales of medical consumables and equipment	100,000	100,000	10,000	100.00%	154,560	44,585	-	Affiliates
BMTC	EASTECH	Taiwan	Manufacture and sales of medical consumables and equipment	20,300	20,300	700	70.00%	30,880	14,252	-	Affiliates
BMTC	Concord	Taiwan	Sales and purchase of medical products, medical equipment leasing and management consulting	190,000	100,000	133,333	40.00%	278,163	37,591	-	Affiliates
BMTC	CCHC	Taiwan	Sales and purchase of medical products, medical equipment leasing and management consulting	40,000	-	4,000	33.33%	40,006	18	-	Affiliates
Concord	CCHC	Taiwan	Sales and purchase of medical products, medical equipment leasing and management consulting	80,000	-	8,000	66.67%	80,012	18	-	Affiliates
BHS	NBHIT	Taiwan	Manufacture and sales of medical consumables and equipment	59,280	59,280	1,092	52.00%	71,274	25,226	-	Affiliates
BHS	CKCARE	Taiwan	Sales of medical equipment, pharmaceuticals and dietary supplements	105,300	-	4,362	60.00%	109,270	12,323	-	Affiliates
PTT	WEBEST	Taiwan	Sales, purchase, import and export of electronic products	21,843	21,843	2,500	100.00%	36,380	10,841	-	Affiliates
PTT	P&J	British Virgin Islands	Investment and holding activity	-	230,307	-	-	-	12,095	-	Affiliates
PTT	PTUK	UK	Sales, purchase, import and export of electronic products	43,834	43,834	886	88.60%	21,536	(5,554)	-	Affiliates
PTT	PTE	Germany	Sales, purchase, import and export of electronic products	51,451	51,451	(Note 1)	50.02%	119,133	4,303	-	Affiliates
PTT	PTME	United Arab Emirates	Sales, purchase, import and export of electronic products	137,387	137,387	-	99.00%	33,800	7,330	-	Affiliates
PTT	PTSE	Singapore	Software development and sales of product	57,449	57,449	222	69.88%	54,165	(6,287)	-	Affiliates
PTT	PTTN	Taiwan	Software development and sales of product	20,500	20,500	2,050	50.62%	32,039	1,297	-	Affiliates
PTT	PTMG	Taiwan	Software development and sales of product	11,000	11,000	1,100	52.38%	17,366	7,153	-	Affiliates
PTT	PTNA	Morocco	Sales, purchase, import and export of electronic products	4,075	4,075	13	58.18%	-	-	-	Affiliates
PTE	PTUK	UK	Sales, purchase, import and export of electronic products	5,640	5,640	114	11.40%	4,534	(5,554)	-	Affiliates
PTE	Sloga	Slovenia	Sales, purchase, import and export of electronic products	980	980	(Note 1)	90.00%	(14,930)	(2,125)	-	Affiliates
PTE	RSS	Spain	Sales, purchase, import and export of electronic products	-	-	(Note 1)	68.00%	16,807	608	-	Affiliates
PTME	E-POS	United Arab Emirates	Sales, purchase, import and export of electronic products	2,485	2,485	0.3	100.00%	6,324	(299)	-	Affiliates
WEBEST	PTTN	Taiwan	Software development and sales of product	10	10	1	0.02%	12	1,297	-	Affiliates
WEBEST	PTNA	Morocco	Sales, purchase, import and export of electronic products	1	1	0.001	0.005%	-	-	-	Affiliates
WEBEST	PTME	United Arab Emirates	Sales, purchase, import and export of electronic products	1,560	1,560	0.001	1.00%	266	7,330	-	Affiliates
PTT	P&S	British Virgin Islands	Investment and holding activity	134,973	134,973	4,560	100.00%	188,384	20,702	-	Affiliates
P&S	PTU	USA	Sales, purchase, import and export of electronic products	31,593	31,593	1,091	100.00%	112,022	26,942	-	Affiliates
DFI	DFI AMERICA, LLC.	USA	Sales of industrial motherboards	254,683	254,683	1,209	100.00%	408,975	20,023	-	Affiliates
DFI	Yan Tong Technology Ltd.	Mauritius	Investment and holding activity	187,260	187,260	6,000	100.00%	201,114	24,039	-	Affiliates
DFI	DFI Co., Ltd.	Japan	Sales of industrial motherboards	104,489	104,489	6	100.00%	110,034	10,431	-	Affiliates
DFI	Diamond Flower Information (NL) B.V.	The Netherlands	Sales of industrial motherboards	35,219	35,219	12	100.00%	93,053	28,704	-	Affiliates
DFI	AEWIN	Taiwan	Manufacture and sale of industrial motherboards and component	564,191	564,191	30,376	51.38%	632,882	112,506	-	Affiliates
DFI	ACE	Taiwan	Testing, processing, sales, repair, and mechanical and electrical integration of automation control and industrial transmission systems	1,301,359	1,301,359	53,958	48.07%	1,092,993	86,182	-	Affiliates
DFI	BRS	USA	Wholesale and retail of computers and peripherals product	501,582	501,582	233	35.09%	550,635	(18,514)	-	Affiliates
AEWIN	Wise Way	Anguilla	Investment and holding activity	46,129	46,129	1,500	100.00%	109,950	(28,622)	-	Affiliates
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer peripheral products and software	77,791	77,791	2,560	100.00%	11,195	20,358	-	Affiliates
Wise Way	Bright Profit	Hong Kong	Investment and holding activity	46,129	46,129	1,500	100.00%	167,831	(28,622)	-	Affiliates
ACE	ACECS	Samoa	Investment and holding activity	107,041	107,041	4,669	100.00%	620,403	(25,845)	-	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%	48,011	2,493	-	Affiliates
ACECS	Proton Inc.	Samoa	Investment and holding activity	527,665	527,665	17,744	100.00%	500,080	(29,329)	-	Affiliates
ACECS	Ace Tek (HK) Holding Co., Ltd.	Hong Kong	Investment and holding activity	4,938	4,938	150	100.00%	2,175	2,752	-	Affiliates
ACE	STC	Taiwan	Sales of semiconductor optoelectronic equipment and consumables, and equipment maintenance services	187,000	-	4,680	60.00%	206,239	35,823	-	Affiliates
STC	Standard Technology Corp.	British Virgin Islands	Investment and holding activity	21,727	-	600	100.00%	113,059	15,640	-	Affiliates
ACE	Blue Walker GmbH	Germany	Sales and service of energy management product	127,200	-	-	100.00%	131,699	7,871	-	Affiliates
ACE	AEG	Taiwan	Energy service	32,000	-	10,000	100.00%	28,112	3,642	-	Affiliates
K2	K2 Medical (Thailand) Co., Ltd.	Thailand	Sales of medical consumables	15,919	15,919	-	49.00%	26,838	10,101	-	Affiliates
K2	PT Frismed Hoslab Indonesia	Indonesia	Sales of medical consumables	257,728	257,728	-	67.00%	325,063	36,630	-	Affiliates
DIC	Data Image (Mauritius) Corporation	Mauritius	Investment and holding activity	518,381	518,381	20,215	100.00%	382,708	39,631	-	Affiliates
DIC	DIVA	Taiwan	Manufacture and sales of medical consumables	625,680	625,680	20,856	35.55%	617,538	27,969	-	Affiliates
DIC	DMC Components International, LLC	Orlando, USA	Agency sales	24,304	24,304	300	30.00%	8,206	3,053	-	Associate
DIVA	DIVA Laboratories GmbH	Germany	Sales of monitor	25,092	25,092	-	100.00%	1,338	(86)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of September 30, 2022			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				September 30, 2022	December 31, 2021	Shares	Percentage of Ownership	Carrying Value			
DIVA	DIVA Laboratories U.S., LLC	USA	Sales of monitor	35,858	35,858	-	100.00%	10,362	1,169	-	Affiliates
DIVA	Panoramic Imaging Solutions Inc.	Taiwan	Sales of monitor	24,600	24,600	2,500	100.00%	29,737	1,955	-	Affiliates
DIVA	Diva Capital Inc.	Samoa	Investments in Mainland China	52,908	52,908	-	100.00%	7,595	(6,259)	-	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%	20,229	2,775	-	Associate
Diva Capital Inc.	Diva Holding Inc.	Samoa	Investments in Mainland China	52,598	52,598	-	100.00%	8,221	(6,220)	-	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
EASCHK	Expert Alliance Smart Technology Co., Ltd.	Macao	Sales of brand-name electronic products and smart services	381	381	100	100.00%	5,111	(9,768)	-	Affiliates
MTG	Ginnet	Taiwan	Sales of network and information and communication hardware and software	119,142	119,142	10,475	79.36%	184,870	13,606	-	Affiliates
MTG	Epic Cloud	Taiwan	Software and data processing services	27,500	50,000	2,750	100.00%	11,001	(16,427)	-	Affiliates
MTG	Corex	South Africa	Sales, purchase, import and export of electronic products	251,872	251,872	1	100.00%	276,640	(10,613)	-	Affiliates
MTG	Static	Taiwan	Market research, marketing consultant and data processing service	69,983	69,983	1,754	34.99%	82,137	(6,349)	-	Affiliates
MTG	Unisage Digital Co., Ltd.	Taiwan	Manufacture of medical equipment	506	506	67	38.01%	580	-	-	Associate
MTG	Grandys Inc.	Taiwan	Data software and data processing service	94,547	94,547	5,643	20.96%	107,366	19,074	-	Associate
MTG	AdvancedTEK	Taiwan	Applications implement services	30,091	30,091	1,153	34.09%	36,217	13,294	-	Affiliates
MTG	Everlasting Digital ESG Co., Ltd.	Taiwan	Sales and software development	5,000	5,000	500	29.41%	3,286	(3,157)	-	Associate
Epic Cloud	Ginnet	Taiwan	Sales of network and information and communication hardware and software	172	172	10	0.08%	172	13,606	-	Affiliates
Epic Cloud	Static	Taiwan	Market research, marketing consultant and data processing service	40	40	1	0.02%	40	(6,349)	-	Affiliates
AdvancedTEK	APEO Human Capital Services Corp.	Taiwan	Implementation of application software services	2,060	2,060	200	100.00%	2,733	216	-	Affiliates
Static	Datta	Taiwan	Market research, marketing consultant and data processing service	20,000	20,000	2,000	100.00%	13,383	(5,529)	-	Affiliates
Topview	Messoa	Taiwan	Sales, and import and export of video surveillance cameras	23,879	23,879	1,945	40.78%	7,718	8,057	-	Affiliates
Messoa	Messoa Technologies Inc. (USA)	USA	Sales, and import and export of video surveillance cameras and maintenance services	32,859	32,859	-	100.00%	33,767	7,386	-	Affiliates
Simula	Aspire Asia Inc.	British Virgin Islands	Investment and holding activity	286,764	286,764	9,403	100.00%	152,915	(2,641)	-	Affiliates
Simula	Simula Technology Corp.	USA	Sales in North America	15,699	15,699	500	100.00%	43,134	7,650	-	Affiliates
Simula	Action Star Technology Co.,Ltd.	Taiwan	Manufacture of computer and peripherals products	983,858	983,858	32,001	59.35%	1,078,663	237,003	-	Affiliates
Simula	Simula Company Limited	Hong Kong	Investment and holding activity	187,625	187,625	50,500	52.31%	154,566	66	-	Affiliates
Simula	Mcurich Inc.	Taiwan	Sales of electronic products	15,029	15,029	645	23.33%	-	(5,281)	-	Associate
Aspire Asia Inc.	Aspire Electronics Corp.	Samoa	Investment and holding activity	95,099	95,099	2,188	95.10%	12,611	(2,810)	-	Affiliates
Aspire Asia Inc.	Simula Company Limited	Hong Kong	Investment and holding activity	181,726	181,726	46,033	47.69%	140,895	66	-	Affiliates
GSC	Bigmin Bio-Tech Company Ltd.	Taiwan	Sale of alcohol and medical disinfectant	20,250	20,250	1,500	100.00%	59,231	36,998	-	Affiliates
GSC	E-Strong Medical Technology Co., Ltd.	Taiwan	Manufacture of alcohol and dialysate	310,112	286,314	23,687	71.03%	298,738	53,662	-	Affiliates
Alpha	AH	Cayman	Investment and holding activity	208,500	208,500	6,464	100.00%	(18,102)	3,241	-	Affiliates
Alpha	Alpha Solutions	Japan	Sale of network equipment, components and technical services	5,543	5,543	1	100.00%	17,265	(576)	-	Affiliates
Alpha	Alpha USA	USA	Sale, marketing and procurement service in USA	51,092	51,092	1,500	100.00%	163,162	3,919	-	Affiliates
Alpha	Alpha HK	Hong Kong	Investment and holding activity	3,143,628	3,143,628	780,911	100.00%	2,225,512	(102,701)	-	Affiliates
Alpha	ATS	USA	Post-sale service	260,497	260,497	8,100	100.00%	193,164	1,116	-	Affiliates
Alpha	Enrich	Taiwan	Investment and holding activity	320,000	320,000	32,000	100.00%	220,186	(14,361)	-	Affiliates
Alpha	Hitron	Taiwan	Marketing on system integration of communication production and telecommunication products	4,811,000	4,811,000	200,000	62.24%	4,198,151	350,401	-	Affiliates
Alpha	D-Link Asia	Singapore	Investment in manufacturing business	1,692,805	1,692,805	86,946	100.00%	2,219,413	407,624	-	Affiliates
Alpha	Alpha VN	Vietnam	Manufacture and sales of network products	510,378	-	-	100.00%	493,363	(71,805)	-	Affiliates
Enrich	IDT	Taiwan	Telecommunication and broadband network system services	189,523	189,523	2,575	6.40%	105,929	105,185	-	Affiliates
Enrich	Transnet	Taiwan	Operating in network communication products, provide system support services, integrated supply and import and export of network equipment	50,000	50,000	5,000	100.00%	14,238	(10,006)	-	Affiliates
Enrich	APL	Taiwan	Sale of network equipment, components and technical services	80,000	80,000	8,000	98.92%	67,671	(9,104)	-	Affiliates
Hitron	HSM	Samoa	International trade	642,697	642,697	21,350	100.00%	611,795	11,883	-	Affiliates
Hitron	IDT	Taiwan	Telecommunication and broadband network system services	126,091	126,091	16,703	41.50%	502,238	105,185	-	Affiliates
Hitron	HBV	The Netherlands	International trade	59,604	59,604	15	100.00%	135,491	90,792	-	Affiliates
Hitron	HUS	USA	International trade	90,082	90,082	300	100.00%	443,527	222,031	-	Affiliates
Hitron	HTG	Taiwan	Investment	20,000	20,000	2,000	100.00%	3,462	(170)	-	Affiliates
Hitron	HVN	Vietnam	Production and sale of broadband telecommunications products	1,511,735	1,511,735	-	100.00%	2,048,115	414,611	-	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 nine months ended September 30, 2022

(Amounts in thousands of New Taiwan dollars and other currencies, unless specified otherwise)

Table 10

A. Qisda Corporation

1. Information on investments in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2022	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Qisda (Suzhou) Co., Ltd. ("QCSZ")	Manufacture of monitors and communication devices	2,349,500 (USD 74,000)	(Note 1)	2,254,250 (USD 71,000)	-	-	2,254,250 (USD 71,000)	(371,268)	100.00%	(371,268) (Note 3)	11,421,085	-
BenQ Medical (Shanghai) Co., Ltd. ("BMSH")	Sale of medical consumable and equipment	43,180 (USD 1,360)	(Note 9)	-	-	-	-	(7,353)	100.00%	(7,353) (Note 4)	28,155	-
Qisda Electronics (Suzhou) Co., Ltd. ("QCES")	Manufacture of monitors	374,650 (USD 11,800)	(Note 1)	374,650 (USD 11,800)	-	-	374,650 (USD 11,800)	33,369	100.00%	33,369 (Note 4)	1,847,520	-
Qisda Optronics (Suzhou) Co., Ltd. ("QCOS")	Manufacture of projectors	395,605 (USD 12,460)	(Note 1)	395,605 (USD 12,460)	-	-	395,605 (USD 12,460)	(139,158)	100.00%	(139,158) (Note 3)	4,529,014	463,645 (USD 14,603)
Qisda (Shanghai) Co., Ltd. ("QCSH")	Manufacture of monitors	2,111,375 (USD 66,500)	(Note 1)	1,524,000 (USD 48,000)	-	-	1,524,000 (USD 48,000)	(7,026)	100.00%	(7,026) (Note 4)	(1,564,721)	-
Qisda Precision Industry (Suzhou) Co., Ltd. ("QCPS")	Manufacture of plastic parts	158,750 (USD 5,000)	(Note 1)	150,813 (USD 4,750)	-	-	150,813 (USD 4,750)	(15,059)	100.00%	(15,059) (Note 4)	457,718	-
BenQ Co., Ltd. ("BQC")	Lease of real estate	2,540,000 (USD 80,000)	(Note 1)	2,540,000 (USD 80,000)	-	-	2,540,000 (USD 80,000)	94,782	100.00%	94,782 (Note 3)	(Note 18)	-
BenQ Intelligent Technology (Shanghai) Co., Ltd. ("BQC_RO")	Sales and maintenance of electronic products in China	95,250 (USD 3,000)	(Note 1)	95,250 (USD 3,000)	-	-	95,250 (USD 3,000)	309,212	100.00%	309,212 (Note 3)	1,620,676	-
BenQ Technology (Shanghai) Co., Ltd. ("BQIs")	Sales of brand-name electronic products	31,750 (USD 1,000)	(Note 1)	6,350 (USD 200)	-	-	6,350 (USD 200)	18,279	100.00%	18,279 (Note 4)	93,500	-
ShengCheng Trading(Shanghai) Co., Ltd. ("BQsha_EC2")	Sales of brand-name electronic products	3,175 (USD 100)	(Note 10)	-	-	-	-	2,516	100.00%	2,516 (Note 4)	52,980	-
Nanjing BenQ Hospital Co., Ltd. ("NMH")	Medical services	5,778,976 (USD 182,015)	(Note 1)	5,949,823 (USD 187,396)	-	-	5,949,823 (USD 187,396)	86,693	70.05%	86,693 (Note 3)	2,449,349	-
Suzhou BenQ Hospital Co., Ltd. ("SMH")	Medical services	2,694,681 (CNY 601,975)	(Note 1)	2,825,623 (USD 88,996)	-	-	2,825,623 (USD 88,996)	205,497	70.05%	205,497 (Note 3)	864,248	-
BenQ Hospital Management Consulting (Nanjing) Co., Ltd. ("NMHC")	Medical management consulting	31,750 (USD 1,000)	(Note 1)	31,750 (USD 1,000)	-	-	31,750 (USD 1,000)	(676)	70.05%	(676) (Note 4)	16,576	-
Suzhou BenQ Investment Co., Ltd. ("BIC")	Investment and holding activity	952,500 (USD 30,000)	(Note 8)	-	-	-	-	122	70.05%	122 (Note 4)	605,975	-
Nanjing Silvertown Health & Development Co., Ltd.	Medical services	447,640 (CNY 100,000)	(Note 11)	-	-	-	(Note 11)	(20,595)	10.51%	(2,165) (Note 4)	137,222 (Note 15)	-
BenQ Guru Software Co., Ltd. ("GSS")	R&D and sales of computer information systems	419,100 (USD 13,200)	(Note 1)	307,975 (USD 9,700)	-	-	307,975 (USD 9,700)	(27,469)	100.00%	(27,469) (Note 4)	15,273	-
BenQ Biotech (Shanghai) Co., Ltd. ("BBC")	Manufacture and sales of medical consumables and equipment	671,460 (CNY 150,000)	(Note 2)	917,662 (CNY 205,000)	-	-	917,662 (CNY 205,000)	(53,521)	70.00%	(37,465) (Note 4)	751,462	-
Guangxi Youshan Medical Technology Co., Ltd. ("Youshan")	Medical services	26,858 (CNY 6,000)	(Note 13)	-	-	-	(Note 13)	16,853	38.50%	6,488 (Note 4)	18,640	-
Wangcheng Medical Technology (Chengdu) Co., Ltd. ("Wangcheng")	Sales of medical consumables and equipment	8,953 (CNY 2,000)	(Note 13)	-	-	-	(Note 13)	1,731	49.00%	848 (Note 4)	5,760	-
Shanghai Filter Technology Co., Ltd. ("Filter")	Sales of medical consumables and equipment	204,348 (CNY 45,650)	(Note 13)	-	-	-	(Note 13)	155	70.00%	108 (Note 4)	156,628	-
Guigang Donghui Medical Investment Co., Ltd.	Medical services	2,814,116 (CNY 628,656)	(Note 12)	-	-	-	(Note 12)	(2,558)	9.89%	(253) (Note 4)	351,585 (Note 15)	-

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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2022	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Shanghai Zhenglang Medical Equipment Co.,Ltd (“Zhenglang”)	Sales of medical consumables and equipment	26,858 (CNY 6,000)	(Note 13)	-	-	-	(Note 13)	2,502	35.70%	893 (Note 4)	10,501	-
Jiangsu Yudi Optical Co.,Ltd (“Yudi”)	Sales and Manufacture of Optical Lens	362,051 (CNY 80,880)	(Note 14)	-	-	-	(Note 14)	218,291	20.01%	43,680 (Note 4)	501,709 (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\$31.75 and CNY\$1 = NT\$4.4764.

(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.

(Note 18) On September 30, 2022, BenQ sold its entire investments in BQHK, resulting in the Group to lose control over BQHK and BQC.

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
17,373,751 (USD 518,302 and CNY 205,000)	18,183,447 (USD 572,707)	(Note 19)

(Note 19) Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limit on investment in Mainland China.

3. Significant transactions with investee companies in Mainland China:

The transactions between parent and investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” 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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2022	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
BenQ Material (Suzhou) Co., Ltd. ("BMS")	Manufacture of optoelectronics	920,750 (USD29,000)	(Note 1)	920,750 (USD29,000)	-	-	920,750 (USD 29,000)	540,704	100.00%	540,704 (Note 2)	2,547,067 (Note 6)	-
Daxon Biomedical (Suzhou) Co., Ltd. ("DTB")	Service and sales of optoelectronics and medical consumables	49,240 (CNY11,000)	(Note 4)	-	-	-	-	23,319	100.00%	23,319 (Note 2)	25,685 (Note 6)	-
BenQ Materials (Wuhu) Co., Ltd.	Manufacture and sales of optoelectronics and cosmetics	358,112 (CNY80,000)	(Note 1)	179,056 (CNY 40,000)	-	-	179,056 (CNY 40,000) (Note 5)	126,437	100.00%	122,265 (Note 2)	(167,827) (Note 6)	-
BenQ Materials Medical Supplies (Suzhou) Co., Ltd. ("BMM")	Manufacture and sales of medical consumables and equipment	67,146 (CNY15,000)	(Note 4)	-	-	-	-	5,995	100.00%	5,995 (Note 2)	61,569 (Note 6)	-
Suzhou Sigma Medical Supplies Co., Ltd. ("SMSZ")	Manufacture and sales of medical consumables and equipment	22,924 (USD722)	(Note 3)	50,546 (USD1,592)	-	27,622 (USD870)	22,924 (USD722)	(623)	100.00%	(623) (Note 2)	1,109 (Note 6)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMC	1,099,806 (USD29,000 and CNY40,000)	1,215,969 (USD29,000 and CNY65,950)	(Note 7)
SGM	22,924 (USD722)	50,546 (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\$31.75 and CNY\$1=NT\$4.4764.

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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2022	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
BenQ Medical Technology (Shanghai) Ltd. ("BMTS")	Agency of international and entrepot trade business	31,750 (USD 1,000)	(Note 1)	31,750 (USD 1,000)	-	-	31,750 (USD 1,000)	5,213	100.00%	5,213 (Note 5)	18,560 (Note 4)	-
LILY Medical (Suzhou) Co., Ltd. ("ALS")	Sales of medical consumables and equipment	6,668 (USD 210)	(Note 2)	6,668 (USD 210)	-	-	6,668 (USD 210)	(401)	100.00%	(401) (Note 6)	1,943 (Note 4)	-
TDX Medical Technology (Jiangsu) Co., Ltd.	Sales of medical consumables and equipment	89,528 (CNY 20,000)	(Note 2)	35,811 (CNY 8,000)	-	-	35,811 (CNY 8,000)	3,261	40.00%	1,304 (Note 6)	33,152	-
Suzhou Trident Original Medical Technology Co., Ltd.	Sales of medical consumables and equipment	8,953 (CNY 2,000)	(Note 3)	-	-	-	-	1,343	22.00%	237 (Note 6)	8,170	-

(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\$31.75 and CNY\$1 = NT\$4.4764.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMTC	67,561 (USD 1,000 and CNY 8,000)	89,757 (USD 2,827)	704,725
LILY	6,668 (USD 210)	6,668 (USD 210)	113,106

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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2022 (Note 4)	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Partner Tech (Shanghai) Co., Ltd. (“PTCM”)	Sales, purchase, import and export of electronic products	111,125 (USD 3,500)	(Note 1)	111,125 (USD 3,500)	-	-	111,125 (USD 3,500)	(6,241)	100.00%	(6,241) (Note 2)	76,334	-

(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 PTT.

(Note 3) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$31.75.

(Note 4) The above amounts have been eliminated when preparing the consolidated financial statements.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
PTT	111,125 (USD 3,500)	219,266 (USD 6,906)	655,849

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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2022 (Note 7)	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Yan Tong Infotech (Dongguan) Co., Ltd. ("DYTI")	Manufacture and sales of industrial motherboards and component	69,200	(Note 1)	-	-	-	-	6,087	100.00%	6,087 (Note 2)	59,179	33,306
Yan Ying Hao Trading (ShenZhen) Co., Ltd. ("DYTH")	Wholesale, import and export of industrial motherboards and component	13,840	(Note 1)	-	-	-	-	5,120	100.00%	5,120 (Note 2)	53,147	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
DFI	- (Note 3)	66,199 (USD 2,085) (Note 5 and 6)	3,440,376 (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\$31.75.

3. Significant transactions with investee companies in Mainland China:

The transactions between DFI and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

F. Aewin Technologies Co., Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2022 (Note 5)	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Aewin Beijing Technologies Co., Ltd.	Wholesale of computer peripheral products and software	46,129	(Note 1)	46,129	-	-	46,129	(28,622)	100.00%	(28,622)	167,826	-
Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	13,062	(Note 2)	-	-	-	-	(3,506)	100.00%	(3,506)	(5,439)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
AEWIN	46,129 (USD 1,500)	63,500 (USD 2,000)	745,988 (Note 4)

(Note 1) Indirect investment in Mainland China is through a holding company established in a third country.

(Note 2) Invested in Mainland China through Aewin Beijing Technologies Co., Ltd..

(Note 3) Investment income or loss was recognized based on the 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\$31.75 and CNY\$1=NT\$4.4764.

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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2022 (Note 5)	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	1,120,680 (USD 35,297)	(Note 1)	61,913 (USD 1,950)	-	-	61,913 (USD 1,950)	(35,109)	100.00%	(35,109) (Note 4)	593,840	125,533
Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	7,476 (CNY 1,670)	(Note 1)	5,080 (USD 160)	-	-	5,080 (USD 160)	(2,958)	100.00%	(2,958) (Note 4)	4,222	-
Advancedtek Ace (TJ) Inc.	Electronic system integration	9,525 (USD 300)	(Note 1)	4,763 (USD 150)	-	-	4,763 (USD 150)	2,752	100.00%	2,752 (Note 4)	2,148	-
Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	46,038 (USD 1,450)	(Note 1)	(Note 2)	-	-	(Note 2)	5,282	100.00%	5,282 (Note 4)	106,912	-
Xuchang Ace AI Equipment Co., Ltd.	Wholesale of industrial robot and component	9,525 (USD 300)	(Note 1)	(Note 2)	-	-	(Note 2)	(75)	(Note 7)	(75) (Note 4)	-	-
Standard International Trading (Shanghai) Co., Ltd.	Sales of semiconductor optoelectronics equipment and consumables	15,240 (USD 480)	(Note 1)	(Note 3)	-	-	(Note 3)	17,795	100.00%	13,619 (Note 5)	109,644	118,686

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
ACE	162,528 (USD 5,119)	162,528 (USD 5,119)	1,293,962 (Note 6)
STC	15,240 (USD 480)	15,240 (USD 480)	95,608 (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) The above amounts have been eliminated when preparing the consolidated financial statements.

(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 liquidation process of Xuchang Ace AI Equipment Co., Ltd. had been completed on June 21, 2022 and the registration had been cancelled.

(Note 8) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$31.45 and CNY\$1=NT\$4.4764.

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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of September 30, 2022 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Data Image (Suzhou) Corporation	Manufacture and sales of LCD	534,081	(Note 1)	511,884	-	-	511,884	39,389	100.00%	39,389	380,830	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 15,654	USD 16,952	1,367,688 (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 reviewed financial statements by the auditors of DIC.

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

3. Significant transactions with investee companies in Mainland China:

The transactions between DIC and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" 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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of September 30, 2022 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	52,643	(Note 1)	52,643	-	-	52,643	(6,181)	100.00%	(6,181)	8,192	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
52,643	USD 2,000 (Note 4)	597,583 (Note 5)

(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 reviewed financial statements by the auditors of DIVA.

(Note 4) The accumulated investments is US\$1,725 thousand and the investment not yet executed is US\$275 thousand as of September 30, 2022.

(Note 5) Investment amounts in Mainland China shall not exceed the limit of net worth of DIVA according to MOEA letter No. 09704604680.

3. Significant transactions with investee companies in Mainland China:

The transactions between DIVA and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" for detail description.

J. 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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of September 30, 2022 (Note 2)	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
K2 (Shanghai) International Medical Inc.	Sales of medical consumables	39,688 (USD 1,250)	(Note 1)	61,373 (USD 1,933)		-	61,373 (USD 1,933)	13,554	100.00%	13,554	85,090	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
61,373 (USD 1,933)	61,373 (USD 1,933)	368,636 (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\$31.75.

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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2022 (Note 3)	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	191,437	(Note 1)	141,375	-	-	141,375	2,833	100.00%	2,833	203,970	-
Opti Cloud Technologies, Inc.	Development of High-speed optical transmission cable and module product technology	137,336	(Note 1)	95,099	-	-	95,099	(5,220)	51.18%	(2,672)	12,606	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Simula	257,755	307,817	1,450,934

(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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of September 30, 2022 (Note 8)	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Alpha Networks (Chengdu) Co.,Ltd.	Research and development of network products	420,426	(Note 1)	420,426	-	-	420,426	9,692	100.00%	9,692	601,821	-
Alpha Networks (Dongguan) Co., Ltd.	Production and sale of network products	787,496	(Note 1)	741,084	-	-	741,084 (Note 6)	376,104	100.00%	376,104	1,446,744	-
Mirac Networks (Dongguan) Co.,Ltd.	Production and sale of network products	307,326	(Note 1)	307,326	-	-	307,326	14,802	100.00%	14,802	327,862	-
Alpha Networks (Changshu) Co., Ltd.	Production and sale of network products	1,925,920	(Note 1)	1,925,920	-	-	1,925,920	(227,328)	100.00%	(227,328)	1,159,655	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 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 September, 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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of September 30, 2022 (Note 4)	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
HSZ	Production and sale of broadband telecommunications products	641,763	(Note 1)	641,763	-	-	641,763	15,563	100.00%	11,914	617,093	-
HJT	Sale of broadband network products and related services	31,139	(Note 1)	31,139	-	-	31,139	(34)	100.00%	(31)	3,793	-
IHC	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	5,814	(Note 1)	12,048	-	-	12,048	1,380	41.50% (Note 3)	586	5,158	23,018

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Hitron	684,950	684,950	3,148,899

(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 .

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

(Note 4) The above amounts have been eliminated when preparing the consolidated financial statements.

3. Significant transactions with investee companies in Mainland China:

The transactions between Hitron and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section "Information on Significant Transactions" 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 September 30, 2022	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of September 30, 2022	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
-	-	-	-	-	-	-	-	-	-	-	-	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of September 30, 2022 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment (Note 2)
Topview	5,779 (USD 182)	5,779 (USD 182)	754,645

(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\$31.75.

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.