

QISDA CORPORATION AND SUBSIDIARIES
Consolidated Financial Statements
With Independent Auditors' Review Report
For the Three Months Ended March 31, 2023 and 2022

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

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Independent Auditors' Review Report

To the Board of Directors
Qisda Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheet of Qisda Corporation and its subsidiaries as of March 31, 2023 and the restated consolidated balance sheet as of March 31, 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion section, we conducted our reviews in accordance with the Standards on Review Engagements 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing of the Republic of China 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 \$28,844,486 thousand and \$29,257,106 thousand, constituting 14.15% and 14.82% of the consolidated total assets, and the total liabilities amounting to \$11,722,709 thousand and \$11,703,761 thousand, constituting 8.63% and 8.58% of the consolidated total liabilities as of March 31, 2023 and 2022, respectively; and the total comprehensive income amounting to \$159,792 thousand and \$340,072 thousand, constituting 5.26% and 98.15% of the absolute value of consolidated total comprehensive income for the three months then ended, respectively.

Furthermore, as described in Note 6(h) to the consolidated financial statements, the investments accounted for using the equity method amounted to \$2,445,181 thousand and \$1,564,165 thousand as of March 31, 2023 and 2022, respectively, and the share of profits (losses) of associates and joint ventures amounted to \$(15,863) thousand and \$33,829 thousand for the three months then ended, respectively. These amounts were based on the unreviewed financial statements of the investee companies.

Qualified Conclusion

Based on our reviews and the review reports of other auditors (please refer to Other Matter section), except for the adjustment, if any, as might have been determined to be necessary had the financial statements of certain non-significant consolidated subsidiaries and equity-method investments described in the Basis for Qualified Conclusion section been reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Qisda Corporation and its subsidiaries as of March 31, 2023 and 2022 (restated), and their consolidated financial performance and their consolidated cash flows for the three months then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain subsidiaries of Qisda Corporation. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements relative to these subsidiaries, is based solely on the reports of other auditors. The financial statements of these subsidiaries reflect the total assets amounting to \$5,832,224 thousand and \$5,966,981 thousand, constituting 2.86% and 3.02% of the consolidated total assets as of March 31, 2023 and 2022, respectively, and the total operating revenue amounting to \$1,296,391 thousand and \$1,530,432 thousand, constituting 2.57% and 2.51% of the consolidated operating revenue for the three months then ended, respectively.

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

KPMG

Taipei, Taiwan (Republic of China)

May 5, 2023

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 Standards on Auditing as of March 31, 2023 and 2022**QISDA CORPORATION AND SUBSIDIARIES****Consolidated Balance Sheets****March 31, 2023, December 31, March 31 and January 1, 2022****(Expressed in Thousands of New Taiwan Dollars)**

		March 31, 2023		December 31, 2022		March 31, 2022		January 1, 2022	
		(Restated)		(Restated)		(Restated)		(Restated)	
		Amount	%	Amount	%	Amount	%	Amount	%
Assets									
Current assets:									
1100	Cash and cash equivalents (note 6(a))	\$ 36,051,677	18	30,684,635	16	19,904,288	10	17,781,480	10
1110	Financial assets at fair value through profit or loss—current (note 6(b))	124,326	-	145,049	-	295,752	-	133,212	-
1120	Financial assets at fair value through other comprehensive income—current (note 6(c))	115,737	-	100,146	-	104,211	-	102,037	-
1170	Notes and accounts receivable, net (notes 6(d), (y) and 8)	35,620,928	18	38,085,893	20	32,074,845	16	29,999,477	16
1181	Notes and accounts receivable from related parties (notes 6(d), (y) and 7)	1,851,050	1	2,064,033	1	2,916,105	2	3,007,620	2
1200	Other receivables (notes 6(d), (e) and (i))	2,508,164	1	2,353,786	1	959,779	-	852,087	-
1210	Other receivables from related parties (notes 6(d), (e) and 7)	579,152	-	304,287	-	576,463	-	304,166	-
130X	Inventories (notes 6(f) and 8)	39,655,884	19	43,870,428	23	56,378,609	29	50,147,906	27
1470	Other current assets	3,144,514	2	2,929,967	2	3,661,285	2	3,069,555	2
1476	Other financial assets—current (notes 6(a) and 8)	4,878,856	2	329,598	-	3,142,013	2	4,046,389	2
1461	Non-current assets held for sale (note 6(g))	-	-	-	-	665,444	-	476,511	-
	Total current assets	124,530,288	61	120,867,822	63	120,678,794	61	109,920,440	59
Non-current assets:									
1510	Financial assets at fair value through profit or loss—non-current (note 6(b))	620,396	-	516,377	-	370,402	-	354,333	-
1517	Financial assets at fair value through other comprehensive income—non-current (note 6(c))	12,538,863	6	10,231,092	5	15,726,771	8	18,047,059	10
1550	Investments accounted for using the equity method (note 6(h))	5,296,594	3	5,479,148	3	4,105,398	2	4,067,106	2
1600	Property, plant and equipment (notes 6(j) and 8)	40,680,405	20	36,506,711	19	34,481,952	18	33,037,041	18
1755	Right-of-use assets (note 6(k))	5,452,787	3	5,142,615	3	4,671,142	2	4,613,883	2
1760	Investment property (notes 6(l) and 8)	1,039,199	-	921,424	-	3,565,586	2	3,408,285	2
1780	Intangible assets (notes 6(i) and (m))	10,120,175	5	10,227,656	5	10,640,377	5	10,538,787	6
1840	Deferred income tax assets	2,078,762	1	2,085,522	1	1,783,672	1	1,761,231	1
1900	Other non-current assets	347,250	-	311,097	-	257,425	-	386,454	-
1980	Other financial assets—non-current (notes 6(a) and 8)	1,188,168	1	1,126,328	1	1,200,392	1	1,103,910	-
	Total non-current assets	79,362,599	39	72,547,970	37	76,803,117	39	77,318,089	41
	Total assets	\$ 203,892,887	100	193,415,792	100	197,481,911	100	187,238,529	100

(Continued)

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with Standards on Auditing as of March 31, 2023 and 2022

QISDA CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets (Continued)

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

(Expressed in Thousands of New Taiwan Dollars)

		March 31, 2023		December 31, 2022		March 31, 2022		January 1, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
Liabilities and Equity									
Current liabilities:									
2100	Short-term borrowings (notes 6(n) and 8)	\$ 28,388,912	14	25,969,736	13	32,772,377	17	24,295,022	13
2110	Short-term notes and bills payable (note 6(n))	-	-	199,619	-	-	-	-	-
2120	Financial liabilities at fair value through profit or loss—current (note 6(b))	137,036	-	96,982	-	188,206	-	78,178	-
2130	Contract liabilities—current (note 6(y))	2,952,491	2	2,798,320	2	2,277,660	1	2,431,400	1
2170	Notes and accounts payable	27,195,966	13	28,290,462	15	41,555,265	21	39,319,708	21
2180	Accounts payable to related parties (note 7)	714,214	-	747,500	-	1,573,061	1	1,465,399	1
2200	Other payables (notes 6(i) and (z))	17,787,891	9	15,229,989	8	17,070,572	9	12,863,465	7
2220	Other payables to related parties (note 7)	899,724	-	24,835	-	1,112,012	1	27,307	-
2230	Current income tax liabilities	4,799,027	2	4,448,014	2	1,813,703	1	1,540,749	1
2300	Other current liabilities	833,699	-	757,374	-	735,804	-	878,646	-
2365	Refund liabilities—current	2,761,417	2	2,867,758	2	3,027,559	2	2,884,556	2
2321	Current portion of bonds payable (note 6(p))	-	-	-	-	421,310	-	461,471	-
2322	Current portion of long-term debt (notes 6(o) and 8)	3,538,947	2	1,635,671	1	1,024,056	-	714,857	-
2280	Lease liabilities—current (notes 6(q) and 7)	548,119	-	531,390	-	468,424	-	466,245	-
2250	Provisions—current (note 6(r))	<u>1,086,923</u>	<u>1</u>	<u>1,045,970</u>	<u>1</u>	<u>916,999</u>	<u>-</u>	<u>906,468</u>	<u>1</u>
	Total current liabilities	<u>91,644,366</u>	<u>45</u>	<u>84,643,620</u>	<u>44</u>	<u>104,957,008</u>	<u>53</u>	<u>88,333,471</u>	<u>47</u>
Non-current liabilities:									
2503	Financial liabilities at fair value through profit or loss—non-current (note 6(b))	91,988	-	63,144	-	95,628	-	97,986	-
2530	Bonds payable (note 6(p))	3,565,408	2	2,995,015	2	-	-	-	-
2540	Long-term debt (notes 6(o) and 8)	34,777,378	17	32,086,612	17	25,248,775	13	26,702,353	14
2580	Lease liabilities—non-current (notes 6(q) and 7)	1,915,816	1	1,986,764	1	1,609,425	1	1,524,736	1
2550	Provisions—non-current (note 6(r))	738,667	-	763,548	-	766,653	-	743,366	1
2570	Deferred income tax liabilities	2,217,887	1	2,031,650	1	2,463,108	1	2,383,103	1
2670	Other non-current liabilities	<u>863,813</u>	<u>1</u>	<u>908,008</u>	<u>-</u>	<u>1,275,895</u>	<u>1</u>	<u>1,290,751</u>	<u>1</u>
	Total non-current liabilities	<u>44,170,957</u>	<u>22</u>	<u>40,834,741</u>	<u>21</u>	<u>31,459,484</u>	<u>16</u>	<u>32,742,295</u>	<u>18</u>
	Total liabilities	<u>135,815,323</u>	<u>67</u>	<u>125,478,361</u>	<u>65</u>	<u>136,416,492</u>	<u>69</u>	<u>121,075,766</u>	<u>65</u>
Equity attributable to shareholders of the Company (notes 6(c), (i) and (v)):									
3110	Common stock	19,667,820	10	19,667,820	10	19,667,820	10	19,667,820	11
3260	Capital surplus	1,962,003	1	1,949,409	1	1,847,695	1	1,844,310	1
3300	Retained earnings	20,693,214	10	24,185,472	13	16,394,991	8	20,777,515	11
3400	Other equity	<u>(2,938,861)</u>	<u>(2)</u>	<u>(5,076,387)</u>	<u>(3)</u>	<u>(1,873,503)</u>	<u>(1)</u>	<u>(833,222)</u>	<u>(1)</u>
	Total equity attributable to shareholders of the Company	<u>39,384,176</u>	<u>19</u>	<u>40,726,314</u>	<u>21</u>	<u>36,037,003</u>	<u>18</u>	<u>41,456,423</u>	<u>22</u>
36XX	Non-controlling interests (notes 6(i) and (v))	<u>28,693,388</u>	<u>14</u>	<u>27,211,117</u>	<u>14</u>	<u>25,028,416</u>	<u>13</u>	<u>24,706,340</u>	<u>13</u>
	Total equity	<u>68,077,564</u>	<u>33</u>	<u>67,937,431</u>	<u>35</u>	<u>61,065,419</u>	<u>31</u>	<u>66,162,763</u>	<u>35</u>
	Total liabilities and equity	<u>\$ 203,892,887</u>	<u>100</u>	<u>193,415,792</u>	<u>100</u>	<u>197,481,911</u>	<u>100</u>	<u>187,238,529</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Standards on Auditing**QISDA CORPORATION AND SUBSIDIARIES****Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		For the three months ended March 31			
		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (notes 6(y), 7 and 14)	\$ 50,445,785	100	60,866,119	100
5000	Operating costs (notes 6(f), (j), (q), (t), (z), 7 and 12)	(42,450,733)	(84)	(52,992,823)	(87)
	Gross profit	7,995,052	16	7,873,296	13
	Operating expenses (notes 6(d), (j), (q), (t), (z), 7 and 12):				
6100	Selling expenses	(3,510,186)	(7)	(3,465,460)	(6)
6200	Administrative expenses	(1,544,763)	(3)	(1,503,457)	(2)
6300	Research and development expenses	(1,628,026)	(3)	(1,566,576)	(3)
6450	Gain on reversal of impairment loss (expected credit loss)	37,728	-	(14,251)	-
	Total operating expenses	(6,645,247)	(13)	(6,549,744)	(11)
	Operating income	1,349,805	3	1,323,552	2
	Non-operating income and loss:				
7100	Interest income (note 6(aa))	269,856	1	56,525	-
7010	Other income (note 6(aa))	31,551	-	36,939	-
7020	Other gains and losses, net (notes 6(g), (i), (j), (q), (aa) and (ab))	4,515	-	240,763	1
7050	Finance costs (notes 6(q), (aa) and 7)	(447,224)	(1)	(189,625)	-
7060	Share of profits (losses) of associates and joint ventures (note 6(h))	20,600	-	96,885	-
	Total non-operating income and loss	(120,702)	-	241,487	1
	Income before income tax	1,229,103	3	1,565,039	3
7950	Less: income tax expense (note 6(u))	(471,624)	(1)	(495,637)	(1)
	Net income	757,479	2	1,069,402	2
	Other comprehensive income (loss):				
8310	Items that will not be reclassified subsequently to profit or loss				
8311	Remeasurements of defined benefit plans (note 6(v))	-	-	545	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes 6(v) and (ab))	2,342,356	4	(2,229,977)	(4)
8320	Share of other comprehensive income of associates (notes 6(h) and (v))	48,754	-	33,404	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss (note 6(u))	(17,916)	-	17,298	-
		2,373,194	4	(2,178,730)	(4)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign operations (note 6(v))	(76,872)	-	1,340,547	2
8370	Share of other comprehensive income (loss) of associates and joint ventures (notes 6(h) and (v))	(15,793)	-	115,255	1
		(92,665)	-	1,455,802	3
	Other comprehensive income (loss) for the period, net of income tax	2,280,529	4	(722,928)	(1)
	Total comprehensive income for the period	\$ 3,038,008	6	346,474	1
	Net income attributable to:				
8610	Shareholders of the Company	\$ 324,039	1	534,431	1
8620	Non-controlling interests	433,440	1	534,971	1
		\$ 757,479	2	1,069,402	2
	Total comprehensive income attributable to:				
8710	Shareholders of the Company	\$ 2,578,832	5	(505,850)	(1)
8720	Non-controlling interests	459,176	1	852,324	2
		\$ 3,038,008	6	346,474	1
	Earnings per share (in New Taiwan Dollars) (note 6(x)):				
9750	Basic earnings per share	\$ 0.16		0.27	
9850	Diluted earnings per share	\$ 0.16		0.27	

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Standards on Auditing**QISDA CORPORATION AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the three months ended March 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	Attributable to shareholders of the Company												
	Retained earnings						Other equity						
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other equity interest	Total equity of the Company	Non-controlling interests	Total equity
Balance at January 1, 2022	\$ 19,667,820	1,844,310	2,639,376	1,264,645	16,873,494	20,777,515	(1,723,237)	1,378,567	(488,552)	(833,222)	41,456,423	24,706,340	66,162,763
Net income for the period	-	-	-	-	534,431	534,431	-	-	-	-	534,431	534,971	1,069,402
Other comprehensive income (loss) for the period	-	-	-	-	-	-	1,140,704	(2,181,294)	309	(1,040,281)	(1,040,281)	317,353	(722,928)
Total comprehensive income (loss) for the period	-	-	-	-	534,431	534,431	1,140,704	(2,181,294)	309	(1,040,281)	(505,850)	852,324	346,474
Appropriation of earnings:													
Cash dividends distributed to shareholders	-	-	-	-	(4,916,955)	(4,916,955)	-	-	-	-	(4,916,955)	-	(4,916,955)
Share of changes in equity of associates and joint ventures	-	(883)	-	-	-	-	-	-	-	-	(883)	31	(852)
Distribution of cash dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,098,928)	(1,098,928)
Changes in ownership interests in subsidiaries	-	4,268	-	-	-	-	-	-	-	-	4,268	(4,268)	-
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	2,003	2,003
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	570,914	570,914
Balance at March 31, 2022	\$ 19,667,820	1,847,695	2,639,376	1,264,645	12,490,970	16,394,991	(582,533)	(802,727)	(488,243)	(1,873,503)	36,037,003	25,028,416	61,065,419
Balance at January 1, 2022	\$ 19,667,820	1,949,409	3,437,862	833,222	19,914,388	24,185,472	875,030	(5,663,889)	(287,528)	(5,076,387)	40,726,314	27,211,117	67,937,431
Net income for the period	-	-	-	-	324,039	324,039	-	-	-	-	324,039	433,440	757,479
Other comprehensive income (loss) for the period	-	-	-	-	-	-	(101,912)	2,356,579	126	2,254,793	2,254,793	25,736	2,280,529
Total comprehensive income (loss) for the period	-	-	-	-	324,039	324,039	(101,912)	2,356,579	126	2,254,793	2,578,832	459,176	3,038,008
Appropriation of earnings:													
Cash dividends distributed to shareholders	-	-	-	-	(3,933,564)	(3,933,564)	-	-	-	-	(3,933,564)	-	(3,933,564)
Shares of changes in equity of associates and joint ventures	-	344	-	-	-	-	-	-	-	-	344	-	344
Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	117,267	117,267	-	(117,267)	-	(117,267)	-	-	-
Distribution of cash dividends by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,993,258)	(1,993,258)
Capital injection from non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	10,872	10,872
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	-	13	-	-	-	-	-	-	-	-	13	(528)	(515)
Changes in ownership interests in subsidiaries	-	12,237	-	-	-	-	-	-	-	-	12,237	(12,237)	-
Stock option compensation cost of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	315	315
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	3,017,931	3,017,931
Balance at March 31, 2023	\$ 19,667,820	1,962,003	3,437,862	833,222	16,422,130	20,693,214	773,118	(3,424,577)	(287,402)	(2,938,861)	39,384,176	28,693,388	68,077,564

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Standards on Auditing**QISDA CORPORATION AND SUBSIDIARIES****Consolidated Statements of Cash Flows****For the three months ended March 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2023	2022
Cash flows from operating activities:		
Income before income tax	\$ 1,229,103	1,565,039
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	1,147,295	1,008,829
Amortization	278,575	270,861
Expected credit loss (gain on reversal of impairment loss)	(37,728)	14,251
Interest expense	447,224	189,625
Interest income	(269,856)	(56,525)
Dividend income	(6,724)	(22,411)
Share-based compensation cost	315	2,003
Share of profit of associates and joint ventures	(20,600)	(96,885)
Loss on disposal of property, plant and equipment	506	8,020
Gain on disposal of non-current assets held for sale	-	(110,738)
Gain on bargain purchase	-	(81,089)
Impairment loss on non-financial assets	-	1,579
Total adjustments for profit or loss	1,539,007	1,127,520
Changes in operating assets and liabilities:		
Changes in operating assets:		
Financial assets at fair value through profit or loss	(107,003)	(178,609)
Notes and accounts receivable	2,771,236	(1,665,791)
Notes and accounts receivable from related parties	212,983	106,850
Other receivables	(51,266)	(79,517)
Other receivables from related parties	(7,466)	(16,898)
Inventories	4,477,133	(6,069,004)
Other current assets	(168,588)	(560,310)
Other non-current assets	3,871	103,062
Net changes in operating assets	7,130,900	(8,360,217)
Changes in operating liabilities:		
Financial liabilities at fair value through profit or loss	68,898	107,670
Notes and accounts payable	(1,174,697)	1,885,228
Accounts payable to related parties	(33,286)	107,662
Other payables to related parties	398	241
Provisions	16,072	33,818
Contract liabilities	154,171	(165,847)
Other payables and other current liabilities	(3,231,628)	(891,650)
Other non-current liabilities	(46,571)	13,620
Net changes in operating liabilities	(4,246,643)	1,090,742
Total changes in operating assets and liabilities	2,884,257	(7,269,475)
Total adjustments	4,423,264	(6,141,955)
Cash provided by (used in) operations	5,652,367	(4,576,916)
Interest received	173,670	60,176
Dividends received	6,724	22,411
Interest paid	(383,199)	(178,867)
Income taxes paid	(131,268)	(223,579)
Net cash provided by (used in) operating activities	5,318,294	(4,896,775)

(Continued)

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Standards on Auditing**QISDA CORPORATION AND SUBSIDIARIES****Consolidated Statements of Cash Flows (Continued)****For the three months ended March 31, 2023 and 2022****(Expressed in Thousands of New Taiwan Dollars)**

	For the three months ended March 31	
	2023	2022
Cash flows from investing activities:		
Purchase of financial assets at fair value through other comprehensive income	\$ (123,458)	(2,286)
Proceeds from disposal of financial assets at fair value through other comprehensive income	150,624	87,514
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	-	11,042
Proceeds from disposal of financial assets at fair value through profit or loss	23,767	-
Purchase of investments accounted for using equity method	(29,230)	(49,364)
Proceeds from disposal of non-current assets and liabilities held for sale	-	298,283
Additions to property, plant and equipment	(1,060,513)	(1,778,856)
Proceeds from disposal of property, plant and equipment	57,692	28,103
Additions to intangible assets	(96,643)	(104,710)
Decrease (increase) in other financial assets	(4,601,846)	836,662
Net cash paid for acquisition of subsidiaries	(1,464,838)	(46,266)
Net cash used in investing activities	(7,144,445)	(719,878)
Cash flows from financing activities:		
Increase in short-term borrowings	4,090,336	10,067,289
Repayments of short-term borrowings	(1,684,803)	(1,741,669)
Decrease in short-term notes and bills payable	(199,619)	-
Proceeds from issuing bonds	631,884	-
Increase in long-term debt	23,779,913	2,761,974
Repayments of long-term debt	(19,165,432)	(4,003,844)
Increase (decrease) in guarantee deposits received	1,786	(37,867)
Payment of lease liabilities	(234,634)	(150,706)
Acquisition of subsidiary's interests from non-controlling interests	(515)	-
Capital injection from non-controlling interests	10,872	-
Net cash provided by financing activities	7,229,788	6,895,177
Effects of foreign exchange rate changes	(36,595)	844,284
Net increase in cash and cash equivalents	5,367,042	2,122,808
Cash and cash equivalents at beginning of period	30,684,635	17,781,480
Cash and cash equivalents at end of period	\$ 36,051,677	19,904,288

See accompanying notes to consolidated financial statements.

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

Reviewed only, not audited in accordance with Standards on Auditing

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months ended March 31, 2023 and 2022

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

1. Organization and business

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

2. Authorization of the consolidated financial statements

These consolidated financial statements were authorized for issuance by the Board of Directors on May 5, 2023.

3. Application of new and revised accounting standards and interpretations

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

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

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

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

In addition, if the Group had applied its previous accounting policy, the deferred tax assets and deferred tax liabilities would decrease by \$30,261 and \$30,261, respectively, on March 31, 2023.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Other amendments

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

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

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

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

Standards or Interpretations	Content of amendment	Effective date per IASB
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	Under existing IAS 1 requirements, companies classify a liability as current when they do not have an unconditional right to defer settlement for at least 12 months after the reporting date. The amendments have removed the requirement for a right to be unconditional and instead now require that a right to defer settlement must exist at the reporting date and have substance. The amendments clarify how a company classifies a liability that can be settled in its own shares – e.g. convertible debt.	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	After reconsidering certain aspects of the 2020 amendments, new IAS 1 amendments clarify that only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.	January 1, 2024

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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”

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, 2022. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2022.

(b) Basis of consolidation

(i) List of subsidiaries in the consolidated financial statements

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

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
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

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	Darly Venture (L) Ltd. (“Darly”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
The Company	Darly Venture Inc. (“APV”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
The Company	Qisda Vietnam Co., Ltd. (“QVH”)	Manufacture of monitors	100.00 %	100.00 %	100.00 %	-
The Company	Qisda (L) Corp. (“QLLB”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	-
QLLB	Qisda (Suzhou) Co., Ltd. (“QCSZ”)	Manufacture of monitors and communication devices	100.00 %	100.00 %	100.00 %	-
QLLB	Qisda (Hong Kong) Limited (“QCHK”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
QLLB	BenQ Medical (Shanghai) Co., LTD. (“BMSH”)	Sales of medical consumables and equipment	100.00 %	100.00 %	100.00 %	Note 1
QCHK/QCES	Qisda (Shanghai) Co., Ltd. (“QCSH”)	Manufacture of monitors	100.00 %	100.00 %	100.00 %	Note 1
QCHK	Qisda Electronics (Suzhou) Co., Ltd. (“QCES”)	Manufacture of 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
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 %	Note 14
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. (“Darly2”)	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

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
BenQ/BQP	PT BenQ Teknologi Indonesia (“BQid”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Korea Co., Ltd. (“BQkr”)	Providing administration and management service to affiliates	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Japan Co., Ltd. (“BQjp”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Australia Pty Ltd. (“BQau”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ (M.E.) FZE (“BQme”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ India Private Ltd. (“BQin”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Singapore Pte Ltd. (“BQsg”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQP	BenQ Service & Marketing (M) Sdn. Bhd. (“BQmy”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
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 %	100.00 %	Note 1
BQHK	BenQ Co., Ltd. (“BQC”)	Lease of real estate	-	-	100.00 %	Note 14
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
BQA	BenQ Canada Corp. (“BQca”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BenQ/BQL	BenQ Mexico S. de R.L. de C.V. (“BQmx”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQL	Joytech LLC. (“Joytech”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
BQL	Vividtech LLC. (“Vividtech”)	Investment and holding activity	100.00 %	100.00 %	100.00 %	Note 1
Joytech/ Vividtech	MaxGen Comercio Industrial Imp E Exp Ltda. (“MaxGen”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQmx/BQL	BenQ Service de Mexico S. de R.L. de C.V. (“BQsm”)	Providing administration and management service to affiliates	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ UK Limited (“BQuk”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Deutschland GmbH (“BQde”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Iberica S.L. Unipersonal (“BQib”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Austria GmbH (“BQat”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
BQE	BenQ Benelux B.V. (“BQnl”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Italy S.R.L. (“BQit”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ France SAS (“BQfr”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ Nordic A.B. (“BQse”)	Sales of brand-name electronic products	100.00 %	100.00 %	100.00 %	Note 1
BQE	BenQ LLC. (“BQru”)	Providing administration and management service to affiliates	100.00 %	100.00 %	100.00 %	Note 1
APV/Darly 2	Darly Consulting Corporation (“Darly C”)	Investment management consulting	100.00 %	100.00 %	100.00 %	Note 1
The Company/ BenQ/Darly/ APV/Darly2	BenQ BM Holding Cayman Corp. (“BBHC”)	Investment and holding activity	70.28 %	70.28 %	70.05 %	-
BBHC	BenQ BM Holding Corp. (“BBM”)	Investment and holding activity	70.28 %	70.28 %	70.05 %	-
BBM	Nanjing BenQ Hospital Co., Ltd. (“NMH”)	Medical services	70.28 %	70.28 %	70.05 %	-
BBM/BIC	Suzhou BenQ Hospital Co., Ltd. (“SMH”)	Medical services	70.28 %	70.28 %	70.05 %	-
BBM	BenQ Hospital Management Consulting (Nanjing) Co., Ltd. (“NMHC”)	Medical management consulting	70.28 %	70.28 %	70.05 %	Note 1
BBM	BenQ Healthcare Consulting Corporation (“BHCC”)	Medical management consulting	70.28 %	70.28 %	70.05 %	Note 1
BBM	Suzhou BenQ Investment Co., Ltd. (“BIC”)	Investment and holding activity	70.28 %	70.28 %	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 %	35.70 %	Notes 1 and 3
BBC	Shanghai Perfusion Medical Technology Co., Ltd. (“Perfusion”)	R&D and manufacture of medical consumables and equipment	35.70 %	-	-	Notes 1, 3 and 4
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 %	-

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
BMTC	Asiacconnect International Company Ltd. (“Asiacconnect”)	Sales of medical consumables and equipment and information software	54.82 %	54.82 %	54.82 %	-
BMTC	LILY Medical Corporation (“LILY”)	Sales of medical consumables and equipment	54.96 %	54.96 %	54.96 %	-
BMTC	BenQ AB DentCare Corporation (“BABD”)	Sales of medical consumables and equipment	48.36 %	48.36 %	48.36 %	Note 3
BMTC	BenQ Healthcare Corporation (“BHS”)	Sales of medical consumables and equipment	54.96 %	54.96 %	54.96 %	-
BMTC	EASTECH CO., LTD. (“EASTECH”)	Sales of medical consumables and equipment	38.47 %	38.47 %	38.47 %	Note 3
BMTC	Concord Medical Co., Ltd. (“Concord”)	Sales of medical products, medical equipment leasing, and management consulting	21.98 %	21.98 %	21.98 %	Notes 7 and 10
BMTC/Concord	Concord Healthcare Co., Ltd. (“CCHC”)	Sales of medical consumables and equipment, and management consulting	21.98 %	32.97 %	-	Notes 3, 5 and 8
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 %	32.97 %	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 13
BMC	BenQ Materials (L) Co. (“BMLB”)	Investment and holding activity	43.56 %	43.56 %	43.56 %	Note 13
BMC	Sigma Medical Supplies Corp. (“SGM”)	Manufacture and sales of medical consumables and equipment	43.56 %	43.56 %	43.56 %	Note 13
BMC	Genejet Biotech Co., Ltd. (“GJB”)	R&D, manufacture and sales of medical consumables and equipment	30.49 %	30.49 %	30.49 %	Notes 3 and 13
BMC	Cenefom Corp. (“CENEFOM”)	R&D, manufacture and sales of medical consumables and equipment	22.36 %	22.36 %	15.17 %	Notes 3 and 13
BMLB	BenQ Material (Suzhou) Co., Ltd. (“BMS”)	Manufacture of optoelectronics film	43.56 %	43.56 %	43.56 %	Note 13
BMLB	Daxon Biomedical (Suzhou) Co., Ltd. (“DTB”)	Service and sales of medical consumables	43.56 %	43.56 %	43.56 %	Note 13

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
BMLB	BenQ Materials (Wuhu) Co., Ltd. (“BMW”)	Manufacture and sales of optoelectronics film and cosmetics	43.56 %	43.56 %	43.56 %	Note 13
BMLB	BenQ Materials Medical Supplies (Suzhou) Co., Ltd. (“BMM”)	Manufacture and sales of medical consumables	43.56 %	43.56 %	43.56 %	Note 13
SGM	Suzhou Sigma Medical Supplies Co., Ltd. (“SMSZ”)	Sales of medical consumables and equipment	43.56 %	43.56 %	43.56 %	Note 13
BMC	WEB-PRO Corporation (“WPC”)	R&D, manufacture and sales of medical supplies	22.22 %	-	-	Notes 3, 6 and 13
WPC	Beyond Top Pte. Ltd. (“WPSG”)	Investment and holding activity	22.22 %	-	-	Notes 3, 6 and 13
WPSG	Web-Pro (Vietnam) Co., Ltd. (“WPVN”)	Manufacture and sales of medical supplies	22.22 %	-	-	Notes 3, 6 and 13
The Company/APV/ Daryl2	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 %	Notes 1 and 18
PTT/PTE	Partner Tech UK Corp., Ltd. (“PTUK”)	Sales, purchases, import and export of electronic products	64.34 %	64.34 %	64.34 %	Note 1
PTT	Partner Tech France (“PTF”)	Sales, purchases, import and export of electronic products	68.23 %	68.23 %	-	Notes 1 and 5
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 %	Notes 1, 3 and 19
PTT	Epoint Systems Pte. Ltd. (“PTSE”)	Software development and sales of product	47.68 %	47.68 %	47.68 %	Notes 1 and 3
PTT	Partner Tech Asia Pacific Corp. (“PTP”)	Sales, purchases, import and export of electronic products	68.23 %	-	-	Notes 1 and 4
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

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
PTME	E-POS International LLC (“E-POS”)	Sales, purchases, import and export of electronic products	68.23 %	68.23 %	68.23 %	Notes 1 and 9
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 of industrial motherboards	55.09 %	55.09 %	55.09 %	Note 1
DFI	DFI Co., Ltd.	Sales of industrial motherboards	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 %	Note 12
DFI	Yan Tong Technology Ltd. (“Yan Tong”)	Investment and holding activity	55.09 %	55.09 %	55.09 %	Note 1
Yan Tong	Yan Tong Infotech (Dongguan) Co., Ltd. (“DYTI”)	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
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	Investment and holding activity	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

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
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	ACE Energy Co., Ltd. ("AEG") (formerly BenQ ESCO Corp. ("ESCO"))	Energy service	26.44 %	26.44 %	83.00 %	Notes 3 and 16
ACE	BlueWalker GmbH ("BWA")	Sales and service of energy management products	26.44 %	26.44 %	-	Notes 3, 7 and 17
ACE	Standard Technology Corp. ("STC")	Sales of semiconductor, optoelectronics and machinery equipment and equipment repair	15.89 %	15.89 %	15.89 %	Notes 3 and 7
STC	Standard Technology Corp. ("STCBVI")	Investment and holding activity	15.89 %	15.89 %	15.89 %	Notes 3 and 7
Standard Technology Corp.	Standard International Trading (Shanghai) Co., Ltd.	Sales of semiconductor, optoelectronics and machinery equipment and equipment repair	15.89 %	15.89 %	15.89 %	Notes 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
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 %	Note 18
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

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
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 %	13.63 %	Notes 1 and 2
DIVA	DIVA Laboratories GmbH	Sales of monitor	13.63 %	13.63 %	13.63 %	Notes 1 and 2
DIVA	DIVA Laboratories U.S., LLC	Sales of monitor	13.63 %	13.63 %	13.63 %	Notes 1 and 2
DIVA	Panoramic Imaging Solutions Inc.	Sales of monitor	13.63 %	13.63 %	13.63 %	Notes 1 and 2
DIVA	Diva Capital Inc.	Investment and holding activity	13.63 %	13.63 %	13.63 %	Notes 1 and 2
Diva Capital Inc.	Diva Holding Inc.	Investment and holding activity	13.63 %	13.63 %	13.63 %	Notes 1 and 2
Diva Holding Inc.	Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	13.63 %	13.63 %	13.63 %	Notes 1 and 2
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
Topview	Messoa Technologies Inc. (“Messoa”)	Sales, and import and export of video surveillance cameras	13.69 %	13.69 %	13.69 %	Notes 1 and 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 %	Note 2
The Company	Metaage 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	40.96 %	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

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
MTG	Corex (Pty) Ltd. ("Corex")	Sales, purchases, import and export of electronic products	51.41 %	51.41 %	51.41 %	Note 1
MTG	AdvancedTEK International Corp. ("AdvancedTEK")	Implementation of application software services	17.53 %	17.53 %	17.53 %	Notes 1 and 11
Advanced TEK	APEO Human Capital Services Corp. ("APEO")	Implementation of application software services	17.53 %	17.53 %	17.53 %	Notes 1 and 2
MTG/Epic Cloud	Statinc Company ("Statinc")	Market research, marketing consultant and big data cloud database services	18.00 %	18.00 %	18.00 %	Notes 1 and 2
Statinc	DKABio Co., Ltd. ("Datta")	Market research, marketing consultant and big data cloud database services	18.00 %	18.00 %	18.00 %	Notes 1 and 2
MTG/GSH	Metaguru Corporation ("MRU") (formerly BenQ GURU Corp. ("GST"))	R&D and sales of computer information systems	51.41 %	51.41 %	99.96 %	Notes 1 and 15
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 %	Note 3
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
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 %	71.03 %	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 %	-

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
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 %	59.98 %	59.98 %	Note 5
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 %	-
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

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Name of Investor	Name of Investee	Main Business and Products	Percentage of Ownership			Note
			March 31, 2023	December 31, 2022	March 31, 2022	
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	19.33 %	19.33 %	19.75 %	Note 3
IDT	Hwa Chi Technologies (Shanghai) Inc. ("IHC")	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	19.33 %	19.33 %	20.07 %	Note 3

- Note 1: This is a non-significant subsidiary for which financial statements were not reviewed as of and for the three months ended March 31, 2023 and 2022.
- 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: Although the Group did not own more than half of the ownership of the entities, the Group, directly and indirectly, held more than half of their voting rights, resulting in the Group to have control over their entities.
- Note 4: The subsidiaries were newly established in 2023.
- Note 5: The subsidiaries were newly established in 2022.
- Note 6: In 2023, the Group obtained control over the entities.
- Note 7: In 2022, the Group obtained control over the entities.
- Note 8: In January 2023, BMTC sold 33.33% equity ownership of CCHC to Concord.
- Note 9: PTME originally held 100% ownership of E-POS, however, because of certain legal restrictions, the 51% ownership of E-POS was registered under the name of other parties.
- Note 10: 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 exercised their votes collectively, the Group can obtain more than half of the voting rights at Concord's shareholders' meeting and thus has control over Concord.
- Note 11: MTG owned 34.09% of the voting rights of AdvancedTEK and obtained letters of support signed by the existing shareholders, who owned 20.36% equity of AdvancedTEK, authorizing MTG to direct the significant operating relevant activities, and assisting MTG in obtaining a majority of the board seats, of AdvancedTEK in January 2021. As a consequence, the Group was able to obtain control over AdvancedTEK. MTG subsequently obtained the majority of AdvancedTEK's board seats in May 2021.
- Note 12: According to the stock purchase agreement with the existing shareholders and articles of incorporation of BRS, DFI obtained 55.29% of voting rights of BRS and owned a majority of BRS's board seats, resulting in DFI to obtain control over BRS.
- Note 13: 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 according to the degree of participation of other shareholders in the previous shareholders' meeting, the Group was able to obtain more than half of the voting rights at BMC's shareholders' meeting and thus, obtaining control over BMC and its subsidiaries.

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Note 14: 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.

Note 15: On December 1, 2022, MTG acquired 100% equity ownership of MRU from GSH due to organizational restructuring in 2022.

Note 16: The Group undertook an organizational restructuring in 2022, whereby, ACE acquired 100% ownership of AEG from APV, Darly 2, Darly C and non-controlling interests on July 1, 2022.

Note 17: Referring to note 6(i), on April 1, 2022, ACE acquired 100% equity ownership of BWA. On December 1, 2022, AEG acquired 100% equity ownership of BWA from ACE in cash due to organizational restructuring.

Note 18: The subsidiaries were liquidated in June 2022.

Note 19: The subsidiaries were liquidated in January 2023.

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

(c) Employee benefits

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

(d) Income taxes

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

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

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

5. Critical accounting judgments and key sources of estimation uncertainty

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

When preparing the interim consolidated financial statements, same critical accounting judgments and key sources of estimation uncertainties as mentioned in note 5 of the consolidated financial statements for the year ended December 31, 2022 have been followed.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

6. Significant account disclosures

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2022. Please refer to note 6 of the consolidated financial statements for the year ended December 31, 2022.

(a) Cash and cash equivalents

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 111,249	117,402	86,948
Demand deposits and checking accounts	20,351,108	22,900,128	17,634,721
Time deposits with original maturities less than three months	<u>15,589,320</u>	<u>7,667,105</u>	<u>2,182,619</u>
	<u>\$ 36,051,677</u>	<u>30,684,635</u>	<u>19,904,288</u>

As of March 31, 2023, December 31 and March 31, 2022, the time deposits with original maturities more than three months amounted to \$4,762,583, \$215,668 and \$3,028,530, respectively, which were classified as other financial assets.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets at fair value through profit or loss — current:			
Foreign currency forward contracts	\$ 40,420	44,152	42,082
Foreign exchange swaps	21,012	19,062	160,996
Listed stocks	37,572	55,764	65,002
Open-end mutual funds	<u>25,322</u>	<u>26,071</u>	<u>27,672</u>
	<u>\$ 124,326</u>	<u>145,049</u>	<u>295,752</u>

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets at fair value through profit or loss — non-current:			
Privately held equity securities	\$ 614,803	510,844	354,365
Stock and convertible bonds call option	60	-	10,504
Contingent consideration arising from business combinations	<u>5,533</u>	<u>5,533</u>	<u>5,533</u>
	<u>\$ 620,396</u>	<u>516,377</u>	<u>370,402</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Financial liabilities at fair value through profit or loss — current:			
Foreign currency forward contracts	\$ (70,497)	(67,291)	(133,104)
Foreign exchange swaps	(66,539)	(29,691)	(47,387)
Contingent consideration arising from business combinations	-	-	(7,715)
	<u>\$ (137,036)</u>	<u>(96,982)</u>	<u>(188,206)</u>
	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Financial liabilities at fair value through profit or loss — non-current:			
Contingent consideration arising from business combinations	\$ <u>(91,988)</u>	<u>(63,144)</u>	<u>(95,628)</u>

The above contingent consideration arose from the acquisitions of EASCHK and Corex in the previous year. The discounted cash flow model is used to estimate the contingent consideration based on the future profitability of each subsidiary under the terms of the acquisition agreement.

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

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

<u>March 31, 2023</u>			
		<u>Contract amount (in thousands)</u>	<u>Maturity period</u>
USD	Buy / EUR Sell	EUR 36,603	2023/04~2023/06
JPY	Buy / USD Sell	USD 24,935	2023/04~2023/05
USD	Buy / CAD Sell	CAD 6,000	2023/04~2023/06
USD	Buy / INR Sell	USD 24,000	2023/05~2023/06
TWD	Buy / USD Sell	USD 41,466	2023/04~2023/07
TWD	Buy / EUR Sell	EUR 4,630	2023/04~2023/05
EUR	Buy / GBP Sell	GBP 3,000	2023/05~2023/06
EUR	Buy / USD Sell	USD 3,510	2023/04~2023/05
USD	Buy / BRL Sell	USD 16,000	2023/06
USD	Buy / EUR Sell	USD 2,000	2023/04
USD	Buy / MXN Sell	USD 4,000	2023/05

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Notes to the Consolidated Financial Statements

March 31, 2023

		Contract amount (in thousands)		Maturity period
USD	Buy / CNY Sell	USD	25,100	2023/04
CNY	Buy / USD Sell	USD	49,989	2023/04
ZAR	Buy / USD Sell	USD	1,500	2023/04
SEK	Buy / EUR Sell	EUR	1,000	2023/06
USD	Buy / THB Sell	USD	3,000	2023/06
USD	Buy / TWD Sell	USD	31,993	2023/04~2023/07
USD	Buy / GBP Sell	GBP	1,677	2023/04
USD	Buy / ZAR Sell	USD	2,823	2023/04
USD	Buy / CNY Sell	CNY	351,172	2023/04
USD	Buy / JPY Sell	JPY	400,000	2023/05

December 31, 2022

		Contract amount (in thousands)		Maturity period
USD	Buy / EUR Sell	EUR	50,936	2023/01~2023/03
JPY	Buy / USD Sell	USD	18,916	2023/01~2023/02
USD	Buy / CAD Sell	CAD	7,000	2023/01~2023/03
TWD	Buy / USD Sell	USD	58,177	2023/01~2022/03
TWD	Buy / EUR Sell	EUR	4,770	2023/01~2023/03
EUR	Buy / GBP Sell	GBP	4,000	2023/02~2023/03
EUR	Buy / USD Sell	USD	6,176	2023/01~2023/02
USD	Buy / BRL Sell	USD	16,000	2023/03
USD	Buy / EUR Sell	USD	800	2023/01
USD	Buy / MXN Sell	USD	4,000	2023/02
USD	Buy / CNY Sell	USD	27,450	2023/01
CNY	Buy / USD Sell	USD	34,450	2023/01~2023/03
MYR	Buy / USD Sell	MYR	41,000	2023/01~2023/03
SEK	Buy / EUR Sell	EUR	1,000	2023/03
USD	Buy / THB Sell	USD	3,000	2023/03
USD	Buy / TWD Sell	USD	33,350	2023/01~2023/04
USD	Buy / GBP Sell	GBP	1,305	2023/01
USD	Buy / ZAR Sell	USD	845	2023/01
USD	Buy / CNY Sell	CNY	140,134	2023/01
USD	Buy / AUD Sell	AUD	2,000	2023/01

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
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March 31, 2022

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

(ii) Foreign exchange swaps

March 31, 2023

		Contract amount		Maturity period
		(in thousands)		
Swap in USD / Swap out CNY	CNY	28,000		2023/04
Swap in USD / Swap out AUD	AUD	3,000		2023/06
Swap in TWD / Swap out CNY	CNY	47,000		2023/04
Swap in TWD / Swap out USD	USD	480,950		2023/04~2023/06

December 31, 2022

		Contract amount		Maturity period
		(in thousands)		
Swap in USD / Swap out CNY	USD	5,000		2023/01
Swap in USD / Swap out AUD	AUD	3,000		2023/03
Swap in TWD / Swap out CNY	CNY	58,000		2023/01
Swap in TWD / Swap out USD	USD	463,450		2023/01~2023/03

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

	March 31, 2022		
	Contract amount		Maturity period
	(in thousands)		
Swap in USD / Swap out TWD	USD	314,000	2022/04~2022/07
Swap in USD / Swap out AUD	AUD	3,000	2022/06
Swap in USD / Swap out JPY	JPY	40,000	2022/06
Swap in TWD / Swap out USD	USD	125,900	2022/04~2022/05

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

	March 31, 2023	December 31, 2022	March 31, 2022
Equity investments at fair value through other comprehensive income:			
Domestic listed stocks	\$ 11,802,421	9,622,987	15,435,161
Domestic emerging stocks	66,994	54,887	116,686
Privately held equity securities	785,185	653,364	279,135
	\$ 12,654,600	10,331,238	15,830,982
Current	\$ 115,737	100,146	104,211
Non-current	12,538,863	10,231,092	15,726,771
	\$ 12,654,600	10,331,238	15,830,982

The Group designated the equity investments shown above as financial assets at fair value through other comprehensive income because these investments are held for strategic purposes and not for trading.

For the three months ended March 31, 2023 and 2022, the Group sold part of its equity investments at fair value through other comprehensive income for \$150,624 and \$87,514, respectively. The realized gains accumulated in other comprehensive income of \$117,267 and \$0, respectively, have been transferred from other equity to retained earnings.

(d) Notes and accounts receivable

	March 31, 2023	December 31, 2022	March 31, 2022
Notes and accounts receivable	\$ 35,983,400	38,508,359	32,430,374
Notes and accounts receivable from related parties	1,851,050	2,064,033	2,916,105
	37,834,450	40,572,392	35,346,479
Less: loss allowance	(362,472)	(422,466)	(355,529)
	\$ 37,471,978	40,149,926	34,990,950

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- (i) The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables (including receivables from related parties). Forward-looking information is taken into consideration as well. Analysis of expected credit losses on notes and accounts receivable (including receivables from related parties) was as follows:

	March 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 35,466,511	0.05%	17,083
Past due 1-90 days	1,620,959	2.8%	45,316
Past due 91-180 days	420,640	25.08%	105,501
Past due over 181 days	326,340	59.62%	194,572
	<u><u>\$ 37,834,450</u></u>		<u><u>362,472</u></u>
	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 37,241,253	0.04%	14,075
Past due 1-90 days	2,762,527	3.73%	103,176
Past due 91-180 days	272,360	36.46%	99,297
Past due over 181 days	296,252	69.51%	205,918
	<u><u>\$ 40,572,392</u></u>		<u><u>422,466</u></u>
	March 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance
Current	\$ 33,221,480	0.06%	18,654
Past due 1-90 days	1,697,117	4.02%	68,251
Past due 91-180 days	182,817	78.13%	142,831
Past due over 181 days	245,065	51.33%	125,793
	<u><u>\$ 35,346,479</u></u>		<u><u>355,529</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the three months ended March 31,	
	2023	2022
Balance at January 1	\$ 422,466	288,648
Impairment losses (gain on reversal of impairment loss)	(37,728)	14,251
Write-off	(556)	(1,044)
Effect of exchange rate changes	1,428	3,895
Acquisition through business combination	2,447	5,409
Insurance claims for accounts receivable	(25,585)	44,370
Balance at March 31	<u><u>\$ 362,472</u></u>	<u><u>355,529</u></u>

- (iii) The Group entered into factoring contracts with financial institutions to sell its accounts receivable without recourse. According to these contracts, the Group is not responsible for any risk of uncollectible accounts receivable, but only for the loss due to commercial disputes. The Group derecognized the above accounts receivable because it has transferred substantially all of the risks and rewards of their ownership, and it does not have any continuing involvement in them. The receivables from the financial institutions were recognized as “other receivables” upon the derecognition of those accounts receivables. Details of these contracts at each reporting date were as follows:

March 31, 2023						
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
CTBC Bank	\$ 387,773	-	348,996	38,777		None -
Taishin International Bank	1,220,222	-	1,220,222	-		None -
Taipei Fubon Bank	331,456	-	298,310	33,146		None -
Mega International Commercial Bank	474,133	-	426,720	47,413		Promissory note 150,000
E.SUN Commercial Bank	189,518	-	170,566	18,952		None -
Crefo Factoring Nord GmbH	87,608	-	78,847	8,761		None -
	<u><u>\$ 2,690,710</u></u>	<u><u>-</u></u>	<u><u>2,543,661</u></u>	<u><u>147,049</u></u>	5.19%~5.94%	<u><u>150,000</u></u>

December 31, 2022						
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
CTBC Bank	\$ 361,931	-	325,738	36,193		None -
Taishin International Bank	921,910	-	921,910	-		None -
Taipei Fubon Bank	218,941	-	197,047	21,894		None -
Mega International Commercial Bank	522,613	9,401	460,950	61,663		Promissory note 230,000
E.SUN Commercial Bank	225,506	-	202,956	22,550		None -
Crefo Factoring Nord GmbH	30,471	-	24,270	6,201		None -
KGI Commercial Bank	57,962	-	52,166	5,796		Promissory note 921,900
	<u><u>\$ 2,339,334</u></u>	<u><u>9,401</u></u>	<u><u>2,185,037</u></u>	<u><u>154,297</u></u>	2.15%~5.73%	<u><u>1,151,900</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2022						
Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
CTBC Bank	\$ 6,477,280	-	6,369,695	107,585		None -
Taishin International Bank	8,481,848	-	8,481,848	-		None -
Taipei Fubon Bank	238,826	-	214,943	23,883		None -
Mega International Commercial Bank	959,863	-	863,877	95,986		Promissory note 230,000
E.SUN Commercial Bank	153,845	-	138,460	15,385		None -
Crefo Factoring Nord GmbH	41,230	-	34,591	6,639		None -
KGI Commercial Bank	174,015	-	156,614	17,401		Promissory note 858,000
	<u>\$ 16,526,907</u>	<u>-</u>	<u>16,260,028</u>	<u>266,879</u>	0.64%~3.5%	<u>1,088,000</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

	March 31, 2023	December 31, 2022	March 31, 2022
The factored accounts receivable, net of advance amount	\$ 147,049	154,297	266,879
Other receivables—others (notes 6(i))	2,391,535	2,230,163	721,443
	2,538,584	2,384,460	988,322
Less: loss allowance	(30,420)	(30,674)	(28,543)
	2,508,164	2,353,786	959,779
Other receivables from related parties	579,152	304,287	576,463
	<u>\$ 3,087,316</u>	<u>2,658,073</u>	<u>1,536,242</u>

As of March 31, 2023, December 31 and March 31, 2022, except for other receivables whose loss allowances were fully provided, no loss allowance was provided for the remaining receivables after the management's assessment.

(f) Inventories

	March 31, 2023	December 31, 2022	March 31, 2022
Raw materials	\$ 11,709,975	12,074,598	20,783,570
Work in process	3,859,431	3,348,222	2,817,869
Finished goods and merchandise	19,965,842	23,039,106	22,685,245
Inventories in transit	4,120,636	5,408,502	10,091,925
	<u>\$ 39,655,884</u>	<u>43,870,428</u>	<u>56,378,609</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the three months ended March 31,	
	2023	2022
Cost of inventories sold	\$ 40,766,542	51,153,316
Write-downs of inventories	<u>228,833</u>	<u>134,632</u>
	<u>\$ 40,995,375</u>	<u>51,287,948</u>

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

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

- (i) On May 21, 2021, the Board of Directors of ACE approved a resolution to dispose its land and buildings located in Sanchong District of New Taipei City and the carrying amount of the real estate amounting to \$117,125 was classified as non-current assets held-for-sale. Part of the abovementioned assets have been sold in January and June 2022, of which the consideration and carrying amount amounted to \$24,583 and \$23,635, respectively, in the first quarter of 2022. A disposal gain of \$948 was recognized and included in other gains and losses, net.

In December 2021, the Board of Directors of Tianjin Ace Pillar Co., Ltd. approved a resolution to dispose the factory and land use rights located in China (Tianjin) Pilot Free Trade Zone. Since the abovementioned assets are expected to be disposed within one year, their carrying amount of \$266,263 was classified as non-current assets held-for-sale as of March 31, 2022.

Under the impact of Covid-19 pandemic and the overall economic environment, the management of ACE and Tianjin Ace Pillar Co., Ltd. assessed that the abovementioned assets no longer meet the criteria of classification of assets as held for sale. Therefore, such assets were reclassified to property, plant and equipment and right-of-use assets at the end of 2022.

- (ii) 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 \$273,700. A disposal gain of \$109,790 was recognized and included in the other gains and losses, net.
- (iii) In July 2021, the Board of Directors of BMS approved a resolution to dispose parts of the real estate and related assets located in Suzhou Industrial Park. The above properties were accounted for as right-of-use assets, buildings, machinery and deferred charges. In March 2022, BMS entered into an asset sale agreement with the buyer for a consideration of CNY 264,036 (tax included). Since the abovementioned assets are expected to be disposed within one year, their carrying amount of \$305,691 was classified as non-current assets held-for-sale. Such properties were sold in the third quarter of 2022.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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:

	March 31, 2023	December 31, 2022	March 31, 2022
Associates	\$ 5,259,709	5,444,855	4,074,859
Joint ventures	36,885	34,293	30,539
	<u>\$ 5,296,594</u>	<u>5,479,148</u>	<u>4,105,398</u>

(i) Investments in associates

Name of Associates	Main Business and Relationship	Location	March 31, 2023		December 31, 2022		March 31, 2022	
			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 computer peripheral products, and electronic components, the Group's strategic partner	Taiwan	25.73 %	2,572,634	25.73 %	2,716,577	25.73 %	2,479,440
Jiangsu Yudi Optical Co., Ltd. ("Yudi")	Sales and manufacture of optical lens, the Group's strategic partners	Mainland China	20.01 %	491,555	20.01 %	488,460	20.01 %	564,747
Guigang Donghui Medical Investment Co., Ltd. (Note)	Medical services, the Group's strategic partners	Mainland China	14.13 %	444,923	14.13 %	438,846	14.13 %	504,205
TCI GENE INC. (TCI Gene)	Genetic testing and wholesale of nutritional supplement, the Group's strategic partners		23.43 %	717,952	23.43 %	720,341	-	-
Others			-	1,032,645	-	1,080,631	-	526,467
				<u>\$ 5,259,709</u>		<u>5,444,855</u>		<u>4,074,859</u>

Note: The Group acquired 14.13% ownership of Guigang Donghui Medical Investment Co., Ltd., and was elected as one of the five directors. As the Group has significant influence over Guigang Donghui Medical Investment Co., Ltd., the equity-method was used to account for the investment.

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

	March 31, 2023	December 31, 2022	March 31, 2022
DFN	\$ 3,176,126	2,722,394	3,579,444

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 22,211,791	21,691,365	21,666,126
Non-current assets	12,533,112	11,945,822	12,522,984
Current liabilities	(16,417,764)	(14,613,333)	(17,295,510)
Non-current liabilities	<u>(4,996,368)</u>	<u>(5,121,133)</u>	<u>(4,394,535)</u>
Equity	<u>\$ 13,330,771</u>	<u>13,902,721</u>	<u>12,499,065</u>
Equity attributable to non-controlling interests of DFN	<u>\$ 3,364,465</u>	<u>3,388,170</u>	<u>2,859,621</u>
Equity attributable to shareholders of DFN	<u>\$ 9,966,306</u>	<u>10,514,551</u>	<u>9,639,444</u>

	For the three months ended March 31,	
	2023	2022
Net sales	<u>\$ 6,000,861</u>	<u>7,415,327</u>
Net income	\$ 221,115	289,281
Other comprehensive income	171,749	404,336
Total comprehensive income	<u>\$ 392,864</u>	<u>693,617</u>
Total comprehensive income attributable to non-controlling interests of DFN	<u>\$ 101,109</u>	<u>58,415</u>
Total comprehensive income attributable to shareholders of DFN	<u>\$ 291,755</u>	<u>635,202</u>

	For the three months ended March 31,	
	2023	2022
The Group's share of equity of associates at January 1	\$ 2,716,577	2,533,438
Net income attributable to the Group	33,777	63,461
Other comprehensive income attributable to the Group	38,343	99,521
Capital surplus attributable to the Group	-	(916)
Dividends received from associates	<u>(216,063)</u>	<u>(216,064)</u>
The carrying amount of investments in the associates at March 31	<u>\$ 2,572,634</u>	<u>2,479,440</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 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.

	March 31, 2023	December 31, 2022	March 31, 2022
The aggregate carrying amount of associates that were not individually material to the Group \$	<u>2,687,075</u>	<u>2,728,278</u>	<u>1,595,419</u>
	For the three months ended March 31,		
	2023	2022	
Attributable to the Group:			
Net income (loss)		\$ (15,123)	33,948
Other comprehensive income (loss)		<u>(5,649)</u>	<u>48,030</u>
Total comprehensive income (loss)		<u>\$ (20,772)</u>	<u>81,978</u>

- (ii) Joint venture

Aggregate financial information of joint ventures that were not individually material to the Group was summarized as follows. The financial information was included in the Group's consolidated financial statement:

	March 31, 2023	December 31, 2022	March 31, 2022
The aggregate carrying amount of joint ventures that were not individually material to the Group \$	<u>36,885</u>	<u>34,293</u>	<u>30,539</u>
	For the three months ended March 31,		
	2023	2022	
Attributable to the Group:			
Net income (loss)		\$ 1,946	(524)
Other comprehensive income		<u>267</u>	<u>1,108</u>
Total comprehensive income		<u>\$ 2,213</u>	<u>584</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(i) Business combination

(i) Acquisition of subsidiary by BMC – WEB-PRO Corporation and its subsidiaries

1) Consideration transferred

On January 3, 2023 (the acquisition date), BMC obtained 51% ownership of WEB-PRO Corporation (“WPC”) from WPC’s existing shareholders for a consideration of \$3,161,999 and obtained control over it. Thereafter, WPC has been included in the Group’s consolidated entities. WPC and its subsidiaries are engaged in the manufacture and trading of spunlace nonwoven and PE films. The acquisition of WPC and its subsidiaries enables the Group to accelerate its business deployment in the medical field, extend the core research & development and manufacturing technology for the related medical materials and acquire WPC’s current customer base and overseas operating sites.

As of March 31, 2023, according to the stock purchase agreement, 10% retention of the total consideration amounting to \$316,200, recognized in other payables, shall be paid to the seller based on the contractual terms within six months after the closing month.

2) Identifiable net assets acquired in a business combination and goodwill

On January 3, 2023 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as goodwill arising from the acquisition, were as follows:

Consideration transferred (cash)	\$ 3,161,999
Non-controlling interests (measured at non-controlling interest’s proportionate share of the fair value of WPC’s identifiable net assets)	2,964,576
Identifiable net assets acquired at fair value:	
Cash and cash equivalents	\$ 1,380,961
Notes and accounts receivable, net	268,543
Other receivables	6,926
Inventories	262,705
Other current assets	45,959
Property, plant and equipment	4,185,423
Right-of-use assets	329,406
Deferred income tax assets	15,282
Other financial assets – non-current	9,252
Other non-current assets	42,427
Notes and accounts payable	(80,201)
Other payables	(183,262)
Lease liabilities – current	(4,112)
Other current liabilities	(2,584)
Deferred income tax liabilities	(218,936)
Lease liabilities – non-current	(7,042)
Other non-current liabilities	(590)
Goodwill	\$ <u>76,418</u>

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QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

3) Intangible assets

Goodwill arising from the acquisition of WPC is due to the value of assembled workforce, which does not qualify as an identifiable intangible asset. None of the goodwill recognized is expected to be deductible for income tax purposes.

4) Pro forma information

From the acquisition date to March 31, 2023, WPC had contributed the revenue of \$540,355 and the net income of \$33,468 to the Group.

(ii) Acquisition of subsidiary by BMTC — Concord Medical Co., Ltd.

1) Consideration transferred

On December 27, 2021, the Board of Directors of BMTC resolved to participate in the private offering of Concord Medical Co., Ltd. (“Concord”), whereby BMTC acquired 25% of Concord’s ownership. In addition, on January 20, 2022, BMTC acquired additional 15% of Concord’s ownership through public tender offer. As mentioned above, BMTC obtained 40% interests in Concord for \$190,000 and became the single largest shareholder. Although BMTC owned less than half of the voting rights of Concord, the remaining ownership was not concentrated within specific shareholders and according to the degree of participation of the other shareholders in the previous shareholders’ meeting, the Group is able to obtain more than half of the voting rights at Concord’s shareholders’ meeting and thus has control over Concord. Thereafter, Concord has been included in the Group’s consolidated entities.

Concord is engaged in the trading of medical products, leasing of medical equipment, and management consulting services. The acquisition of Concord enables the Group to expand the business in medical management and sales channels for medical consumables and equipment, optimize the existing services related to medical care, and enhance the diversification of medical services.

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QISDA CORPORATION AND SUBSIDIARIES
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2) Identifiable net assets acquired in a business combination and gain on bargain purchase

On January 20, 2022 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as gain on bargain purchase arising from the acquisition, were as follows:

Consideration transferred (cash)	\$	190,000
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of Concord's identifiable net assets)		406,633
Less: Identifiable net assets acquired at fair value:		
Cash and cash equivalents	\$	206,843
Notes and accounts receivable, net		312,836
Inventories		13,363
Other receivables		12,474
Other financial assets—current		2,777
Prepayments and other current assets		25,682
Property, plant and equipment		143,993
Right-of-use assets		5,841
Investment property		424,700
Intangible assets—computer software		1,745
Deferred income tax assets		403
Other financial assets—non-current		3,656
Other non-current assets		6,036
Contract liabilities—current		(38)
Current tax liabilities		(5,964)
Notes and accounts payable		(257,718)
Other payables		(14,315)
Lease liabilities (including current and non-current)		(189,200)
Other current liabilities		(1,628)
Other non-current liabilities		(4,800)
Deferred income tax liabilities		(8,964)
Gain on bargain purchase	\$	<u><u>677,722</u></u> <u><u>(81,089)</u></u>

(iii) Acquisition of subsidiary—CKCARE Co., Ltd.

1) Consideration transferred

BenQ Healthcare Corporation (“BHS”) invested in CKCARE Co., Ltd. (“CKCARE”) for a cash consideration of \$105,300 on January 3, 2022, resulting in BHS to obtain 60% ownership of CKCARE, based on a resolution approved during BHS’s board meeting held on November 24, 2021. As a result, CKCARE has been included in the Group’s consolidated entities since January 3, 2022 (the acquisition date). As a local chain pharmacy, CKCARE is engaged in the sales of over-the-counter medicines, infant formula, paper consumables and medical devices. The acquisition of CKCARE enables the Group to expand its business in sales channels for medical products, optimize the existing service related to medical care, and enhance the diversification of medical services.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

2) Identifiable net assets acquired in a business combination and goodwill

On January 3, 2022 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as goodwill arising from the acquisition, were as follows:

Consideration transferred (cash)	\$	105,300
Add: Non-controlling interests (measured at non-controlling interest's proportionate share of the fair value of CKCARE's identifiable net assets)		43,858
Less: Identifiable net assets acquired at fair value:		
Cash and cash equivalents	\$	64,698
Notes and accounts receivable		1,474
Other receivables		18,340
Inventories		37,675
Financial assets at fair value through other comprehensive income		210
Property, plant and equipment		74,802
Right-of-use assets		16,510
Intangible assets — customer relationships		9,648
Intangible assets — others		20,637
Other financial assets — non-current		746
Short-term borrowings		(29,300)
Notes and accounts payable		(27,411)
Other payables		(49,817)
Lease liabilities (including current and non-current)		(16,533)
Other current liabilities		(6,021)
Deferred income tax liabilities		(6,013)
		<u>109,645</u>
Goodwill	\$	<u><u>39,513</u></u>

3) Intangible assets

Intangible assets — customer relationships are amortized on a straight-line basis over the estimated future economic useful life of 12 years.

Goodwill arising from the acquisition of CKCARE is due to the profitability in the retail pharmacy market which is not expected to be deductible for income tax purposes.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Acquisition of subsidiary—Standard Technology Corp. and its subsidiaries

1) Consideration transferred

On March 1, 2022 (the acquisition date), ACE invested in Standard Technology Corp. (“STC”) for a cash consideration of \$187,000, wherein it obtained 60% ownership of STC and obtained control over it. Thereafter, STC and its subsidiaries have been included in the Group’s consolidated entities. STC and its subsidiaries are engaged in the trading of optoelectronics equipment and consumables of semiconductor segment and equipment repair services. The acquisition of STC enables the Group to optimize its business deployment in the semiconductor industry, expand its business capacity and provide customers with a full range of products and services.

2) Identifiable net assets acquired in a business combination and goodwill

On March 1, 2022 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as goodwill arising from the acquisition, were as follows:

Consideration transferred (cash)	\$	187,000	
Add: Non-controlling interests (measured at non-controlling interest’s proportionate share of the fair value of STC’s identifiable net assets)		79,375	
Less: Identifiable net assets acquired at fair value:			
Cash and cash equivalents	\$	164,493	
Notes and accounts receivable, net		109,518	
Notes and accounts receivable from related parties		15,335	
Other receivables		1,012	
Inventories		112,226	
Prepayments and other current assets		5,738	
Financial assets at fair value through other comprehensive income—non-current		1,434	
Property, plant and equipment		2,841	
Right-of-use assets		5,521	
Intangible assets—computer software		1,039	
Intangible assets—customer relationships		92,585	
Deferred income tax assets		2,235	
Other non-current assets		237	
Other financial assets—non-current		21,589	
Short-term borrowings		(122,161)	
Accounts payable		(65,200)	
Other payables (including dividends payable)		(75,849)	
Current income tax liabilities		(5,969)	
Contract liabilities—current		(12,069)	
Other current liabilities		(176)	
Lease liabilities (including current and non-current)		(5,464)	
Deferred income tax liabilities		(44,806)	
Other non-current liabilities		(5,671)	198,438
Goodwill		<u>\$</u>	<u><u>67,937</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group continuously reviews the abovementioned items during the measurement period. In the fourth quarter of 2022, intangible assets—customer relationships, non-controlling interests and other net liabilities decreased by \$18,509, \$5,475 and \$4,822, respectively, resulting in an increase of \$8,212 in goodwill.

3) Intangible assets

Intangible assets—customer relationship are amortized on a straight-line basis over the estimated future economic useful life of 10.84 years.

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

(v) Acquisition of subsidiary—BlueWalker GmbH

1) Consideration transferred

On April 1, 2022 (the acquisition date), ACE invested in BlueWalker GmbH (“BWA”) for a cash consideration of \$127,200 (EUR 4,000 thousand), wherein it obtained 100% ownership of BWA and obtained control over it. Thereafter, BWA has been included in the Group’s consolidated entities. BWA is engaged in sales and service of energy management products. The acquisition of BWA enables the Group to enhance product diversification and expand sales regions, and to improve overall operating efficiency.

2) Identifiable net assets acquired in a business combination and goodwill

On April 1, 2022 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition, as well as goodwill arising from the acquisition, were as follows:

Consideration transferred (cash)	\$	127,200
Less: Identifiable net assets acquired at fair value:		
Cash and cash equivalents	\$	34,958
Notes and accounts receivable, net		27,389
Inventories		72,990
Prepayments and other current assets		2,746
Property, plant and equipment		636
Intangible assets—computer software		18
Intangible assets—customer relationships		12,151
Intangible assets—trademarks		12,822
Deferred income tax assets		1,273
Accounts payable		(33,314)
Other payables		(14,545)
Current income tax liabilities		(1,036)
Contract liabilities—current		(624)
Other current assets		(311)
Current portion of long-term debt		(249)
Long-term debt		(601)
Deferred income tax liabilities		(4,994)
Other non-current liabilities		(805)
Goodwill	\$	<u>108,504</u> <u>18,696</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

The Group continuously reviews the abovementioned items during the measurement period. In the fourth quarter of 2022, intangible assets— customer relationships and deferred income tax liabilities decreased by \$4,285 and \$857, respectively, resulting in an increase of \$3,428 in goodwill.

3) Intangible assets

Intangible assets— customer relationships and intangible assets— trademarks are amortized on a straight-line basis over the estimated future economic useful life of 9.75 years and 10 years, respectively.

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

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

For the three months ended March 31, 2023, the Group acquired additional ownership of Ginnet for total cash consideration of \$515. Please refer to note 4(b) for the related disclosures of changes in the percentage of ownership of subsidiaries.

The following table summarizes the effect on the equity attributable to the shareholders of the Company arising from abovementioned changes in ownership interests in subsidiaries:

	For the three months ended March 31,	
	2023	2022
Capital surplus — difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	\$ <u><u>13</u></u>	<u><u>-</u></u>

(vii) Loss of control in subsidiary

1) Disposal of subsidiary — BenQ (Hong Kong) Limited (BQHK)

BenQ disposed its entire ownership in BQHK for \$12,382,991 based on a resolution approved during its board meeting held on April 1, 2022. All disposal related matters had been completed as of September 30, 2022, resulting in the Group to lose control over BQHK. A gain on disposal of \$8,756,655 was recognized in the third quarter of 2022. As of March 31, 2023 and December 31, 2022, the outstanding receivables of CNY 244,318, equivalent to NT\$1,084,209 and NT\$1,093,665, respectively, were recorded as other receivables. 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	<u>(241,433)</u>
Net consideration received	<u><u>\$ 12,141,558</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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	<u>\$ 8,756,655</u>

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

Subsidiaries that have material non-controlling interest were as follows:

Subsidiaries	Principal place of business/ Registration country	The Percentage of ownership and voting rights held by non-controlling interests		
		March 31, 2023	December 31, 2022	March 31, 2022
BMC	Taiwan	56.44 %	56.44 %	56.44 %
BBHC	Cayman Islands	29.72 %	29.72 %	29.95 %
DFI	Taiwan	44.91 %	44.91 %	44.91 %
MTG	Taiwan	48.59 %	48.59 %	48.59 %
Alpha	Taiwan	40.02 %	40.02 %	40.02 %

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

The summarized financial information of subsidiaries were as follows, the information was prepared in accordance with Taiwan-IFRSs. The fair value adjustments made during the acquisition as at the acquisition date were included in these information. Intra-group transactions were not eliminated in this information:

- 1) The summarized financial information of BMC:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 8,902,490	6,856,955	6,761,226
Non-current assets	11,452,038	6,847,613	5,698,659
Current liabilities	(6,839,904)	(5,628,746)	(5,674,498)
Non-current liabilities	(4,856,558)	(1,825,177)	(1,267,022)
Net assets	<u><u>\$ 8,658,066</u></u>	<u><u>6,250,645</u></u>	<u><u>5,518,365</u></u>
The carrying amount of non-controlling interests	<u><u>\$ 6,271,517</u></u>	<u><u>3,616,092</u></u>	<u><u>3,613,252</u></u>

	For the three months ended March 31,	
	2023	2022
Net sales	<u><u>\$ 4,066,944</u></u>	<u><u>4,164,060</u></u>
Net income	\$ 62,713	290,383
Other comprehensive income	21,481	71,379
Total comprehensive income	<u><u>\$ 84,194</u></u>	<u><u>361,762</u></u>
Net income attributable to non-controlling interests	<u><u>\$ 40,977</u></u>	<u><u>162,879</u></u>
Total comprehensive income attributable to non-controlling interests	<u><u>\$ 52,820</u></u>	<u><u>203,388</u></u>

	For the three months ended March 31,	
	2023	2022
Cash flow from operating activities	\$ 402,100	390,498
Cash flow from investing activities	(2,180,068)	(138,732)
Cash flow from financing activities	2,759,511	(209,383)
Effects of foreign exchange rate changes	8,691	18,188
Net increase in cash and cash equivalents	<u><u>\$ 990,234</u></u>	<u><u>60,571</u></u>
Cash dividends paid to non-controlling interests	<u><u>\$ -</u></u>	<u><u>-</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 2) The summarized financial information of BBHC:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 2,966,810	2,744,323	2,506,381
Non-current assets	9,234,341	8,914,709	8,721,586
Current liabilities	(5,929,152)	(5,542,022)	(5,215,372)
Non-current liabilities	(401,131)	(399,523)	(725,990)
Net assets	<u>\$ 5,870,868</u>	<u>5,717,487</u>	<u>5,286,605</u>
The carrying amount of non-controlling interests	<u>\$ 1,772,429</u>	<u>1,726,846</u>	<u>1,608,172</u>

	For the three months ended March 31,	
	2023	2022
Net sales	<u>\$ 2,667,349</u>	<u>2,238,677</u>
Net income (loss)	\$ 124,671	(10,800)
Other comprehensive income	75,653	6,036
Total comprehensive income (loss)	<u>\$ 200,324</u>	<u>(4,764)</u>
Net income (loss) attributable to non-controlling interests	<u>\$ 37,052</u>	<u>(3,235)</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 45,268</u>	<u>50,225</u>

	For the three months ended March 31,	
	2023	2022
Cash flow from operating activities	\$ (89,894)	217,481
Cash flow from investing activities	(422,193)	(344,005)
Cash flow from financing activities	322,644	321,327
Effects of foreign exchange rate changes	66,624	(261,488)
Net decrease in cash and cash equivalents	<u>\$ (122,819)</u>	<u>(66,685)</u>
Cash dividends paid to non-controlling interests	<u>\$ -</u>	<u>-</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

3) The summarized financial information of DFI:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 7,921,401	8,628,410	9,151,767
Non-current assets	6,723,289	6,795,210	6,496,556
Current liabilities	(4,930,757)	(5,190,715)	(6,313,801)
Non-current liabilities	<u>(2,158,452)</u>	<u>(2,278,969)</u>	<u>(1,787,254)</u>
Net assets	<u><u>\$ 7,555,481</u></u>	<u><u>7,953,936</u></u>	<u><u>7,547,268</u></u>
The carrying amount of non-controlling interests	<u><u>\$ 4,145,102</u></u>	<u><u>4,332,070</u></u>	<u><u>4,130,219</u></u>

	For the three months ended March 31,	
	2023	2022
Net sales	<u><u>\$ 3,820,041</u></u>	<u><u>3,884,408</u></u>
Net income	\$ 89,475	72,704
Other comprehensive income	<u>22,137</u>	<u>69,514</u>
Total comprehensive income	<u><u>\$ 111,612</u></u>	<u><u>142,218</u></u>
Net income attributable to non-controlling interests	<u><u>\$ 40,533</u></u>	<u><u>46,889</u></u>
Total comprehensive income attributable to non-controlling interests	<u><u>\$ 50,802</u></u>	<u><u>96,516</u></u>

	For the three months ended March 31,	
	2023	2022
Cash flow from operating activities	\$ 512,275	(230,785)
Cash flow from investing activities	(2,504)	(89,127)
Cash flow from financing activities	(703,275)	195,419
Effects of foreign exchange rate changes	<u>(96)</u>	<u>72,907</u>
Net decrease in cash and cash equivalents	<u><u>\$ (193,600)</u></u>	<u><u>(51,586)</u></u>
Cash dividends paid to non-controlling interests	<u><u>\$ -</u></u>	<u><u>-</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

4) The summarized financial information of MTG:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 7,065,154	7,002,085	6,271,161
Non-current assets	3,087,681	3,003,921	2,944,522
Current liabilities	(4,575,173)	(4,264,270)	(3,615,323)
Non-current liabilities	(590,527)	(577,976)	(643,781)
Net assets	<u>\$ 4,987,135</u>	<u>5,163,760</u>	<u>4,956,579</u>
The carrying amount of non-controlling interests	<u>\$ 2,430,406</u>	<u>2,518,491</u>	<u>2,379,904</u>

	For the three months ended March 31, 2023	2022
Net sales	\$ <u>3,401,208</u>	<u>2,818,500</u>
Net income	\$ 214,776	83,385
Other comprehensive income (loss)	(14,299)	40,912
Total comprehensive income	<u>\$ 200,477</u>	<u>124,297</u>
Net income attributable to non-controlling interests	<u>\$ 102,665</u>	<u>37,079</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 95,718</u>	<u>53,794</u>

	For the three months ended March 31, 2023	2022
Cash flow from operating activities	\$ (297,369)	152,894
Cash flow from investing activities	(1,165)	47,639
Cash flow from financing activities	324,224	(66,656)
Effects of foreign exchange rate changes	(11,004)	29,912
Net increase in cash and cash equivalents	<u>\$ 14,686</u>	<u>163,789</u>
Cash dividends paid to non-controlling interests	<u>\$ -</u>	<u>-</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

- 5) The summarized financial information of Alpha:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 19,683,514	20,242,744	21,040,435
Non-current assets	10,167,164	10,182,529	9,795,887
Current liabilities	(11,812,742)	(13,047,095)	(14,398,231)
Non-current liabilities	(2,516,865)	(851,131)	(981,482)
Net assets	<u>\$ 15,521,071</u>	<u>16,527,047</u>	<u>15,456,609</u>
The carrying amount of non-controlling interests	<u>\$ 7,352,629</u>	<u>7,909,437</u>	<u>7,277,027</u>

	For the three months ended March 31, 2023	2022
Net sales	\$ <u>7,869,340</u>	<u>6,874,890</u>
Net income	\$ 147,553	121,750
Other comprehensive income	4,210	245,147
Total comprehensive income	<u>\$ 151,763</u>	<u>366,897</u>
Net income attributable to non-controlling interests	<u>\$ 66,739</u>	<u>64,992</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 64,090</u>	<u>181,996</u>

	For the three months ended March 31, 2023	2022
Cash flow from operating activities	\$ 412,217	(1,648,882)
Cash flow from investing activities	(347,856)	(405,691)
Cash flow from financing activities	(38,537)	1,156,255
Effects of foreign exchange rate changes	(103,195)	176,788
Net decrease in cash and cash equivalents	<u>\$ (77,371)</u>	<u>(721,530)</u>
Cash dividends paid to non-controlling interests	<u>\$ -</u>	<u>-</u>

(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, 2023	\$ 6,738,269	31,867,167	23,803,630	8,159,983	856,183	71,425,232
Additions	-	316,048	385,187	208,252	281,092	1,190,579
Acquisition through business combination	2,615,106	1,390,108	1,789,372	486,722	-	6,281,308
Disposals	-	(3,617)	(172,442)	(77,656)	-	(253,715)
Reclassification to investment property	(91,754)	(42,711)	-	-	-	(134,465)
Other reclassification and effect of exchange rate changes	(563)	34,604	52,795	(161,449)	462	(74,151)
Balance at March 31, 2023	<u>\$ 9,261,058</u>	<u>33,561,599</u>	<u>25,858,542</u>	<u>8,615,852</u>	<u>1,137,737</u>	<u>78,434,788</u>
Balance at January 1, 2022	\$ 6,412,430	29,447,209	21,057,739	6,480,209	918,703	64,316,290
Additions	228,330	184,832	171,841	1,016,269	156,796	1,758,068
Acquisition through business combination	64,368	-	268,518	130,954	-	463,840
Disposals	(1,419)	(91)	(160,826)	(66,341)	-	(228,677)
Reclassification to non-current assets held for sale	(29,755)	(32,886)	(16,318)	-	-	(78,959)
Other reclassification and effect of exchange rate changes	(2,926)	725,939	522,179	(173,800)	(28,809)	1,042,583
Balance at March 31, 2022	<u>\$ 6,671,028</u>	<u>30,325,003</u>	<u>21,843,133</u>	<u>7,387,291</u>	<u>1,046,690</u>	<u>67,273,145</u>
Accumulated depreciation and impairment loss:						
Balance at January 1, 2023	\$ -	14,386,484	16,119,361	4,412,676	-	34,918,521
Depreciation	-	304,390	511,564	150,033	-	965,987
Acquisition through business combination	-	369,842	1,488,106	237,937	-	2,095,885
Disposals	-	(3,558)	(118,508)	(72,765)	-	(194,831)
Reclassification to investment property	-	(17,233)	-	-	-	(17,233)
Other reclassification and effect of exchange rate changes	-	13,579	(25,446)	(2,079)	-	(13,946)
Balance at March 31, 2023	<u>\$ -</u>	<u>15,053,504</u>	<u>17,975,077</u>	<u>4,725,802</u>	<u>-</u>	<u>37,754,383</u>
Balance at January 1, 2022	\$ -	12,860,657	14,446,425	3,972,167	-	31,279,249
Depreciation	-	272,516	425,841	121,186	-	819,543
Impairment loss	-	-	-	1,579	-	1,579
Acquisition through business combination	-	-	158,649	83,555	-	242,204
Disposals	-	(3)	(147,225)	(43,419)	-	(190,647)
Reclassification to non-current assets held for sale	-	(2,205)	(16,318)	-	-	(18,523)
Other reclassification and effect of exchange rate changes	-	316,561	287,347	53,880	-	657,788
Balance at March 31, 2022	<u>\$ -</u>	<u>13,447,526</u>	<u>15,154,719</u>	<u>4,188,948</u>	<u>-</u>	<u>32,791,193</u>
Carrying amount:						
Balance at March 31, 2023	<u>\$ 9,261,058</u>	<u>18,508,095</u>	<u>7,883,465</u>	<u>3,890,050</u>	<u>1,137,737</u>	<u>40,680,405</u>
Balance at January 1, 2023	<u>\$ 6,738,269</u>	<u>17,480,683</u>	<u>7,684,269</u>	<u>3,747,307</u>	<u>856,183</u>	<u>36,506,711</u>
Balance at March 31, 2022	<u>\$ 6,671,028</u>	<u>16,877,477</u>	<u>6,688,414</u>	<u>3,198,343</u>	<u>1,046,690</u>	<u>34,481,952</u>

(Continued)

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, 2022 for other related information.

Please refer to note 8 for a description of the Group's property, plant and equipment pledged as collateral for long-term debt.

(k) Right-of-use assets

	<u>Land</u>	<u>Buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Carrying amount:				
Balance at March 31, 2023	\$ <u>3,582,660</u>	<u>1,833,912</u>	<u>36,215</u>	<u>5,452,787</u>
Balance at January 1, 2023	\$ <u>3,425,088</u>	<u>1,680,392</u>	<u>37,135</u>	<u>5,142,615</u>
Balance at March 31, 2022	\$ <u>3,392,341</u>	<u>1,247,489</u>	<u>31,312</u>	<u>4,671,142</u>

There were no significant additions, disposals, or recognition and reversal of impairment losses of right-of-use assets for the three months ended March 31, 2023 and 2022. Please refer to note 6(k) of the consolidated financial statements for the year ended December 31, 2022 for other related information.

(l) Investment property

	<u>Buildings</u>	<u>Land use rights</u>	<u>Total</u>
Carrying amount:			
Balance at March 31, 2023	\$ <u>574,287</u>	<u>464,912</u>	<u>1,039,199</u>
Balance at January 1, 2023	\$ <u>548,244</u>	<u>373,180</u>	<u>921,424</u>
Balance at March 31, 2022	\$ <u>2,769,276</u>	<u>796,310</u>	<u>3,565,586</u>

There were no significant additions, disposals, or recognition and reversal of impairment losses of investment property for the three months ended March 31, 2023 and 2022. Please refer to note 6(i)(vii)(1) and note 6(l) of the consolidated financial statements for the year ended December 31, 2022 for other related information.

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

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, 2022.

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

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(m) Intangible assets

	<u>Goodwill</u>	<u>Computer software</u>	<u>Patents</u>	<u>Trademarks</u>	<u>Customer relationships</u>	<u>Others</u>	<u>Total</u>
Carrying amount:							
Balance at March 31, 2023	\$ <u>5,967,755</u>	<u>562,207</u>	<u>447,025</u>	<u>1,200,491</u>	<u>1,244,821</u>	<u>697,876</u>	<u>10,120,175</u>
Balance at January 1, 2023	\$ <u>5,895,785</u>	<u>597,682</u>	<u>490,579</u>	<u>1,252,260</u>	<u>1,299,374</u>	<u>691,976</u>	<u>10,227,656</u>
Balance at March 31, 2022	\$ <u>5,872,878</u>	<u>515,293</u>	<u>623,532</u>	<u>1,394,401</u>	<u>1,476,949</u>	<u>757,324</u>	<u>10,640,377</u>

There were no significant additions, disposals, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2023 and 2022. Information on amortization for the period is presented in note 12(a). Please refer to note 6(m) of the consolidated financial statements for the year ended December 31, 2022 for other related information.

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, 2022; please refer to note 6(m) of the consolidated financial statements for more details. As of March 31, 2023, the Group assessed the achievement of the expected revenue and operating income of its CGUs for the three months ended March 31, 2023, and concluded that there were no indications of goodwill impairment.

(n) Short-term borrowings and short-term notes and bills payable

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Unsecured bank loans	\$ 28,089,340	25,673,412	32,456,398
Secured bank loans	<u>299,572</u>	<u>296,324</u>	<u>315,979</u>
	<u>\$ 28,388,912</u>	<u>25,969,736</u>	<u>32,772,377</u>
Unused credit facilities	<u>\$ 83,604,995</u>	<u>85,287,579</u>	<u>78,822,457</u>
Interest rate	<u>0.64%~6.08%</u>	<u>0.64%~5.99%</u>	<u>0.18%~4.2%</u>

(ii) As of March 31, 2023, the short-term notes and bills payable were summarized as follows:

	<u>December 31, 2022</u>			
	<u>Guarantee or acceptance institution</u>	<u>Contract term</u>	<u>Range of interest rates</u>	<u>Amount</u>
Commercial papers payable	Dah Chung Bills Finance Corp.	2022/12~2023/02	1.79%	\$ 200,000
Less: discount on short-term notes and bills payable				<u>(381)</u>
				<u>\$ 199,619</u>

There was no balance of short-term notes and bills payable as of March 31, 2023 and 2022.

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

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(o) Long-term debt

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank loans	\$ 34,509,986	31,338,053	23,668,568
Secured bank loans	3,806,339	2,384,230	2,604,263
Less: current portion of long-term debt	(3,538,947)	(1,635,671)	(1,024,056)
Long-term debt	<u><u>\$ 34,777,378</u></u>	<u><u>32,086,612</u></u>	<u><u>25,248,775</u></u>
Unused credit facilities	<u><u>\$ 20,373,927</u></u>	<u><u>23,778,303</u></u>	<u><u>39,654,903</u></u>
Interest rate	<u><u>1.3%~3.76%</u></u>	<u><u>1.1%~3.76%</u></u>	<u><u>0.5%~3.85%</u></u>
Maturity year	<u><u>2023~ 2040</u></u>	<u><u>2023~ 2040</u></u>	<u><u>2022~ 2040</u></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 1.25% to 1.70%. The difference between the related loan amount and the estimated fair value of the loan using the prevailing market interest rate ranged from 1.61% to 1.90% was recognized as deferred government grant. The deferred income was transferred to other income when the loan was paid off.

(iii) Compliance with loan agreement

According to the syndicated loan agreement signed between the Company and its subsidiary (QLLB), and the banks, the Company and QLLB have promised to maintain certain financial ratios based on the Group's semi-annual reviewed consolidated financial statements and annual audited consolidated financial statements. If the Group violates any of the related financial ratios, the Group should mend it in a specific period, and then the failure to maintain the required financial ratios during the amendment period would not be considered a default.

Furthermore, according to the syndicated loan agreement signed between BMC and the banks, BMC has promised to maintain certain financial ratios, including current ratio, debt ratio and minimum tangible net worth, based on BMC's annual audited consolidated financial statements. If BMC violates any of the related financial ratios, according to the syndicated loan agreement, BMC shall file an application for waiver and financial improvement plan to the managing bank. Failure to maintain the required financial ratios would not be considered a default unless a resolution is made by a majority of the banks to refuse to grant a waiver to BMC.

For the year ended December 31, 2022, the Company's, QLLB's and BMC's financial ratios were in compliance with the syndicated loan agreement.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(p) Bonds payable

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

	March 31, 2023	December 31, 2022	March 31, 2022
Total secured corporate bonds issued	\$ 3,000,000	3,000,000	-
Less: unamortized bond issuance cost	(4,718)	(4,985)	-
Bonds payable—non-current	<u><u>\$ 2,995,282</u></u>	<u><u>2,995,015</u></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:

	March 31, 2023	December 31, 2022	March 31, 2022
Total convertible corporate bonds issued	\$ 600,000	600,000	600,000
Unamortized bond discount	(29,874)	-	(4,790)
Cumulative converted amount	-	(227,700)	(173,900)
Repayment of bonds at maturity	-	(372,300)	-
Bonds payable	<u><u>\$ 570,126</u></u>	<u><u>-</u></u>	<u><u>421,310</u></u>

In response to working capital needs, the Board of Directors of Interactive Digital Technologies Inc. ("IDT") resolved to issue the 2nd secured convertible corporate bonds on October 24, 2022, with the approval of the Financial Supervisory Commission of the Republic of China on December 19, 2022. Starting January 11, 2023, IDT issued \$600,000 of secured convertible corporate bonds, with a 3-year term, without interest, upon maturity on January 11, 2026, at a conversion price of NT\$60.7 at the time of issuance. As of March 31, 2023, IDT's 2nd secured convertible corporate bonds have yet to be converted.

IDT's 1st issuance of unsecured convertible corporate bonds had reached the maturity on November 22, 2022, with the conversion price set at NT\$78.5 at the time of issuance, and thereafter, had been adjusted to NT\$67.0 on March 31, 2022.

As of December 31 and March 31, 2022, the 1st convertible corporate bonds have been converted into 3,309 thousand shares and 2,447 thousand shares, respectively, of IDT's common stock.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(q) Lease liabilities

The carrying amount of lease liabilities were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Current	\$ <u>548,119</u>	<u>531,390</u>	<u>468,424</u>
Non-current	\$ <u>1,915,816</u>	<u>1,986,764</u>	<u>1,609,425</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 March 31,	
	2023	2022
Expenses relating to short-term leases	\$ <u>40,089</u>	<u>35,720</u>
Income from sub-leasing right-of-use assets	\$ <u>9,224</u>	<u>8,790</u>
Interest expense on lease liabilities	\$ <u>12,311</u>	<u>10,328</u>

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

	For the three months ended March 31,	
	2023	2022
Total cash outflow for leases	\$ <u>287,034</u>	<u>196,754</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 March 31, 2023	<u>\$ 1,711,253</u>	<u>-</u>	<u>22,516</u>	<u>91,821</u>	<u>1,825,590</u>
Current	<u>\$ 972,586</u>	<u>-</u>	<u>22,516</u>	<u>91,821</u>	<u>1,086,923</u>
Non-current	<u>\$ 738,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>738,667</u>
Balance at December 31, 2022	<u>\$ 1,696,792</u>	<u>-</u>	<u>23,225</u>	<u>89,501</u>	<u>1,809,518</u>
Current	<u>\$ 933,244</u>	<u>-</u>	<u>23,225</u>	<u>89,501</u>	<u>1,045,970</u>
Non-current	<u>\$ 763,548</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>763,548</u>
Balance at March 31, 2022	<u>\$ 1,604,834</u>	<u>38</u>	<u>-</u>	<u>78,780</u>	<u>1,683,652</u>
Current	<u>\$ 838,181</u>	<u>38</u>	<u>-</u>	<u>78,780</u>	<u>916,999</u>
Non-current	<u>\$ 766,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>766,653</u>

There was no significant change in provision for the three months ended March 31, 2023 and 2022. Please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2022 for other related information.

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

There were no significant additions in operating lease contracts for the three months ended March 31, 2023 and 2022. Please refer to note 6(s) of the consolidated financial statements for the year ended December 31, 2022 for other related information.

(t) Employee benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material curtailment and settlement or other material one-time events occurred during the three months ended March 31, 2023 and 2022. As a result, the pension cost in the accompanying interim periods was measured and disclosed according to the actuarial report as of December 31, 2022 and 2021.

The expenses recognized in profit or loss were as follows:

	For the three months ended March 31,	
	2023	2022
Operating cost	<u>\$ 1,080</u>	<u>1,198</u>
Operating expenses	<u>999</u>	<u>1,023</u>
	<u>\$ 2,079</u>	<u>2,221</u>

(Continued)

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 March 31,	
	2023	2022
Operating cost	\$ 163,003	156,138
Operating expenses	150,915	133,329
	<u>\$ 313,918</u>	<u>289,467</u>

(u) Income taxes

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

	For the three months ended March 31,	
	2023	2022
Income tax expense	<u>\$ 471,624</u>	<u>495,637</u>

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

	For the three months ended March 31,	
	2023	2022
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>\$ 17,916</u>	<u>(17,298)</u>

(iii) The Company's income tax returns for the years through 2020 have been examined and approved by the R.O.C. income tax authorities.

(v) Capital and other equity

(i) Common stock

As of March 31, 2023, December 31 and March 31, 2022, the Company's authorized shares of common stock consisted of 5,000,000 thousand shares, of which 1,966,782 thousand shares were issued and outstanding. The par value of the Company's common stock is \$10 (Dollars) per share.

As of March 31, 2023, December 31 and March 31, 2022, 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.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
Share of changes in equity of associates	\$ 159,831	159,487	53,169
Changes in ownership interests in subsidiaries	1,798,763	1,786,526	1,794,526
Proceeds from disposal of forfeited employee stock managed by an employee stock ownership trust	3,396	3,396	-
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	13	-	-
	<u>\$ 1,962,003</u>	<u>1,949,409</u>	<u>1,847,695</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.

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.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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 the requirements issued by the FSC, a portion of earnings shall be allocated as special reserve during earnings distribution. The Company shall make allocation of special reserve for the amount of the current-period total net reduction of other shareholders' equity. An equivalent amount of special reserve shall be allocated from the after-tax net profit in the period, plus items other than the after-tax net profit in the period that are included in the undistributed current-period earnings and the undistributed prior-period earnings. A portion of the undistributed prior-period earnings shall be reclassified to special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to the net reduction of other shareholders' equity pertaining to prior periods. The amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Earnings distribution

The cash dividends of appropriation of 2022 and 2021 earnings were approved by the Company's Board of Directors on March 6, 2023 and March 17, 2022, respectively. The resolved appropriations were as follows:

	2022 earnings		2021 earnings	
	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)	Amount
Dividends per share:				
Cash dividends	\$ 2.00	<u><u>3,933,564</u></u>	2.50	<u><u>4,916,955</u></u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iv) Other equity items (net after tax)

1) Foreign currency translation differences:

	For the three months ended March 31,	
	2023	2022
Balance at January 1	\$ 875,030	(1,723,237)
Foreign exchange differences arising from translation of foreign operations	(86,119)	1,025,449
Shares of foreign currency translation differences of associates and joint ventures	(15,793)	115,255
Balance at March 31	<u><u>\$ 773,118</u></u>	<u><u>(582,533)</u></u>

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

	For the three months ended March 31,	
	2023	2022
Balance at January 1	\$ (5,663,889)	1,378,567
Unrealized gains (losses) from investments in equity instruments at fair value through other comprehensive income	2,308,070	(2,214,492)
Disposal of financial assets at fair value through other comprehensive income	(117,267)	-
Share of other comprehensive income (loss) of associates	48,509	33,198
Balance at March 31	<u><u>\$ (3,424,577)</u></u>	<u><u>(802,727)</u></u>

3) Remeasurement of defined benefit plans:

	For the three months ended March 31,	
	2023	2022
Balance at January 1	\$ (287,528)	(488,552)
Remeasurement of the defined benefit plans	(119)	103
Shares of remeasurement of the defined benefit plans of associates accounted for using the equity method	245	206
Balance at March 31	<u><u>\$ (287,402)</u></u>	<u><u>(488,243)</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	For the three months ended March 31,	
	2023	2022
Balance at January 1	\$ 27,211,117	24,706,340
Equity attributable to non-controlling interests		
Net income	433,440	534,971
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	(528)	-
Stock option compensation cost of subsidiary	315	2,003
Changes in ownership interest in subsidiaries	(12,237)	(4,268)
Foreign currency translation differences	9,247	315,098
Capital surplus—share of changes in equity of associates and joint ventures	-	31
Remeasurement of the defined benefit plans—share of changes in equity of associates	119	442
Unrealized gain (loss) from financial assets measured at fair value through other comprehensive income	16,370	1,813
Distribution of cash dividend by subsidiaries	(1,993,258)	(1,098,928)
Capital injection from non-controlling interests	10,872	-
Changes in non-controlling interests	3,017,931	570,914
Balance at March 31	<u><u>\$ 28,693,388</u></u>	<u><u>25,028,416</u></u>

(w) Share-based payment

There was no significant change in share-based payment for the three months ended March 31, 2023 and 2022. Please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2022 for other related information.

(x) Earnings per share (“EPS”)

(i) Basic earnings per share

	For the three months ended March 31,	
	2023	2022
Profit attributable to shareholders of the Company	\$ <u><u>324,039</u></u>	<u><u>534,431</u></u>
Weighted-average number of ordinary shares outstanding (in thousands)	<u><u>1,966,782</u></u>	<u><u>1,966,782</u></u>
Basic earnings per share (in New Taiwan Dollars)	\$ <u><u>0.16</u></u>	<u><u>0.27</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Diluted earnings per share

	For the three months ended March 31,	
	2023	2022
Profit attributable to shareholders of the Company	\$ <u>324,039</u>	<u>534,431</u>
Weighted-average number of ordinary shares outstanding (in thousands)	1,966,782	1,966,782
Effect of dilutive potential common stock (in thousands):		
Remuneration to employee	<u>17,259</u>	<u>17,348</u>
Weighted-average number of ordinary shares outstanding (including effect of dilutive potential common stock) (in thousands)	<u>1,984,041</u>	<u>1,984,130</u>
Diluted earnings per share (in New Taiwan Dollars)	\$ <u>0.16</u>	<u>0.27</u>

(y) Revenue from contracts with customers

(i) Disaggregation of revenue

	For the three months ended March 31, 2023					
	DMS	Brand	Material	Networks	Medical	Total
Primary geographical markets:						
Asia	\$ 11,396,568	9,286,963	3,830,192	1,832,668	2,666,831	29,013,222
Europe	2,438,055	2,268,352	23,031	664,432	-	5,393,870
America	6,885,549	3,364,658	151,818	5,372,001	-	15,774,026
Others	<u>87,243</u>	<u>117,203</u>	<u>60,221</u>	<u>-</u>	<u>-</u>	<u>264,667</u>
	<u>\$ 20,807,415</u>	<u>15,037,176</u>	<u>4,065,262</u>	<u>7,869,101</u>	<u>2,666,831</u>	<u>50,445,785</u>
Major products/services lines:						
Electronic products	\$ 20,423,983	14,678,286	4,065,023	7,761,396	-	46,928,688
Medical services	-	-	-	-	2,666,831	2,666,831
Others	<u>383,432</u>	<u>358,890</u>	<u>239</u>	<u>107,705</u>	<u>-</u>	<u>850,266</u>
	<u>\$ 20,807,415</u>	<u>15,037,176</u>	<u>4,065,262</u>	<u>7,869,101</u>	<u>2,666,831</u>	<u>50,445,785</u>

	For the three months ended March 31, 2022					
	DMS	Brand	Material	Networks	Medical	Total
Primary geographical markets:						
Asia	\$ 17,498,690	8,544,603	4,119,448	1,537,260	2,238,278	33,938,279
Europe	3,100,434	2,776,065	11,247	649,566	-	6,537,312
America	10,829,330	4,321,306	29,124	4,688,064	-	19,867,824
Others	<u>201,516</u>	<u>319,309</u>	<u>1,879</u>	<u>-</u>	<u>-</u>	<u>522,704</u>
	<u>\$ 31,629,970</u>	<u>15,961,283</u>	<u>4,161,698</u>	<u>6,874,890</u>	<u>2,238,278</u>	<u>60,866,119</u>
Major products/services lines:						
Electronic products	\$ 31,337,233	15,490,357	4,161,156	6,780,319	-	57,769,065
Medical services	-	-	-	-	2,238,278	2,238,278
Others	<u>292,737</u>	<u>470,926</u>	<u>542</u>	<u>94,571</u>	<u>-</u>	<u>858,776</u>
	<u>\$ 31,629,970</u>	<u>15,961,283</u>	<u>4,161,698</u>	<u>6,874,890</u>	<u>2,238,278</u>	<u>60,866,119</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ii) Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022
Notes and accounts receivable (including related parties)	\$ 37,834,450	40,572,392	35,346,479
Less: loss allowance	<u>(362,472)</u>	<u>(422,466)</u>	<u>(355,529)</u>
	<u>\$ 37,471,978</u>	<u>40,149,926</u>	<u>34,990,950</u>
	March 31, 2023	December 31, 2022	March 31, 2022
Contract liabilities	<u>\$ 2,952,491</u>	<u>2,798,320</u>	<u>2,277,660</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 three months ended March 31, 2023 and 2022 that were included in the contract liability balance at January 1, 2023 and 2022, were \$980,329 and \$1,294,534, respectively.

(z) Remuneration to employees and directors

The Company's Article of Incorporation requires that earnings shall first to be offset against any deficit, then, a range from 5% to 20% will be distributed as remuneration to its employees and no more than 1% to its directors. Employees who are entitled to receive the abovementioned employee remuneration, in shares or cash, include the employees of the subsidiaries of the Company who meet certain specific requirement.

For the three months ended March 31, 2023 and 2022, the Company estimated its remuneration to employees amounting to \$36,268 and \$59,619, respectively, and the remuneration to directors amounting to \$1,088 and \$4,471, 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 on March 6, 2023 were \$681,239 and \$18,672, respectively, which were the same as the amount approved by the Company's Board of Directors in 2022. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(aa) Non-operating income and loss

(i) Interest income

For the three months ended March 31,	
2023	2022
Interest income from bank deposits	
\$ <u>269,856</u>	<u>56,525</u>

(ii) Other income

For the three months ended March 31,	
2023	2022
Government grants income	\$ 24,827
Dividend income	6,724
\$ <u>31,551</u>	<u>36,939</u>

(iii) Other gains and losses, net

For the three months ended March 31,	
2023	2022
Losses on disposal of property, plant and equipment	\$ (506)
Foreign currency exchange gains (losses)	(246,118)
Gains (losses) on financial instruments at fair value through profit or loss	79,941
Gains on disposal of non-current assets held for sale (note 6(g))	-
Gains on bargain purchase (note 6(i))	-
Impairment loss on non-financial assets	-
Others	171,198
\$ <u>4,515</u>	<u>240,763</u>

(iv) Finance costs

For the three months ended March 31,	
2023	2022
Interest expense of bank loans	\$ 434,913
Interest expense on lease liabilities	12,311
\$ <u>447,224</u>	<u>189,625</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(ab) Financial instruments

Except for the contents mentioned below, there were no significant changes in the fair value of the Group's financial instruments and the degree of exposure to credit risk and market risk arising from financial instruments. For the related information, please refer to notes 6(ab) and 6(ac) of the consolidated financial statements for the year ended December 31, 2022.

(i) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in settling its financial liabilities by delivering cash or other financial assets. The Group manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of March 31, 2023, December 31 and March 31, 2022, the Group had unused credit facilities of \$103,978,922, \$109,065,882 and \$118,477,360, 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
March 31, 2023						
Non-derivative financial liabilities:						
Short-term borrowings with floating interest rates	\$ 28,544,855	26,941,110	1,603,745	-	-	-
Financial liabilities at fair value through profit or loss						
— contingent consideration	124,554	-	-	54,997	69,557	-
Lease liabilities	2,605,093	307,201	298,602	476,597	1,131,465	391,228
Long-term debt with floating interest rates	39,785,039	3,249,566	1,240,691	9,940,666	24,692,540	661,576
Bonds payable with fixed interest rates	3,799,627	27,000	27,000	196,532	3,549,095	-
Notes and accounts payable	27,910,180	27,910,180	-	-	-	-
Other payables	18,687,615	18,687,615	-	-	-	-
Guarantee deposits	113,451	-	-	-	113,451	-
	<u>\$ 121,570,414</u>	<u>77,122,672</u>	<u>3,170,038</u>	<u>10,668,792</u>	<u>29,556,108</u>	<u>1,052,804</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 10,418,022	10,418,022	-	-	-	-
Inflow	(10,387,945)	(10,387,945)	-	-	-	-
Foreign exchange swaps:						
Outflow	15,827,885	15,827,885	-	-	-	-
Inflow	(15,782,358)	(15,782,358)	-	-	-	-
	<u>\$ 75,604</u>	<u>75,604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
December 31, 2022						
Non-derivative financial liabilities:						
Short-term borrowings with floating interest rates	\$ 26,291,618	24,554,192	1,737,426	-	-	-
Short-term notes and bills payable	200,000	200,000	-	-	-	-
Financial liabilities at fair value through profit or loss						
— contingent consideration	91,660	-	-	16,593	75,067	-
Lease liabilities	2,779,305	302,400	409,497	402,629	1,258,091	406,688
Long-term debt with floating interest rates	34,383,805	917,924	1,025,919	15,282,175	16,543,798	613,989
Bonds payable with fixed interest rates	3,243,000	27,000	27,000	54,000	3,135,000	-
Notes and accounts payable	29,037,962	29,037,962	-	-	-	-
Other payables	15,254,824	15,254,824	-	-	-	-
Guarantee deposits	111,665	-	-	-	111,665	-
	<u>\$ 111,393,839</u>	<u>70,294,302</u>	<u>3,199,842</u>	<u>15,755,397</u>	<u>21,123,621</u>	<u>1,020,677</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 9,428,340	9,428,340	-	-	-	-
Inflow	(9,405,201)	(9,405,201)	-	-	-	-
Foreign exchange swaps:						
Outflow	14,724,170	14,724,170	-	-	-	-
Inflow	(14,713,541)	(14,713,541)	-	-	-	-
	<u>\$ 33,768</u>	<u>33,768</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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QISDA CORPORATION AND SUBSIDIARIES
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	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
March 31, 2022						
Non-derivative financial liabilities:						
Short-term borrowings with floating interest rate	\$ 32,857,013	30,364,045	2,492,968	-	-	-
Financial liabilities at fair value through profit or loss						
— contingent consideration	144,249	7,715	-	24,668	111,866	-
Lease liabilities	2,192,623	266,304	247,468	384,587	913,465	380,799
Long-term debt with floating interest rates	26,875,821	439,556	710,125	7,103,289	17,962,328	660,523
Bonds payable with fixed interest rates	426,100	426,100	-	-	-	-
Notes and accounts payable	43,128,326	43,128,326	-	-	-	-
Other payables	18,182,584	18,182,584	-	-	-	-
Guarantee deposits	241,487	-	-	-	241,487	-
	<u>\$ 124,048,203</u>	<u>92,814,630</u>	<u>3,450,561</u>	<u>7,512,544</u>	<u>19,229,146</u>	<u>1,041,322</u>
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	\$ 11,763,826	11,763,826	-	-	-	-
Inflow	(11,672,804)	(11,672,804)	-	-	-	-
Foreign exchange swaps:						
Outflow	12,625,652	12,625,652	-	-	-	-
Inflow	(12,739,261)	(12,739,261)	-	-	-	-
	<u>\$ (22,587)</u>	<u>(22,587)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

(ii) Foreign currency risk

The Group's exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable (including related-party transactions), notes and accounts payable (including related-party transactions), other receivables (including related-party transactions), other payables (including related-party transactions), and loans and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. At the reporting date, the carrying amounts of the Group's significant monetary assets and liabilities denominated in a currency other than the respective functional currencies of Group entities and their respective sensitivity analysis were as follows (including the monetary items that have been eliminated in the accompanying consolidated financial statements):

March 31, 2023					
	<u>Foreign currency (in thousands)</u>	<u>Exchange rate</u>	<u>TWD (in thousands)</u>	<u>Change in magnitude</u>	<u>Effect on profit or loss (in thousands)</u>
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 1,678,978	30.4800	51,175,249	1 %	511,752
EUR	44,823	33.3150	1,493,278	1 %	14,933
CNY	2,810,312	4.4377	12,471,322	1 %	124,713
JPY	2,463,560	0.2286	563,170	1 %	5,632
<u>Non-monetary items</u>					
CNY	10,220	4.4377	45,353	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,222,770	30.4800	37,270,030	1 %	372,700
EUR	7,975	33.3150	265,687	1 %	2,657
CNY	1,940,879	4.4377	8,613,039	1 %	86,130
JPY	7,841,437	0.2286	1,792,552	1 %	17,926

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

December 31, 2022					
	Foreign currency (in thousands)	Exchange rate	TWD (in thousands)	Change in magnitude	Effect on profit or loss (in thousands)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 1,743,465	30.7300	53,576,679	1 %	535,767
EUR	47,816	32.8200	1,569,321	1 %	15,693
CNY	3,216,324	4.4057	14,170,159	1 %	141,702
JPY	3,685,610	0.2330	858,747	1 %	8,587
<u>Non-monetary items</u>					
CNY	10,049	4.4057	44,273	- %	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	1,259,713	30.7300	38,710,980	1 %	387,110
EUR	9,708	32.8200	318,617	1 %	3,186
CNY	2,419,549	4.4057	10,659,807	1 %	106,598
JPY	8,592,235	0.2330	2,001,991	1 %	20,020
March 31, 2022					
	Foreign currency (in thousands)	Exchange rate	TWD (in thousands)	Change in magnitude	Effect on profit or loss (in thousands)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 1,767,022	28.6000	50,536,829	1 %	505,368
EUR	74,994	31.9750	2,397,933	1 %	23,979
CNY	1,803,547	4.4969	8,110,371	1 %	81,104
JPY	5,377,613	0.2349	1,263,201	1 %	12,632
<u>Non-monetary items</u>					
CNY	9,553	4.4969	42,959	-	-
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	2,078,640	28.6000	59,449,104	1 %	594,491
EUR	65,894	31.9750	2,106,961	1 %	21,070
CNY	2,283,377	4.4969	10,268,118	1 %	102,681
JPY	9,570,102	0.2349	2,248,017	1 %	22,480

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 ended March 31, 2023 and 2022.

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Categories of financial instruments

1) Financial assets

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets at fair value through profit or loss (including current and non-current)	\$ <u>744,722</u>	<u>661,426</u>	<u>666,154</u>
Financial assets at fair value through other comprehensive income (including current and non-current)	<u>12,654,600</u>	<u>10,331,238</u>	<u>15,830,982</u>
Financial assets measured at amortized cost:			
Cash and cash equivalents	36,051,677	30,684,635	19,904,288
Notes and accounts receivable and other receivables (including related parties)	40,559,294	42,807,999	36,527,192
Other financial assets (including current and non-current)	<u>6,067,024</u>	<u>1,455,926</u>	<u>4,342,405</u>
Subtotal	<u>82,677,995</u>	<u>74,948,560</u>	<u>60,773,885</u>
Total	<u><u>\$ 96,077,317</u></u>	<u><u>85,941,224</u></u>	<u><u>77,271,021</u></u>

2) Financial liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
Financial liabilities at fair value through profit or loss:			
Held-for-trading	\$ 137,036	96,982	180,491
Contingent consideration arising from business combinations	<u>91,988</u>	<u>63,144</u>	<u>103,343</u>
Subtotal	<u>229,024</u>	<u>160,126</u>	<u>283,834</u>
Financial liabilities measured at amortized cost:			
Short-term borrowings	28,388,912	25,969,736	32,772,377
Short-term notes and bills payable	-	199,619	-
Notes and accounts payable and other payables (including related parties)	46,597,795	44,292,786	61,310,910
Lease liabilities (including current portion and related parties)	2,463,935	2,518,154	2,077,849
Long-term debt (including current portion)	38,316,325	33,722,283	26,272,831
Bonds payable (including current portion)	3,565,408	2,995,015	421,310
Other non-current liabilities — guarantee deposits	<u>113,451</u>	<u>111,665</u>	<u>241,487</u>
Subtotal	<u>119,445,826</u>	<u>109,809,258</u>	<u>123,096,764</u>
Total	<u><u>\$ 119,674,850</u></u>	<u><u>109,969,384</u></u>	<u><u>123,380,598</u></u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(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).

March 31, 2023				
Fair Value				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Derivative instruments—foreign currency forward contracts	\$ -	40,420	-	40,420
Derivative instruments—foreign exchange swaps	-	21,012	-	21,012
Open-end mutual funds	25,322	-	-	25,322
Listed stocks	37,572	-	-	37,572
Privately held equity securities	-	-	614,803	614,803
Call option	-	-	60	60
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	<u>62,894</u>	<u>61,432</u>	<u>620,396</u>	<u>744,722</u>

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

March 31, 2023				
Fair Value				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	11,802,421	-	-	11,802,421
Domestic emerging stocks	-	66,994	-	66,994
Privately held equity securities	-	-	785,185	785,185
Subtotal	<u>11,802,421</u>	<u>66,994</u>	<u>785,185</u>	<u>12,654,600</u>
Total	<u>\$ 11,865,315</u>	<u>128,426</u>	<u>1,405,581</u>	<u>13,399,322</u>
Financial liabilities at fair value through profit and loss:				
Derivative instruments—foreign currency forward contracts	\$ -	70,497	-	70,497
Derivative instruments—foreign exchange swaps	-	66,539	-	66,539
Contingent consideration arising from business combinations	-	-	91,988	91,988
Total	<u>\$ -</u>	<u>137,036</u>	<u>91,988</u>	<u>229,024</u>
December 31, 2022				
Fair Value				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Derivative instruments—foreign currency forward contracts	\$ -	44,152	-	44,152
Derivative instruments—foreign exchange swaps	-	19,062	-	19,062
Open-end mutual funds	26,071	-	-	26,071
Listed stocks	55,764	-	-	55,764
Privately held equity securities	-	-	510,844	510,844
Contingent consideration arising from business combinations	-	-	5,533	5,533
Subtotal	<u>81,835</u>	<u>63,214</u>	<u>516,377</u>	<u>661,426</u>
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	9,622,987	-	-	9,622,987
Domestic emerging stocks	-	54,887	-	54,887
Privately held equity securities	-	-	653,364	653,364
Subtotal	<u>9,622,987</u>	<u>54,887</u>	<u>653,364</u>	<u>10,331,238</u>
Total	<u>\$ 9,704,822</u>	<u>118,101</u>	<u>1,169,741</u>	<u>10,992,664</u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

		December 31, 2022			
		Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit and loss:					
Derivative instruments— foreign currency forward contracts	\$	-	67,291	-	67,291
Derivative instruments— foreign exchange swaps		-	29,691	-	29,691
Contingent consideration arising from business combinations		-	-	63,144	63,144
Total	\$	<u>-</u>	<u>96,982</u>	<u>63,144</u>	<u>160,126</u>
		March 31, 2022			
		Fair Value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:					
Derivative instruments— foreign currency forward contracts	\$	-	42,082	-	42,082
Derivative instruments— foreign exchange swaps		-	160,996	-	160,996
Derivative instruments— open-end mutual funds		27,672	-	-	27,672
Listed stocks		65,002	-	-	65,002
Privately held equity securities		-	-	354,365	354,365
Put option		-	-	10,504	10,504
Contingent consideration arising from business combinations		-	-	5,533	5,533
Subtotal		<u>92,674</u>	<u>203,078</u>	<u>370,402</u>	<u>666,154</u>
Financial assets at fair value through other comprehensive income:					
Domestic listed stock		15,435,161	-	-	15,435,161
Domestic emerging stock		-	116,686	-	116,686
Privately held equity securities		-	-	279,135	279,135
Subtotal		<u>15,435,161</u>	<u>116,686</u>	<u>279,135</u>	<u>15,830,982</u>
Total	\$	<u>15,527,835</u>	<u>319,764</u>	<u>649,537</u>	<u>16,497,136</u>
Financial liabilities at fair value through profit and loss:					
Derivative instruments— foreign currency forward contracts	\$	-	133,104	-	133,104
Derivative instruments— foreign exchange swaps		-	47,387	-	47,387
Contingent consideration arising from business combinations		-	-	103,343	103,343
Total	\$	<u>-</u>	<u>180,491</u>	<u>103,343</u>	<u>283,834</u>

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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 stocks is determined based on the average stock price on the emerging market at the reporting date.
- Discounted cash flow model is used to estimate the fair value of contingent consideration arising from business combination. The contingent consideration is estimated based on the possibility of occurrence of amount to be paid and discounted to the present value.
- The fair value of privately held equity securities is estimated by using the market approach and is determined by reference to valuations of similar companies, net worth and recent operating activities. The significant unobservable inputs 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.

(Continued)

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 three months ended March 31, 2023 and 2022.

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

Financial assets at fair value through profit or loss:

	For the three months ended March 31,	
	2023	2022
Balance at January 1	\$ 516,377	354,333
Additions	60	-
Recognized in profit or loss	103,959	16,069
Balance at March 31	<u><u>\$ 620,396</u></u>	<u><u>370,402</u></u>

Financial assets at fair value through other comprehensive income:

	For the three months ended March 31,	
	2023	2022
Balance at January 1	\$ 653,364	288,852
Acquisition through business combination	-	1,644
Additions	120,528	2,286
Proceeds from capital reduction	-	(11,042)
Recognized in other comprehensive income	11,293	(2,605)
Balance at March 31	<u><u>\$ 785,185</u></u>	<u><u>279,135</u></u>

Financial liabilities at fair value through profit or loss:

	For the three months ended March 31,	
	2023	2022
Balance at January 1	\$ 63,144	103,222
Recognized in profit or loss	28,844	121
Balance at March 31	<u><u>\$ 91,988</u></u>	<u><u>103,343</u></u>

(Continued)

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 March 31, 2023 and 2022 were as follows:

	For the three months ended March 31,	
	2023	2022
Total gains or losses:		
Recognized in profit or loss (included in other gains and losses, net)	\$ 75,115	15,948
Recognized in other comprehensive income (loss) (included in “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”)	11,293	(2,605)

(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, 2022.

(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, 2022. There were no significant changes in the Group’s capital management information as disclosed for the year ended December 31, 2022. Please refer to note 6(ad) of the consolidated financial statements for the year ended December 31, 2022 for related details.

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

(i) For acquisition of right-of-use assets under lease for the three months ended March 31, 2023 and 2022, please refer to note 6(k).

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

	2023	2022
Net consideration from acquisition of subsidiaries	\$ 3,161,999	482,300
Less: other receivables at March 31	(316,200)	-
Net increase in cash from acquisition of subsidiaries	<u>(1,380,961)</u>	<u>(436,034)</u>
Cash received for disposal of subsidiaries	<u><u>\$ 1,464,838</u></u>	<u><u>46,266</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

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

	January 1, 2023	Cash flows	Non-cash changes			March 31, 2023
			Acquisition through business combination	Additions	Effect of foreign exchange rate and others	
Short-term borrowings	\$ 25,969,736	2,405,533	-	-	13,643	28,388,912
Short-term notes and bills payable	199,619	(199,619)	-	-	-	-
Long-term debt (including current portion)	33,722,283	4,614,481	-	-	(20,439)	38,316,325
Bonds payable (including current portion)	2,995,015	631,884	-	-	(61,491)	3,565,408
Lease liabilities	2,518,154	(234,634)	11,154	169,899	(638)	2,463,935
Guarantee deposits	111,665	1,786	-	-	-	113,451
	<u>\$ 65,516,472</u>	<u>7,219,431</u>	<u>11,154</u>	<u>169,899</u>	<u>(68,925)</u>	<u>72,848,031</u>

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

7. Related-party transactions

(a) Name and relationship with related parties

The following are the entities that have had transactions with the Group during the periods covered in the consolidated financial statements.

<u>Name of related party</u>	<u>Relationship with the Group</u>
AU Optronics Corp. ("AU")	AU accounted for its investments in the Company using the equity method and has significant influence over the Group.
Darfon Electronics Corp. ("DFN")	The Group's associates
Visco Vision Inc. ("Visco Vision")	The Group's associates
MLK Bioscience Co., Ltd.	The Group's associates
Q.S.Control Corp.	The Group's associates

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

Name of related party	Relationship with the Group
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
Rapidtek Technologies Inc. (“Rapidtek”)	The Group’s associates
Darwin Precisions Corporation (“Darwin”)	AU’s subsidiaries
AU Optronics (L) Corp. (“AUL”)	AU’s subsidiaries
AFPD Pte., Ltd.	AU’s subsidiaries
AU Optronics (Suzhou) Corp. (“AUSZ”)	AU’s subsidiaries
AU Optronics (Kunshan) Co., Ltd. (“AUKS”)	AU’s subsidiaries
a.u. Vista Inc. (“AUVI”)	AU’s subsidiaries
AU Optronics (Xiamen) Corp. (“AUXM”)	AU’s subsidiaries
AU Optronics Manufacturing (Shanghai) Corp.	AU’s subsidiaries
AU Optronics (Slovakia) s.r.o.	AU’s subsidiaries
AUO Care Information Tech. (Suzhou) Co., Ltd.	AU’s subsidiaries
BriView (Hefei) Co., Ltd. (“BVHF”)	AU’s subsidiaries
Darwin Precisions (Xiamen) Corp. (“DPXM”)	AU’s subsidiaries
Darwin Precisions (Suzhou) Corp.	AU’s subsidiaries
Fortech Electronics (Kunshan) Co., Ltd. (“FTKS”)	AU’s subsidiaries
Fortech Electronics (Suzhou) Co., Ltd. (“FTWJ”)	AU’s subsidiaries
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

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(b) Significant related-party transactions

(i) Revenue

	For the three months ended March 31,	
	2023	2022
Associates	\$ 333,463	311,960
Joint ventures	9,723	1,011
The entity who has significant influence over the Group:		
AU	1,404,392	2,427,450
AUSZ	421,113	795,225
Other	395,796	177,217
	<u>2,221,301</u>	<u>3,399,892</u>
	<u>\$ 2,564,487</u>	<u>3,712,863</u>

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

(ii) Purchases

	For the three months ended March 31,	
	2023	2022
Associates	\$ 122,560	255,935
Joint ventures	14,659	7,497
The entity who has significant influence over the Group:		
AU	972,849	2,169,942
Other	21,704	-
	<u>994,553</u>	<u>2,169,942</u>
	<u>\$ 1,131,772</u>	<u>2,433,374</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.

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(iii) Lease

The Group leased factory and office from AU, and the rent is paid monthly with reference to the nearby office rental rates. For the three months ended March 31, 2023 and 2022, the related interest expense on lease liabilities amounted to \$2,142 and \$403, respectively. As of March 31, 2023, December 31 and March 31, 2022, the balance of the lease liabilities amounted to \$455,643, \$481,380, and \$77,296, respectively.

The Group leased its plant and office to associates. For the three months ended March 31, 2023 and 2022, the rental income was as follows:

	For the three months ended March 31,	
	2023	2022
Associates	\$ 3,762	3,428

(iv) Donation

For the three months ended March 31, 2023 and 2022, the Group made a donation to substantive related party, BenQ Foundation, amounting to \$9,000 and \$7,000, respectively.

(v) Receivables

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

Account	Related-party categories	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable	The entity who has significant influence over the Group:			
	AU	\$ 812,781	908,213	1,616,072
	AUSZ	432,241	564,726	845,719
	Other	350,529	332,500	235,004
		<u>1,595,551</u>	<u>1,805,439</u>	<u>2,696,795</u>
	Joint ventures	21,509	29,309	16,610
	Associates	233,990	229,285	202,700
		\$ 1,851,050	2,064,033	2,916,105
Other receivables	Associates:			
	NSHD	\$ 299,103	296,945	302,193
	Other	12,650	7,342	15,864
		\$ 311,753	304,287	318,057
Other receivables (dividend)	Associates:			
	DFN	216,063	-	216,064
	Other associates	51,336	-	42,342
		\$ 267,399	-	258,406

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

(vi) Payables

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

Account	Related party categories	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable	The entity who has significant influence over the Group:			
	AU	\$ 543,124	551,906	1,265,258
	Other	294	21,865	-
		<u>543,418</u>	<u>573,771</u>	<u>1,265,258</u>
	Joint ventures	419	1,500	1,171
	Associates	170,377	172,229	306,632
		<u>\$ 714,214</u>	<u>747,500</u>	<u>1,573,061</u>
Dividends payable	AU	\$ 670,461	-	838,076
	Associates	204,030	-	246,388
		<u>\$ 874,491</u>	<u>-</u>	<u>1,084,464</u>
Other payables		<u>\$ 25,233</u>	<u>24,835</u>	<u>27,548</u>
Lease liabilities—current		<u>\$ 96,057</u>	<u>98,600</u>	<u>73,931</u>
Lease liabilities—non-current		<u>\$ 359,586</u>	<u>382,780</u>	<u>3,365</u>

(c) Compensation for key management personnel

	For the three months ended March 31,	
	2023	2022
Short-term employee benefits	\$ 29,711	32,024
Post-employment benefits	270	297
	<u>\$ 29,981</u>	<u>32,321</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:

Pledged assets	Pledged to secure	March 31, 2023	December 31, 2022	March 31, 2022
Other financial assets — current (time deposits)	Credit lines of bank loans and guarantee for tax clearance certificate and performance guarantee	\$ 83,505	79,407	145,244
Other financial assets — non-current (special deposit account)	Restrictions on utilization of repatriated offshore funds	502,641	517,984	625,737
Other financial assets — non-current	Guarantee for construction project, guarantee to lawsuits, and guarantee for land lease	365,431	270,416	316,522
Land and buildings	Credit lines of bank loans	5,602,997	4,606,192	5,022,085
Investment property	Credit lines of bank loans	399,748	400,822	404,045
Other equipment	Credit lines of bank loans	2,161	199	-
Notes receivable	Credit lines of bank loans	79,757	11,802	70,605
Inventory	Credit lines of bank loans and deposit of customs	-	-	2,000
		<u><u>\$ 7,036,240</u></u>	<u><u>5,886,822</u></u>	<u><u>6,586,238</u></u>

(Continued)

QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

9. Significant commitments and contingencies

(a) Significant unrecognized commitments

	March 31, 2023	December 31, 2022	March 31, 2022
Unused letters of credit	\$ <u>1,852,455</u>	<u>1,614,382</u>	<u>1,138,461</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.

10. Significant loss from disaster: None.

11. Significant subsequent events

On April 21, 2023, the Board of Directors of the Company resolved to participate in the private offering of Norbel Baby Co., Ltd. (“Norbel”) at NT\$150 per share, whereby the Company acquired 5,000 thousand of its common shares. In addition, the Company is expected to acquire an additional 5,000 thousand common shares of Norbel through public tender offer at NT\$210 per share, wherein it expects to acquire 28.54% ownership of Norbel for a total consideration of \$1,800,000.

12. Others

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

	For the three months ended March 31, 2023			For the three months ended March 31, 2022		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits:						
Salaries	2,337,149	3,084,430	5,421,579	2,797,965	3,006,745	5,804,710
Insurance	241,932	307,026	548,958	228,454	285,149	513,603
Pension	164,083	151,914	315,997	157,336	134,352	291,688
Others	152,934	204,035	356,969	205,828	213,970	419,798
Depreciation	755,437	391,858	1,147,295	641,689	367,140	1,008,829
Amortization	30,585	247,990	278,575	28,014	242,847	270,861

(b) Seasonality operations

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

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

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

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QISDA CORPORATION AND SUBSIDIARIES
Notes to the Consolidated Financial Statements

14. Segment information

For the three months ended March 31, 2023								
	<u>DMS</u>	<u>Brand</u>	<u>Material</u>	<u>Medical</u>	<u>Networks</u>	<u>Others</u>	<u>Eliminations</u>	<u>Total</u>
External revenue	\$ 20,807,415	15,037,176	4,065,262	2,666,831	7,869,101	-	-	50,445,785
Intra-group revenue	<u>1,731,800</u>	<u>162,661</u>	<u>1,682</u>	<u>518</u>	<u>238</u>	<u>-</u>	<u>(1,896,899)</u>	<u>-</u>
Total segment revenue	<u>\$ 22,539,215</u>	<u>15,199,837</u>	<u>4,066,944</u>	<u>2,667,349</u>	<u>7,869,339</u>	<u>-</u>	<u>(1,896,899)</u>	<u>50,445,785</u>
Segment profit (loss)	<u>\$ 188,678</u>	<u>557,069</u>	<u>117,070</u>	<u>192,533</u>	<u>264,186</u>	<u>(61)</u>	<u>30,330</u>	<u>1,349,805</u>

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

QISDA CORPORATION AND SUBSIDIARIES
Financing provided to other parties
For the three months ended March 31, 2023
(Amounts in thousands of New Taiwan dollars and other currencies)

Table 1

No.	Name of Lender	Name of Borrower	Financial Statement Account	Is a Related Party	Highest Balance of Financing to Other Parties During the Period	Ending Balance	Actual Usage Amount During the Period	Range of Interest Rates During the Period	Purpose of Fund Financing for the Borrower	Transaction Amounts	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amounts Limits
													Item	Value		
1	BenQ	BQL	Other receivables from related parties	Yes	274,950	274,320	274,320	-	2	-	Operating requirements	-	-	-	3,143,472	3,143,472
1	BenQ	Darly Venture (L) Ltd	Other receivables from related parties	Yes	152,750	152,400	152,400	0.75%	2	-	Operating requirements	-	-	-	3,143,472	3,143,472
1	BenQ	APV	Other receivables from related parties	Yes	300,000	300,000	240,000	0.50%	2	-	Operating requirements	-	-	-	3,143,472	3,143,472
1	BenQ	QLLB	Other receivables from related parties	Yes	1,222,000	1,219,200	1,219,200	1.00%	2	-	Operating requirements	-	-	-	3,143,472	3,143,472
2	Darly 2	APV	Other receivables from related parties	Yes	40,000	40,000	40,000	0.50%	2	-	Operating requirements	-	-	-	1,604,107	1,604,107
3	QLLB	Qisda (Shanghai) Co., Ltd. ("QCSH")	Other receivables from related parties	Yes	1,771,900	1,767,840	1,767,840	-	2	-	Operating requirements	-	-	-	6,523,140	6,523,140
4	QLPG	QLLB	Other receivables from related parties	Yes	21,233	20,735	-	3.20%	2	-	Operating requirements	-	-	-	7,876,835	15,753,670
5	BBM	Nanjing BenQ Hospital Co., Ltd. ("NMH")	Other receivables from related parties	Yes	822,960	822,960	609,600	-	2	-	Operating requirements	-	-	-	2,333,111	2,333,111
6	BIC	Suzhou BenQ Hospital Co., Ltd. ("SMH")	Other receivables from related parties	Yes	22,265	22,189	22,189	-	2	-	Operating requirements	-	-	-	343,066	343,066
7	NMHC	Nanjing BenQ Hospital Co., Ltd. ("NMH")	Other receivables from related parties	Yes	21,820	21,745	21,745	1.00%	2	-	Operating requirements	-	-	-	23,139	23,139
8	QCOS	Qisda (Shanghai) Co., Ltd. ("QCSH")	Other receivables from related parties	Yes	89,060	88,754	88,754	2.00%	2	-	Operating requirements	-	-	-	3,938,418	39,384,176
8	QCOS	BenQ Guru Software Co., Ltd. ("GSS")	Other receivables from related parties	Yes	22,265	22,189	-	3.30%	2	-	Operating requirements	-	-	-	3,938,418	39,384,176
8	QCOS	BenQ Medical (Shanghai) Co., Ltd. ("BMSH")	Other receivables from related parties	Yes	22,265	22,189	22,189	3.30%	2	-	Operating requirements	-	-	-	3,938,418	39,384,176
9	BMS	BenQ Materials (Wuhu) Co., Ltd.	Other receivables from related parties	Yes	1,180,045	1,175,991	984,282	1.30%	2	-	Operating requirements	-	-	-	2,547,902	2,547,902
9	BMS	BenQ Materials Medical Supplies (Suzhou) Co., Ltd.	Other receivables from related parties	Yes	356,240	355,016	350,578	1.30%	2	-	Operating requirements	-	-	-	2,547,902	2,547,902
10	WPC	Web-Pro(Vietnam)Co., Ltd. ("WPVN")	Other receivables from related parties	Yes	860,000	860,000	455,940	1.00%	2	-	Operating requirements	-	-	-	1,830,748	3,661,496
11	ACE	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	222,650	221,885	177,508	-	2	-	Operating requirements	-	-	-	399,941	799,882
11	ACE	Suzhou Super Pillar Automation Equipment Co., Ltd.	Other receivables from related parties	Yes	89,060	88,754	31,064	-	2	-	Operating requirements	-	-	-	399,941	799,882
12	AEWIN	Aewin Beijing Technologies Co., Ltd.	Other receivables from related parties	Yes	71,021	71,021	71,021	-	1	519,389	Business transaction	-	-	-	249,560	499,120
13	Alpha HK	Alpha CSF	Other receivables from related parties	Yes	992,875	990,600	990,600	-	2	-	Operating requirements	-	-	-	2,227,151	2,227,151
14	Alpha CD	Alpha CSF	Other receivables from related parties	Yes	267,180	266,262	266,262	1.75%	2	-	Operating requirements	-	-	-	605,254	605,254
15	Hitron	HVN	Other receivables from related parties	Yes	916,500	914,400	411,480	1.00%	2	-	Operating requirements	-	-	-	969,541	1,939,082
16	Alpha	Alpha VN	Other receivables from related parties	Yes	611,000	609,600	-	3.00%	2	-	Operating requirements	-	-	-	1,932,335	3,864,670
17	ACECS	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	21,385	21,336	21,336	-	2	-	Operating requirements	-	-	-	572,746	572,746
18	ACEPR	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	Yes	12,220	12,192	12,192	-	2	-	Operating requirements	-	-	-	449,365	449,365

(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 Darly 2 to subsidiaries shall not exceed 40% of the most recent net worth of Darly 2.

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

(Note 4) The aggregate financing amount and the individual financing amount of QLPG to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent audited and reviewed net worth of the Company.

(Note 5) The aggregate financing amount and the individual financing amount of BBM to subsidiaries shall not exceed 40% of the most recent net worth of BBM.

(Note 6) The aggregate financing amount and the individual financing amount of BIC to subsidiaries shall not exceed 40% of the most recent net worth of BIC.

(Note 7) The aggregate financing amount and the individual financing amount of NMHC to subsidiaries shall not exceed 100% of the most recent net worth of NMHC.

(Note 8) The aggregate financing amount to subsidiaries wholly owned by the Company and the individual financing amount of QCOS shall not exceed 100% and 10%, respectively, of the most recent net worth of the Company.
The financing amount to the subsidiaries not wholly owned by the Company and the individual financing amount of QCOS shall not exceed 40% of the most recent net worth of QCOS.

(Note 9) The aggregate financing amount to subsidiaries wholly owned by BMC and the individual financing amount of BMS shall not exceed 100% of the most recent audited and reviewed net worth of BMS.

(Note 10) The aggregate financing amount of WPC for those directly or indirectly held subsidiaries with more than 50% of the voting shares shall not exceed 100% of the most recent audited and reviewed net worth of WPC and the individual financing amount of WPC shall not exceed 50% of the most recent audited and reviewed net worth of WPC.

(Note 11) The aggregate financing amount and the individual financing amount of ACE to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of ACE.

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

(Note 13) The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Alpha HK shall not exceed 100% of the most recent net worth of Alpha HK.

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

(Note 15) The aggregate financing amount of Hitron and its subsidiaries to subsidiaries shall not exceed 40% of the most recent audited or reviewed net worth of both parties. The financing reason and limit for each type of party is stated as below:
a. For entities who have business transactions with Hitron, the individual financing amount shall not exceed 20% of the most recent net worth of Hitron in the nearest 12 months. The transaction referring to the higher of sales or purchase amount.
b. For entities who have a need in short-term financing, the individual financing amount shall not exceed 20% of the most recent audited and reviewed net worth of Hitron Technologies.
c. Financing among foreign subsidiaries which Hitron has 100% of direct or indirect voting rights, or foreign subsidiaries which Hitron has 100% of direct or indirect voting rights financing to Hitron, there is no limit to the financing amount and period of lending, but should state the financing limit and term of lending.

(Note 16) The aggregate financing amount and the individual financing amount of Alpha to other parties shall not exceed 40% and 20%, respectively, of the most recent net worth of Alpha.

(Note 17) The aggregate financing amount and the individual financing amount of 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 18) 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 19) Purpose of Fund Financing: 1. Business transaction purpose. 2. Short-term financing purpose.

(Note 20) The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

QISDA CORPORATION AND SUBSIDIARIES
Guarantees and endorsements provided to other parties
For the three months ended March 31, 2023
(Amounts in thousands of New Taiwan dollars and other currencies)

Table 2

No.	Endorsements / Guarantee Provider	Counter-party of Guarantee and Endorsement		Limits on Amount of Guarantees and Endorsements Provided to Each Guaranteed Party	Highest Balance of Guarantees and Endorsements During the Period	Balance of Guarantees and Endorsements as of Reporting Date	Actual Usage Amount During the Period	Property Pledged for Guarantees and Endorsements	Ratio of Accumulated Amounts of Guarantees and Endorsements to Net Worth of the Latest Financial Statements	Maximum Amounts for Guarantees and Endorsements	Gaurantee Provided by Parent Company	Gaurantee Provided by A Subsidiary	Endorsements / Guarantees Provided to Subsidiaries in Mainland China
		Name	Relationship with the Company										
0	The Company	QLLB	Parent/Subsidiary	7,876,835	3,669,760	3,230,880	3,230,880	-	8.20%	19,692,088	Y	-	-
1	BenQ	MaxGen	Parent/Subsidiary	1,571,736	107,358	107,358	107,358	-	1.37%	7,858,680	N	-	-
2	PTT	Partner Tech Middle East FZCO	Parent/Subsidiary	211,259	91,650	91,440	91,440	-	8.66%	528,149	N	-	-
2	PTT	Partner-Tech Europe GmbH	Parent/Subsidiary	211,259	61,100	60,960	60,960	-	5.77%	528,149	N	-	-
2	PTT	Partner Tech USA Inc.	Parent/Subsidiary	211,259	30,550	30,480	30,480	-	2.89%	528,149	N	-	-
2	PTT	Webest Solution Corporation	Parent/Subsidiary	211,259	10,000	10,000	10,000	-	0.95%	528,149	N	-	-
3	DIC	Data Image (Suzhou) Corporation	Parent/Subsidiary	258,575	30,550	30,480	10,491	-	2.36%	646,438	N	-	Y
4	Alpha	Alpha DGF	Parent/Subsidiary	4,830,838	61,100	60,960	6,399	-	0.63%	9,661,676	N	-	Y
4	Alpha	Alpha CSF	Parent/Subsidiary	4,830,838	213,850	213,360	30,921	-	2.21%	9,661,676	N	-	Y
5	Hitron	HBV	Parent/Subsidiary	4,847,704	623,562	623,562	-	-	12.86%	7,271,556	N	-	-
5	Hitron	HUS	Parent/Subsidiary	4,847,704	611,000	609,600	-	-	12.58%	7,271,556	N	-	-
5	Hitron	HVN	Parent/Subsidiary	4,847,704	2,444,000	2,438,400	518,160	-	50.30%	7,271,556	N	-	-
6	MTG	Corex	Parent/Subsidiary	814,237	302,750	302,400	152,116	-	7.43%	2,035,592	N	-	-

(Note 1)The aggregate endorsement/guarantee amount provided by the Company to QLLB and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the most recent audited or reviewed net worth of the Company.

(Note 2)The aggregate endorsement/guarantee amount provided by BenQ to MaxGen and the endorsement/guarantee amount provided to individual party shall not exceed 100% and 20%, respectively, of the net worth of BenQ.

(Note 3)The aggregate endorsement/guarantee amount provided by PTT to PTT 's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the net worth of PTT.

(Note 4)The aggregate endorsement/guarantee amount provided by DIC to Data Image (Suzhou) Corporation and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the net worth of DIC.

(Note 5)The aggregate endorsement/guarantee amount provided by Alpha to Alpha's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 100% and 50%, respectively, of the net worth of Alpha.

(Note 6)The aggregate endorsement/guarantee amount provided by Hitron to Hitrons' subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 150% and 20%, respectively, of the net worth of Hitron.

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

(Note 7)The aggregate endorsement/guarantee amount provided by MTG to Corex and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the most recent audited or reviewed net worth of MTG.

QISDA CORPORATION AND SUBSIDIARIES
Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures)
March 31, 2023
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 3

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2023				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
The Company	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,388	84,083	3.82%	84,083	-
The Company	Stock: AU	-	Financial assets at fair value through other comprehensive income-non-current	530,879	9,768,171	6.90%	9,768,171	-
The Company	Stock: TXOne_Networks Inc.	-	Financial assets at fair value through other comprehensive income-non-current	909	155,170	1.75%	155,170	-
The Company	SCT Holding, LTD.	-	Financial assets at fair value through other comprehensive income-non-current	800	60,528	2.44%	60,528	-
QLLB	CPEC Huachuang Private Equity Fund (Fujian) Co., Ltd. Fund	-	Financial assets at fair value through other comprehensive income-non-current	-	45,353	2.50%	45,353	-
BMC	Stock: Lagis Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	1,680	66,595	5.25%	66,595	-
BMC	Stock: YiLeLaFa Corporation	-	Financial assets at fair value through other comprehensive income-non-current	300	2,227	2.73%	2,227	-
BMC	Stock: Biodenta Corporation	-	Financial assets at fair value through profit or loss-non-current	225	(Note 1)	2.50%	-	-
BMC	Stock: CUUMed Catheter Medical Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	3,429	94,078	11.27%	94,078	-
APV	Stock: Hi-Clearance Inc.	-	Financial assets at fair value through other comprehensive income-current	340	49,142	0.84%	49,142	-
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	49,795	2.77%	49,795	-
APV	Stock: Gigastone Corporation	-	Financial assets at fair value through other comprehensive income-non-current	31	399	0.06%	399	-
APV	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	2,000	11,234	6.17%	11,234	-
APV	Stock: CDIB Capital Innovation Advisors Corporation	-	Financial assets at fair value through other comprehensive income-non-current	2,999	14,605	0.33%	14,605	-
APV	Stock: D&AI, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	19,500	32,554	10.76%	32,554	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2023				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
APV	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	2,144	129,953	5.91%	129,953	-
APV	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	2,300	952,102	3.03%	952,102	-
APV	Stock: PlayNitride Inc.	-	Financial assets at fair value through other comprehensive income-non-current	470	47,000	0.44%	47,000	-
Darly 2	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	470	34,827	1.94%	34,827	-
Darly 2	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	993	410,914	1.31%	410,914	-
Darly 2	Stock: Fong Huang Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	6,000	66,169	18.75%	66,169	-
Darly 2	Stock: Fong Huang 2 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	32,031	7.01%	32,031	-
Darly 2	Stock: Fong Huang 3 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	31,253	13.04%	31,253	-
Darly 2	Stock: Fong Huang 4 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	34,880	12.77%	34,880	-
Darly 2	Safe & Rich Great Health	-	Financial assets at fair value through other comprehensive income-non-current	3,000	27,312	2.86%	27,312	-
Darly 2	Stock: JAFCO Taiwan II Holdings Corp.	-	Financial assets at fair value through other comprehensive income-non-current	3,000	29,108	2.86%	29,108	-
Darly C	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	34	2,519	0.14%	2,519	-
Darly C	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	1,000	5,617	3.09%	5,617	-
Darly C	Stock: Anqing Innovation	-	Financial assets at fair value through other comprehensive income-non-current	1,033	5,676	2.24%	5,676	-
Darly C	Stock: Visco Vision Inc.	-	Financial assets at fair value through other comprehensive income-non-current	285	76,221	0.45%	76,221	-
BenQ	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	1,452	107,593	5.98%	107,593	-
BenQ	Stock: GT Booster Corp.	-	Financial assets at fair value through other comprehensive income-non-current	63	59,440	8.00%	59,440	-
PTT	Stock: D8AI , Inc.	-	Financial assets at fair value through other comprehensive income-non-current	3,500	2,309	1.93%	2,309	-
DFI	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,487	90,101	4.03%	90,101	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2023				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
DFI	Fund: Cathay No 1 REIT	-	Financial assets at fair value through profit or loss-current	1,442	25,322	-	25,322	-
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)	1.71%	-	-
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	390,721	19.53%	390,721	-
MTG	Stock: Touch Cloud, Inc.	-	Financial assets at fair value through profit or loss-non-current	200	(Note 1)	1.50%	-	-
MTG	Stock: Gemini Data, Inc.	-	Financial assets at fair value through profit or loss-non-current	2,706	(Note 1)	1.23%	-	-
MTG	Stock: Kingtel Corporation	-	Financial assets at fair value through profit or loss-non-current	443	(Note 1)	18.09%	-	-
MTG	Limited Partnership Equity: Taiwan Capital Buffalo Fund V ,LP.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	196,586	12.78%	196,586	-
MTG	New Economy Ventures L.P.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	27,496	7.36%	27,496	-
Simula	Stock: Optomedia Technology Inc.	-	Financial assets at fair value through other comprehensive income-non-current	265	2,411	3.26%	2,411	-
Simula	Stock: Taiwan Competition Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	500	1,447	16.67%	1,447	-
Simula	Stock: Mcurich Inc.	-	Financial assets at fair value through other comprehensive income-non-current	645	(Note 1)	15.12%	-	-
GSC	Stock: New Image Medical Co.,Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	200	2,960	0.74%	2,960	-
Alpha	Stock: TGC, Inc.	-	Financial assets at fair value through profit or loss-non-current	500	(Note 1)	1.83%	-	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	March 31, 2023				
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
Alpha	Ignition Ventures	-	Financial assets at fair value through other comprehensive income-non-current	-	31,429	-	31,429	-
Hitron	Stock: Senao International Co., Ltd.	-	Financial assets at fair value through profit or loss-current	152	5,335	0.06%	5,335	-
Hitron	Stock: Transcend Information Inc.	-	Financial assets at fair value through profit or loss-current	441	32,237	0.10%	32,237	-
Hitron	Stock: Chao Long Motor Parts Corp.	-	Financial assets at fair value through other comprehensive income-non-current	668	31,815	1.79%	31,815	-
Hitron	Stock: Imagetech Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	120	(Note 1)	1.20%	-	-
Hitron	Stock: Tsunami Visual Technologies, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,220	(Note 1)	9.34%	-	-
Hitron	Stock: Pivot Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	198	(Note 1)	10.94%	-	-
Hitron	Stock: Cardtek Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,000	(Note 1)	6.45%	-	-
Hitron	Stock: Yesmobile Holdings Company Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	294	(Note 1)	0.75%	-	-
Hitron	Preferred Stock: Codent Networks (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,570	(Note 1)	-	-	-
DIVA	Stock: Insight Genomics Inc.	-	Financial assets at fair value through other comprehensive income-non-current	600	1,242	8.00%	1,242	-
DIVA	Stock: Renown Information Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	240	1,990	4.80%	1,990	-
DIVA	Stock: Pharmally International Holding Co. Ltd.	-	Financial assets at fair value through profit or loss-non-current	150	(Note 1)	-	-	-
CKCARE	Stock: Pchain Biotechnology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	9	123	0.10%	123	-

(Note 1)The impairment loss was fully recognized.

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

QISDA CORPORATION AND SUBSIDIARIES
Marketable securities for which the accumulated purchase or sale amount for the year exceed NT\$300 million or 20% of the paid-in capital
For the three months ended March 31, 2023
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 4

Company name	Marketable Securities Type and Name	Financial Statement Account	Counter-Party	Name of Relationship	Beginning Balance		Purchase		Disposal				Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Value	Gain (Loss) on Disposal	Shares	Amount (Note1)
Alpha	Alpha VN	Investment accounted for using equity method	-	Parent/Subsidiary	-	613,700	-	303,100	-	-	-	-	-	873,571
BMC	WPC	Investment accounted for using equity method	-	-	-	-	35,700	3,161,999	-	-	-	-	35,700	3,178,423

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

QISDA CORPORATION AND SUBSIDIARIES
Total purchases from and sales to related parties which exceed NT\$100 million or 20% of the paid-in capital
For the three months ended March 31, 2023
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 5

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/ Accounts Receivable or (Payable)	
The Company	BenQ	Parent/Subsidiary	(Sales)	(1,179,891)	(7)	OA90	-	-	1,487,118	7	-
The Company	QITO	Parent/Subsidiary	(Sales)	(635,451)	(4)	OA120	-	-	937,274	4	-
The Company	QALA	Parent/Subsidiary	(Sales)	(3,631,592)	(20)	OA90	-	-	6,965,217	32	-
The Company	AU	The entity who has significant influence over the Group	(Sales)	(553,371)	(3)	OA120	-	-	373,676	2	-
The Company	AUSZ	The entity who has significant influence over the Group	(Sales)	(188,121)	(1)	OA120	-	-	347,135	2	-
The Company	QCSZ	Parent/Subsidiary	Purchases	10,767,115	63	OA120	-	-	(8,266,619)	(50)	-
The Company	QCOS	Parent/Subsidiary	Purchases	3,039,507	18	OA120	-	-	(4,393,928)	(27)	-
The Company	QVH	Parent/Subsidiary	Purchases	527,339	3	OA60	-	-	(219,722)	(1)	-
QCSZ	The Company	Parent/Subsidiary	(Sales)	(10,767,115)	(87)	OA120	-	-	8,266,619	84	-
QCSZ	BQC RO	Affiliates	(Sales)	(274,691)	(2)	OA120	-	-	64,943	1	-
QCSZ	QCPS	Affiliates	Purchases	250,258	2	OA60	-	-	(114,473)	(1)	-
QCSZ	AU	The entity who has significant influence over the Group	Purchases	680,584	6	EOM55	-	-	(325,692)	(4)	-
QCES	QCOS	Affiliates	(Sales)	(113,751)	(5)	OA60	-	-	25,559	1	-
QCOS	The Company	Parent/Subsidiary	(Sales)	(3,039,507)	(89)	OA120	-	-	4,393,928	94	-
QCOS	AUXM	The entity who has significant influence over the Group	(Sales)	(105,172)	(3)	OA120	-	-	143,444	3	-
QCOS	QCES	Affiliates	Purchases	113,751	3	OA60	-	-	(25,559)	(1)	-
QCPS	QCSZ	Affiliates	(Sales)	(250,258)	(75)	OA60	-	-	114,473	71	-
QALA	The Company	Parent/Subsidiary	Purchases	3,631,592	91	OA90	-	-	(6,965,217)	(100)	-
QITO	The Company	Parent/Subsidiary	Purchases	635,451	99	OA120	-	-	(937,274)	(100)	-
QVH	The Company	Parent/Subsidiary	(Sales)	(527,339)	(97)	OA60	-	-	219,722	94	-
BenQ	BQA	Affiliates	(Sales)	(214,392)	(9)	OA90	-	-	542,337	15	-
BenQ	BQE	Affiliates	(Sales)	(674,429)	(29)	OA90	-	-	1,007,549	28	-
BenQ	BQP	Affiliates	(Sales)	(1,260,130)	(55)	OA60	-	-	1,476,978	41	-
BenQ	The Company	Parent/Subsidiary	Purchases	1,179,891	59	OA90	-	-	(1,487,118)	(67)	-
BenQ	AU	The entity who has significant influence over the Group	Purchases	241,198	12	EOM55	-	-	(190,807)	(9)	-
BQA	BQCA	Affiliates	(Sales)	(149,985)	(13)	OA60	-	-	80,225	12	-
BQA	BenQ	Affiliates	Purchases	214,392	48	OA90	-	-	(542,337)	(96)	-
BQC RO	QCSZ	Affiliates	Purchases	274,691	47	OA120	-	-	(64,943)	(22)	-
BQE	BQDE	Affiliates	(Sales)	(187,012)	(16)	OA30	-	-	49,898	9	-
BQE	BQFR	Affiliates	(Sales)	(150,853)	(13)	OA30	-	-	250,298	45	-
BQE	BQUK	Affiliates	(Sales)	(212,962)	(19)	OA30	-	-	83,373	15	-
BQE	BQAT	Affiliates	(Sales)	(190,532)	(17)	OA45	-	-	60,418	11	-
BQE	BenQ	Affiliates	Purchases	674,429	99	OA90	-	-	(1,007,549)	(96)	-
BQP	BQIN	Affiliates	(Sales)	(267,256)	(17)	OA60	-	-	755,413	39	-
BQP	BQJP	Affiliates	(Sales)	(425,097)	(27)	OA60	-	-	358,601	19	-
BQP	BQME	Affiliates	(Sales)	(275,522)	(17)	OA60	-	-	274,119	14	-
BQP	BenQ	Affiliates	Purchases	1,260,130	90	OA60	-	-	(1,476,978)	(99)	-
BQAT	BQE	Affiliates	Purchases	190,532	100	OA45	-	-	(60,418)	(100)	-
BQCA	BQA	Affiliates	Purchases	149,985	93	OA60	-	-	(80,225)	(99)	-
BQDE	BQE	Affiliates	Purchases	187,012	100	OA30	-	-	(49,898)	(100)	-
BQFR	BQE	Affiliates	Purchases	150,853	96	OA30	-	-	(250,298)	(98)	-
BQIN	BQP	Affiliates	Purchases	267,256	83	OA60	-	-	(755,413)	(94)	-
BQJP	BQP	Affiliates	Purchases	425,097	91	OA60	-	-	(358,601)	(98)	-
BQME	BQP	Affiliates	Purchases	275,522	90	OA60	-	-	(274,119)	(97)	-

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)	
BQK	BQE	Affiliates	Purchases	212,962	100	OA30	-	-	(83,373)	(96)	-
DIC	Data Image (Suzhou) Corporation	Affiliates	Processing cost	296,032	58	Depends on its working capital status	-	-	(173,382)	(38)	-
Data Image (Suzhou) Corporation	DIC	Affiliates	Processing Revenue	(296,032)	(26)	Depends on its working capital status	-	-	173,382	23	-
DFI	DFI AMERICA, LLC.	Affiliates	(Sales)	(222,500)	(18)	60~90 Days	-	-	114,689	13	-
DFI AMERICA, LLC.	DFI	Affiliates	Purchases	222,500	92	60~90 Days	-	-	(114,689)	(99)	-
DFI	Diamond Flower Information (NL) B.V.	Affiliates	(Sales)	(128,969)	(10)	60~90 Days	-	-	61,248	7	-
Diamond Flower Information (NL) B.V.	DFI	Affiliates	Purchases	128,969	99	60~90 Days	-	-	(61,248)	(100)	-
DFI	AEWIN	Affiliates	(Sales)	(124,800)	(10)	EOM90	-	-	131,349	15	-
AEWIN	DFI	Affiliates	Purchases	124,800	37	EOM90	-	-	(131,349)	(52)	-
Alpha	Alpha USA	Affiliates	(Sales)	(2,343,437)	(48)	90 Days	-	-	1,475,165	40	-
Alpha	D-Link Asia	Affiliates	Purchases	119,454	3	90 Days	-	-	(892,698)	(24)	-
Alpha	Alpha CSF	Affiliates	Purchases	2,490,816	56	90 Days	-	-	(1,597,193)	(43)	-
Alpha CSF	Mirac	Affiliates	(Sales)	(110,370)	(4)	90 Days	-	-	98,116	6	-
Alpha HK	Alpha CSF	Affiliates	(Sales)	(1,940,972)	(100)	90 Days	-	-	1,250,835	94	-
D-Link Asia	Alpha DGF	Affiliates	Purchases	119,454	15	90 Days	-	-	(898,099)	(74)	-
Hitron	HUS	Affiliates	(Sales)	(1,485,166)	(53)	90 Days	-	-	2,385,747	100	-
Hitron	HBV	Affiliates	(Sales)	(155,181)	(6)	90 Days	-	-	158,807	9	-
HVN	Hitron	Affiliates	(Sales)	(2,444,403)	(87)	60 Days	-	-	3,126,887	100	-
Alpha USA	Alpha	Affiliates	Purchases	2,343,437	100	90 Days	-	-	(1,475,165)	(100)	-
D-Link Asia	Alpha	Affiliates	(Sales)	(119,454)	(15)	90 Days	-	-	892,698	73	-
Alpha CSF	Alpha	Affiliates	(Sales)	(2,490,816)	(94)	90 Days	-	-	1,597,193	91	-
Mirac	Alpha CSF	Affiliates	Purchases	110,370	100	90 Days	-	-	(98,116)	0	-
Alpha CSF	Alpha HK	Affiliates	Purchases	1,940,972	87	90 Days	-	-	(1,250,835)	(71)	-
Alpha DGF	D-Link Asia	Affiliates	(Sales)	(119,454)	(21)	90 Days	-	-	898,099	83	-
HUS	Hitron	Affiliates	Purchases	1,485,166	61	90 Days	-	-	(2,385,747)	(93)	-
HBV	Hitron	Affiliates	Purchases	155,181	6	90 Days	-	-	(158,807)	(7)	-
Hitron	HVN	Affiliates	Purchases	2,444,403	100	90 Days	-	-	(3,126,887)	(100)	-
BMC	AU	The entity who has significant influence over the Group	(Sales)	(833,044)	(25)	OA90	(Note 1)	-	419,407	16	-
BMC	AUSZ	The entity who has significant influence over the Group	(Sales)	(229,361)	(7)	OA90	(Note 1)	-	79,218	3	-
BMC	AUXM	The entity who has significant influence over the Group	(Sales)	(192,033)	(6)	OA90	(Note 1)	-	78,956	3	-
BMC	BMS	Affiliates	Purchases	258,337	11	OA180	(Note 2)	-	(765,030)	(22)	-
BMS	BMC	Affiliates	(Sales)	(258,337)	(95)	OA180	-	-	765,030	100	-

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

QISDA CORPORATION AND SUBSIDIARIES
Receivables from related parties which exceed NT\$100 million or 20% of the paid-in capital
March 31, 2023
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 6

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Company	BenQ	Parent/Subsidiary	1,487,118	4.50	232,905	-	47,987	-
The Company	QJTO	Parent/Subsidiary	937,274	2.64	123,646	-	63,576	-
The Company	QALA	Parent/Subsidiary	6,965,217	1.84	3,048,569	-	303,000	-
The Company	AU	The entity who has significant influence over the Group	373,676	5.75	5	-	5	-
The Company	AUSZ	The entity who has significant influence over the Group	347,135	2.00	-	-	107,053	-
The Company	AUKS	The entity who has significant influence over the Group	125,409	3.13	-	-	20,576	-
The Company	QCOS	Parent/Subsidiary	301,360	(Note 1)	-	-	-	-
The Company	QVH	Parent/Subsidiary	326,983	(Note 1)	76,166	-	145,741	-
QCSZ	The Company	Parent/Subsidiary	8,266,619	4.09	275	-	32,460	-
QCOS	The Company	Parent/Subsidiary	4,393,928	2.99	-	-	-	-
QCOS	AUXM	The entity who has significant influence over the Group	143,444	4.47	-	-	-	-
QCPS	QCSZ	Affiliates	114,473	10.11	-	-	-	-
QCES	The Company	Parent/Subsidiary	2,358,415	(Note 1)	312,981	-	25,420	-
QVH	The Company	Parent/Subsidiary	219,722	(Note 1)	-	-	-	-
BenQ	BQA	Affiliates	542,337	0.96	280,938	-	-	-
BenQ	BQE	Affiliates	1,007,549	2.64	295,087	-	-	-
BenQ	BQL	Affiliates	227,739	1.08	145,261	-	-	-
BenQ	BQP	Affiliates	1,476,978	3.32	496,303	-	258,399	-
BenQ	QCSZ	Affiliates	150,637	(Note 1)	-	-	-	-
BQE	BQFR	Affiliates	250,298	2.66	193,450	-	-	-
BQL	Maxgen	Affiliates	535,888	0.60	444,288	-	-	-
BQP	BQIN	Affiliates	755,413	1.46	389,360	-	-	-
BQP	BQJP	Affiliates	358,601	5.44	45,803	-	128,075	-
BQP	BQME	Affiliates	274,119	3.71	44,433	-	49,995	-
BQP	BQTH	Affiliates	111,056	0.98	83,904	-	-	-
Data Image (Suzhou) Corporation	DIC	Affiliates	173,382	5.56	-	-	-	-
DFI	The Company	Parent/Subsidiary	100,574	1.54	-	-	44,077	-
DFI	AEWIN	Affiliates	131,349	2.97	-	-	41,505	-
DFI	DFI AMERICA, LLC.	Affiliates	114,689	6.91	-	-	-	-
AEWIN	Aewin Beijing Technologies Co., Ltd.	Affiliates	433,804	0.50	112,004	-	-	-
ACE	Tianjin Ace Pillar Co., Ltd.	Affiliates	177,508	(Note 1)	-	-	-	-
Alpha	Alpha USA	Affiliates	1,475,165	6.69	-	-	500,854	-

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Alpha	Alpha HK	Affiliates	428,242	(Note 1)	38,922	-	-	-
Alpha	Hitron	Affiliates	300,000	(Note 1)	-	-	-	-
D-Link Asia	Alpha	Affiliates	892,698	0.51	250	-	2,301	-
Alpha CSF	Alpha	Affiliates	1,597,193	8.65	-	-	161,557	-
Alpha DGF	D-Link Asia	Affiliates	898,099	0.49	444	-	2,301	-
Alpha HK	Alpha CSF	Affiliates	1,250,835	6.50	126,522	-	159,694	-
D-Link Asia	Alpha DGF	Affiliates	317,486	4.20	2	-	2,300	-
Hitron	HUS	Affiliates	2,385,747	2.54	-	-	392,573	-
Hitron	HBV	Affiliates	158,807	2.86	-	-	-	-
Hitron	HVN	Affiliates	639,438	(Note 1)	-	-	-	-
HVN	Hitron	Affiliates	3,126,887	3.18	-	-	1,148,759	-
BMC	AU	The entity who has significant influence over the Group	419,407	3.51 (Note 2)	-	-	-	-
BMS	BMC	Affiliates	765,030	1.38 (Note 2)	234,616	-	85,493	-
BMW	BMC	Affiliates	120,241	0.45 (Note 2)	17,897	-	9,213	-
PTT	PTE	Affiliates	108,696	0.24	73,960	-	-	-

(Note 1) The sales from repurchasing after processing have been eliminated; therefore, calculation of turnover rate is not applicable.

(Note 2) The calculation of turnover rate includes the account receivable sold to financial institutions.

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

QISDA CORPORATION AND SUBSIDIARIES
Business relationships and significant intercompany transactions
For the three months ended March 31, 2023
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 7

Number (Note 1)	Company Name	Related Party	Name of Relationship (Note 2)	Transaction Details			
				Financial Statements Account	Amount	Payment Terms	Percentage of Consolidated Operating Revenue and Total Assets (Note 4)
0	The Company	BenQ	1	(Sales)	(1,179,891)	OA90	(2%)
0	The Company	QJTO	1	(Sales)	(635,451)	OA120	(1%)
0	The Company	QALA	1	(Sales)	(3,631,592)	OA90	(7%)
1	QCSZ	The Company	2	(Sales)	(10,767,115)	OA120	(21%)
2	QCOS	The Company	2	(Sales)	(3,039,507)	OA120	(6%)
3	QVH	The Company	2	(Sales)	(527,339)	OA60	(1%)
4	BenQ	BQE	3	(Sales)	(674,429)	OA90	(1%)
4	BenQ	BQP	3	(Sales)	(1,260,130)	OA60	(2%)
5	Alpha	Alpha USA	3	(Sales)	(2,343,437)	90 days	(5%)
6	Alpha HK	Alpha CSF	3	(Sales)	(1,940,972)	90 days	(4%)
7	Hitron	HUS	3	(Sales)	(1,485,166)	90 days	(3%)
8	HVN	Hitron	3	(Sales)	(2,444,403)	60 days	(5%)
9	Alpha CSF	Alpha	3	(Sales)	(2,490,816)	90 days	(5%)
0	The Company	QALA	1	Accounts receivable	6,965,217	OA90	3%
1	QCSZ	The Company	2	Accounts receivable	8,266,619	OA120	4%
2	QCOS	The Company	2	Accounts receivable	4,393,928	OA120	2%
3	Hitron	HUS	2	Accounts receivable	2,385,747	90 days	1%
4	HVN	Hitron	2	Accounts receivable	3,126,887	60 days	2%

(Note 1) Parties to the intercompany transactions are identified and numbered as follows:

1. "0" represents the Company.
2. Subsidiaries are numbered from "1".

(Note 2) 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.

(Note 3) 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.

(Note 4) Based on the transaction amount divided by consolidated operating revenues or consolidated total assets.

(Note 5) The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

QISDA CORPORATION AND SUBSIDIARIES
Information of Investees (Excluding Information on investments in Mainland China)
For the three months ended March 31, 2023
(Amounts in thousands of New Taiwan dollars / shares, unless specified otherwise)

Table 8

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2023	December 31, 2022	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%	2,073,854	142,711	29,018	Associate
The Company	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	507,883	507,883	43,659	13.61%	670,472	49,833	7,499	Parent/Subsidiary
The Company	BenQ	Taiwan	Manufacture and sales of brand-name electronic products	4,963,435	4,963,435	320,000	100.00%	7,890,956	191,357	190,325	Parent/Subsidiary
The Company	QALA	USA	Sales of electronic products	32,800	32,800	1,000	100.00%	63,685	1,342	1,342	Parent/Subsidiary
The Company	QJTO	Japan	Sales and maintenance of electronic products in Japanese market	2,701	2,701	-	100.00%	58,681	16,916	16,916	Parent/Subsidiary
The Company	QLPG	Malaysia	Leasing and management services	578,128	578,128	50,000	100.00%	383,628	(5,354)	(5,354)	Parent/Subsidiary
The Company	QLLB	Malaysia	Investment and holding activity	3,687,539	3,687,539	114,250	100.00%	16,017,999	523,663	324,638	Parent/Subsidiary
The Company	APV	Taiwan	Investment and holding activity	570,016	570,016	201,181	100.00%	3,616,112	33,947	33,947	Parent/Subsidiary
The Company	Darby	Malaysia	Investment and holding activity	165,000	165,000	6,000	100.00%	244,892	7,804	7,804	Parent/Subsidiary
The Company	BBHC	Cayman	Investment and holding activity	1,503,504	1,503,504	47,970	19.58%	1,143,141	124,671	24,413	Parent/Subsidiary
The Company	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	1,475,978	1,475,978	43,577	58.04%	1,359,107	3,772	(3,955)	Parent/Subsidiary
The Company	BDT	Taiwan	Manufacture and sale of medical consumable and equipment	280,000	280,000	28,000	100.00%	43,710	(886)	1,474	Parent/Subsidiary
The Company	QTOS	Taiwan	Manufacture of computer peripheral products	1,000	1,000	100	100.00%	1,003	-	-	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%	65,106	8,465	1,693	Associate
The Company	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	3,154,750	3,154,750	51,610	45.08%	2,677,059	125,461	36,375	Parent/Subsidiary
The Company	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	8,135,810	8,135,810	295,797	54.60%	7,604,787	173,899	71,672	Parent/Subsidiary
The Company	K2	Taiwan	Sale of medical consumable and equipment	217,763	217,763	6,997	34.99%	247,283	19,490	6,227	Parent/Subsidiary
The Company	DIC	Taiwan	Manufacture and sales of marine display modules	260,000	260,000	20,000	28.82%	355,054	78,734	22,827	Parent/Subsidiary
The Company	EASCHK	Hong Kong	Sales of brand-name electronic products and smart services	78,338	78,338	1	54.00%	92,178	4,827	2,606	Parent/Subsidiary
The Company	MTG	Taiwan	Distributing and reselling software and hardware equipment of ICT infrastructures, computing & data utilization, and digitalization.	3,202,856	3,202,856	96,841	51.41%	2,543,578	219,810	112,416	Parent/Subsidiary
The Company	Topview	Taiwan	Manufacture and sales of video surveillance cameras	172,500	172,500	5,750	20.00%	237,937	55,229	13,164	Parent/Subsidiary
The Company	QVH	Vietnam	Manufacture of monitors	1,212,849	1,212,849	-	100.00%	432,611	(56,422)	(56,422)	Parent/Subsidiary
The Company	Simula	Taiwan	Manufacture and sales of electronic material	600,000	600,000	30,000	37.51%	607,124	(2,313)	(4,794)	Parent/Subsidiary
The Company	GSC	Taiwan	Sale of alcohol and medical disinfectant	254,000	254,000	14,000	50.00%	343,336	6,214	1,634	Parent/Subsidiary
The Company	TCI Gene	Taiwan	Genetic testing and wholesale of nutritional supplement	545,160	545,160	4,720	17.84%	530,199	(5,739)	(4,252)	Associate
The Company	Rapidtek	Taiwan	Antenna design and production and sales of RF testing products	163,850	163,850	2,260	9.05%	154,149	23,263	(2,383)	Associate
BMC	BMLB	Malaysia	Investment and holding activity	1,141,340	1,141,340	35,082	100.00%	2,321,788	(23,620)	-	Affiliates
BMC	SGM	Taiwan	Manufacture and sales of medical consumables and equipment	231,727	231,727	2,000	100.00%	84,190	12,854	-	Affiliates
BMC	Visco Vision Inc.	Taiwan	Manufacture and sale of contact lenses	168,771	168,771	9,334	14.82%	348,988	37,522	-	Associate
BMC	Cenefom Corporation	Taiwan	R&D, manufacture and sale of medical consumable and equipment	272,968	272,968	11,646	51.34%	222,481	(5,846)	-	Affiliates
BMC	Genejet Biotech Co., Ltd.	Taiwan	R&D, manufacture and sale of medical consumable and equipment	43,316	43,316	3,767	70.00%	42,813	546	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
BMC	WEB-PRO Corporation	Taiwan	R&D, manufacture and sale of medical supplies	3,161,999	-	35,700	51.00%	3,178,423	39,822	-	Affiliates
BMC	MLK Bioscience Co., Ltd.	Taiwan	R&D and sale of medical consumable and equipment	6,000	6,000	217	20.00%	4,270	(345)	-	Associate
BMC	Kangde Corp.	Taiwan	Sale of medical consumable and equipment	5,980	5,980	598	9.98%	4,814	(1,350)	-	Associate
WPC	WPSG	Singapore	Investment and holding activity	450,714	-	15,500	100.00%	377,152	(10,503)	-	Affiliates
WPSG	WPVN	Vietnam	R&D, manufacture and sale of medical supplies	460,950	-	-	100.00%	360,064	(10,693)	-	Affiliates
APV	Darly C	Taiwan	Investment management consulting	77,933	77,933	12,105	45.11%	198,422	3,776	-	Affiliates
APV	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	221,786	221,786	15,182	4.73%	259,416	49,833	-	Affiliates
APV	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	42,584	42,584	3,549	7.96%	90,371	22,621	-	Affiliates
APV	BBHC	Cayman	Investment and holding activity	904,102	904,102	25,000	10.21%	595,227	124,671	-	Affiliates
APV	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	112,080	112,080	6,006	8.00%	165,469	3,772	-	Affiliates
APV	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	149,096	149,096	2,294	2.00%	146,946	125,461	-	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%	250,549	173,899	-	Affiliates
APV	Topview	Taiwan	Manufacture and sales of video surveillance cameras	63,525	63,525	1,286	4.47%	70,124	55,229	-	Affiliates
APV	DIC	Taiwan	Manufacture and sales of marine display modules	88,222	88,222	3,607	5.20%	81,226	78,734	-	Affiliates
APV	Simula	Taiwan	Manufacture and sales of electronic material	201,673	201,673	5,390	6.74%	211,186	(2,313)	-	Affiliates
APV	GSC	Taiwan	Sale of alcohol and medical disinfectant	150,000	150,000	14,000	50.00%	255,900	6,214	-	Affiliates
APV	TCI Gene	Taiwan	Genetic testing and wholesale of nutritional supplement	189,516	189,516	1,480	5.59%	187,753	(5,739)	-	Affiliates
APV	Rapidtek	Taiwan	Antenna design and production and sales of RF testing products	42,050	42,050	580	2.32%	41,770	23,263	-	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%	238,580	173,899	-	Affiliates
Darly	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	30,456	30,456	7,800	12.50%	15,493	3,198	-	Affiliates
Darly	BBHC	Cayman	Investment and holding activity	471,516	471,516	14,158	5.78%	335,960	124,671	-	Affiliates
BenQ	BQA	USA	Sales of brand-name electronic products in North America markets	114,553	114,553	200	100.00%	1,048,415	9,783	-	Affiliates
BenQ	BQL	USA	Sales of brand-name electronic products in Latin America markets	342,589	342,589	9,350	100.00%	77,228	47,233	-	Affiliates
BenQ	BQE	The Netherlands	Sales of electronic products in European markets	960,568	960,568	5,009	100.00%	817,249	(104,537)	-	Affiliates
BenQ	BQP	Taiwan	Sales of brand-name electronic products in Asia markets	950,000	950,000	20,000	100.00%	316,091	115,569	-	Affiliates
BenQ	Darly 2	Taiwan	Investment and holding activity	2,361,132	2,361,132	227,372	100.00%	4,010,268	63,030	-	Affiliates
BenQ	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	74,021	74,021	23,400	37.50%	47,790	3,198	-	Affiliates
BenQ	DFN	Taiwan	R&D, manufacture and sale of MLCC and keyboards	233,491	233,491	14,017	5.01%	498,780	142,711	-	Associate
BenQ	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	946,731	946,731	80,848	25.21%	1,381,375	49,833	-	Affiliates
BenQ	BBHC	Cayman	Investment and holding activity	719,088	719,088	20,000	8.17%	476,182	124,671	-	Affiliates
BenQ	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	235,069	235,069	19,353	43.43%	481,545	22,621	-	Affiliates
BenQ	MQE	The Netherlands	Maintenance of brand-name electronic monitors and projectors in European markets	90,912	90,912	82	100.00%	77,539	(678)	-	Affiliates
BenQ	INF	Taiwan	Assembly and sales of gaming electronic products	117,987	117,987	6,947	100.00%	84,539	(1,994)	-	Affiliates
BenQ	BQHK_HLD	Hong Kong	Sales of brand-name electronic products in HK markets	118,282	118,282	4,000	100.00%	2,042,389	114,087	-	Affiliates
BenQ	PT BenQ Teknologi Indonesia	Indonesia	Sales of brand-name electronic products	21	21	-	0.31%	107	4,463	-	Affiliates
BenQ	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	342	342	18	-	342	173,899	-	Affiliates
BQP	BenQ India Private Ltd.	India	Sales of brand-name electronic products	224,405	224,405	440,296	100.00%	91,325	41,338	-	Affiliates
BQP	BenQ (M.E.) FZE	United Arab Emirates	Sales of brand-name electronic products	8,891	8,891	-	100.00%	108,907	10,972	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
BQP	BenQ Japan Co., Ltd.	Japan	Sales of brand-name electronic products	4,518	4,518	-	100.00%	198,360	13,252	-	Affiliates
BQP	BenQ Singapore Pte Ltd.	Singapore	Sales of brand-name electronic products	1,837	1,837	500	100.00%	3,383	1,225	-	Affiliates
BQP	BenQ Australia Pte Ltd.	Australia	Sales of brand-name electronic products	132,590	132,590	2,191	100.00%	86,102	(3,126)	-	Affiliates
BQP	BenQ Service & Marketing (M) Sdn Bhd	Malaysia	Sales of brand-name electronic products	119,488	119,488	100	100.00%	8,684	44	-	Affiliates
BQP	BenQ (Thailand) Co., Ltd.	Thailand	Sales of brand-name electronic products	120,116	120,116	12,000	100.00%	(78,645)	(6,176)	-	Affiliates
BQP	BenQ Korea Co., Ltd.	Korea	Providing administration and management service to affiliates	1,713	1,713	10	100.00%	(5,091)	(7,253)	-	Affiliates
BQP	PT BenQ Teknologi Indonesia	Indonesia	Sales of brand-name electronic products	6,901	6,901	6	99.69%	34,760	4,463	-	Affiliates
BQP	BenQ Vietnam Co., Ltd.	Vietnam	Sales of brand-name electronic products	5,576	5,576	1	100.00%	4,466	(196)	-	Affiliates
BQA	BenQ Canada Corp.	Canada	Sales of brand-name electronic products	26	26	1	100.00%	64,921	(1,541)	-	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%	80,497	13,132	-	Affiliates
BQL	Joytech LLC	USA	Investment and holding activity	74,046	74,046	1	100.00%	(24,639)	21,384	-	Affiliates
BQL	Vividtech LLC	USA	Investment and holding activity	74,046	74,046	1	100.00%	(24,639)	21,384	-	Affiliates
Joytech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of brand-name electronic products	74,046	74,046	1	50.00%	(24,639)	42,768	-	Affiliates
Vividtech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of brand-name electronic products	74,046	74,046	1	50.00%	(24,639)	42,768	-	Affiliates
BQmx	BenQ Service de Mexico S. de R.L. de C.V.	Mexico	Providing administration and management services to affiliates	87	87	3	99.97%	4,218	(2)	-	Affiliates
Darly 2	Darly C	Taiwan	Investment management consulting	89,179	89,179	14,728	54.89%	241,429	3,776	-	Affiliates
Darly 2	BBHC	Cayman	Investment and holding activity	2,122,721	2,122,721	65,024	26.55%	1,548,161	124,671	-	Associate
Darly 2	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	121,860	121,860	31,200	50.00%	63,720	3,198	-	Affiliates
Darly 2	BMTC	Taiwan	Manufacture and sales of medical consumables and equipment	27,337	27,337	1,590	3.57%	40,489	22,621	-	Affiliates
Darly 2	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	49,426	49,426	1,648	2.19%	45,404	3,772	-	Affiliates
Darly 2	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	596,382	596,382	9,175	8.01%	588,105	125,461	-	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%	74,171	173,899	-	Affiliates
Darly 2	K2	Taiwan	Sale of medical consumable and equipment	44,997	44,997	1,003	5.01%	53,731	19,490	-	Affiliates
Darly 2	DIC	Taiwan	Manufacture and sales of marine display modules	48,093	48,093	3,005	4.33%	64,424	78,734	-	Affiliates
Darly 2	Topview	Taiwan	Manufacture and sales of video surveillance cameras	123,252	123,252	2,615	9.10%	141,128	55,229	-	Affiliates
Darly 2	Simula	Taiwan	Manufacture and sales of electronic material	205,920	205,920	5,500	6.88%	215,472	(2,313)	-	Affiliates
BQE	BenQ UK Limited	UK	Sales of brand-name electronic products	14,800	14,800	-	100.00%	48,267	(24,703)	-	Affiliates
BQE	BenQ Deutschland GmbH	Germany	Sales of brand-name electronic products	25,587	25,587	-	100.00%	166,578	(12,866)	-	Affiliates
BQE	BenQ Benelux B.V.	The Netherlands	Sales of brand-name electronic products	567	567	-	100.00%	(26,243)	1,230	-	Affiliates
BQE	BenQ Austria GmbH	Australia	Sales of brand-name electronic products	1,091	1,091	-	100.00%	71,581	1,161	-	Affiliates
BQE	BenQ Iberica S.L. Unipersonal	Spain	Sales of brand-name electronic products	4,677	4,677	-	100.00%	87,746	(1,303)	-	Affiliates
BQE	BenQ Italy S.R.L.	Italy	Sales of brand-name electronic products	92,654	92,654	50	100.00%	30,224	(12,025)	-	Affiliates
BQE	BenQ France SAS	France	Sales of brand-name electronic products	2,045	2,045	-	100.00%	(111,376)	(5,825)	-	Affiliates
BQE	BenQ Nordic A.B.	Sweden	Sales of brand-name electronic products	445	445	-	100.00%	38,957	1,258	-	Affiliates
BQE	BenQ LLC.	Russia	Providing administration and management services to affiliates	52	52	-	100.00%	17,845	(931)	-	Affiliates
BMTC	Asiacconnect	Taiwan	Sales of medical consumables and equipment	21,984	21,984	1,995	99.75%	25,180	27	-	Affiliates
BMTC	Highview	Samoa	Investment and holding activity	36,211	36,211	1,062	100.00%	16,021	287	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
BMTC	LILY	Taiwan	Sales of medical consumables and equipment	185,000	185,000	10,000	100.00%	236,877	7,899	-	Affiliates
BMTC	BABD	Taiwan	Sales of medical consumables and equipment	88,000	88,000	8,800	88.00%	59,188	(1,048)	-	Affiliates
BMTC	BHS	Taiwan	Sales of medical consumables and equipment	100,000	100,000	10,000	100.00%	141,243	15,035	-	Affiliates
BMTC	EASTECH	Taiwan	Sales of medical consumables and equipment	20,300	20,300	700	70.00%	37,155	3,904	-	Affiliates
BMTC	Concord	Taiwan	Sales and purchase of medical products, medical equipment leasing and management consulting	190,000	190,000	133,333	40.00%	273,255	8,736	-	Affiliates
BMTC	CCHC	Taiwan	Sales of medical consumables and equipment, and management consulting	-	40,000	-	-	-	(229)	-	Affiliates
Concord	CCHC	Taiwan	Sales of medical consumables and equipment, and management consulting	119,864	80,000	12,000	100.00%	119,724	(229)	-	Affiliates
BHS	NBHIT	Taiwan	Sales of medical consumables and equipment	59,280	59,280	1,092	52.00%	83,462	12,345	-	Affiliates
BHS	CKCARE	Taiwan	Sales of medical products	105,300	105,300	4,362	60.00%	112,584	3,757	-	Affiliates
PTT	WEBEST	Taiwan	Sales, import and export of electronic products	21,843	21,843	2,500	100.00%	40,204	1,646	-	Affiliates
PTT	PTUK	UK	Sales, import and export of electronic products	43,834	43,834	886	88.60%	31,293	(964)	-	Affiliates
PTT	PTE	Germany	Sales, import and export of electronic products	51,451	51,451	(Note 1)	50.02%	143,130	9,644	-	Affiliates
PTT	PTME	United Arab Emirates	Sales, import and export of electronic products	137,387	137,387	-	99.00%	35,110	1,428	-	Affiliates
PTT	PTSE	Singapore	Software development and sales of product	57,449	57,449	222	69.88%	60,764	946	-	Affiliates
PTT	PTTN	Taiwan	Software development and sales of product	25,769	25,769	2,577	50.62%	39,639	(4,503)	-	Affiliates
PTT	PTMG	Taiwan	Software development and sales of product	11,000	11,000	1,100	52.38%	20,789	886	-	Affiliates
PTT	PTAP	Taiwan	Sales, import and export of electronic products	8,000	-	8,000	100.00%	-	-	-	Affiliates
PTT	PTNA	Morocco	Sales, import and export of electronic products	-	4,075	-	-	-	-	-	Affiliates
PTT	P&S	British Virgin Islands	Sales, import and export of electronic products	134,973	134,973	4,560	100.00%	142,547	(6,810)	-	Affiliates
PTE	PTUK	UK	Sales, import and export of electronic products	5,640	5,640	114	11.40%	5,581	(964)	-	Affiliates
PTE	Sloga	Slovenia	Sales, import and export of electronic products	980	980	(Note 1)	90.00%	(14,941)	164	-	Affiliates
PTE	RSS	Spain	Sales, import and export of electronic products	-	-	(Note 1)	68.00%	12,344	1,893	-	Affiliates
PTE	PTF	France	Sales, import and export of electronic products	1,641	1,641	(Note 1)	70.00%	1,166	-	-	Affiliates
PTME	E-POS	United Arab Emirates	Sales, import and export of electronic products	2,485	2,485	0.3	100.00%	(59,096)	(343)	-	Affiliates
WEBEST	PTTN	Taiwan	Software development and sales of product	10	10	1	0.02%	13	(4,503)	-	Affiliates
WEBEST	PTNA	Morocco	Sales, import and export of electronic products	-	1	-	-	-	-	-	Affiliates
WEBEST	PTME	United Arab Emirates	Sales, import and export of electronic products	1,560	1,560	0.001	1.00%	292	1,428	-	Affiliates
P&S	PTU	USA	Sales, import and export of electronic products	31,593	31,593	1,091	100.00%	100,853	(1,544)	-	Affiliates
DFI	DFI AMERICA, LLC.	USA	Sales of industrial motherboards	254,683	254,683	1,209	100.00%	379,541	1,083	-	Affiliates
DFI	Yan Tong Technology Ltd.	Mauritius	Investment and holding activity	107,198	107,198	3,500	100.00%	111,757	(4,017)	-	Affiliates
DFI	DFI Co., Ltd.	Japan	Sales of industrial motherboards	104,489	104,489	6	100.00%	124,874	4,345	-	Affiliates
DFI	Diamond Flower Information (NL) B.V.	The Netherlands	Sales of industrial motherboards	35,219	35,219	12	100.00%	114,684	10,285	-	Affiliates
DFI	AEWIN	Taiwan	Manufacture and sale of industrial motherboards and component	564,191	564,191	30,376	51.38%	634,131	14,403	-	Affiliates
DFI	ACE	Taiwan	Sales of automation mechanical transmission system and component	1,301,359	1,301,359	53,958	48.07%	1,059,366	2,426	-	Affiliates
DFI	BRS	USA	Wholesale and retail of computers and peripherals product	501,582	501,582	233	35.09%	528,330	2,736	-	Affiliates
AEWIN	Wise Way	Anguilla	Investment and holding activity	46,129	46,129	1,500	100.00%	127,051	(11,597)	-	Affiliates
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer peripheral products and software	77,791	77,791	2,560	100.00%	19,477	320	-	Affiliates
Wise Way	Bright Profit	Hong Kong	Investment and holding activity	46,129	46,129	1,500	100.00%	178,174	(11,597)	-	Affiliates
ACE	ACECS	Samoa	Investment and holding activity	107,041	107,041	4,669	100.00%	572,746	(12,829)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
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%	46,367	(270)	-	Affiliates
ACECS	ACEPR	Samoa	Investment and holding activity	527,665	527,665	17,744	100.00%	449,365	(13,516)	-	Affiliates
ACECS	Ace Tek (HK) Holding Co., Ltd.	Hong Kong	Investment and holding activity	4,938	4,938	150	100.00%	2,285	94	-	Affiliates
ACE	STC	Taiwan	Sales of semiconductor optoelectronic equipment and consumables, and equipment maintenance services	187,000	187,000	4,680	60.00%	211,796	3,950	-	Affiliates
STC	Standard Technology Corp.	British Virgin Islands	Investment and holding activity	21,727	21,727	600	100.00%	117,304	1,647	-	Affiliates
ACE	AEG	Taiwan	Energy service	166,760	166,760	4,993	99.86%	189,115	12,246	-	Affiliates
AEG	Blue Walker GmbH	Germany	Sales and service of energy management product	138,804	138,804	(Note 1)	100.00%	152,827	7,266	-	Affiliates
K2	K2 Medical (Thailand) Co., Ltd.	Thailand	Sales of medical consumables	15,919	15,919	-	49.00%	29,612	10,189	-	Affiliates
K2	PT Frismed Hoslab Indonesia	Indonesia	Sales of medical consumables	257,728	257,728	-	67.00%	327,602	52,633	-	Affiliates
DIC	Data Image (Mauritius) Corporation	Mauritius	Investment and holding activity	518,381	518,381	20,215	100.00%	426,340	78,962	-	Affiliates
DIC	DIVA	Taiwan	Manufacture and sales of medical consumables and equipment	625,680	625,680	20,856	35.55%	608,651	49,661	-	Affiliates
DIC	DMC Components International, LLC	Orlando, USA	Agency sales	24,304	24,304	300	30.00%	9,207	3,747	-	Associate
DIVA	DIVA Laboratories GmbH	Germany	Sales of monitor	25,092	25,092	-	100.00%	1,264	(109)	-	Affiliates
DIVA	DIVA Laboratories U.S., LLC	USA	Sales of monitor	35,858	35,858	-	100.00%	11,964	255	-	Affiliates
DIVA	Panoramic Imaging Solutions Inc.	Taiwan	Sales of monitor	24,600	24,600	2,500	100.00%	22,284	(5,269)	-	Affiliates
DIVA	Diva Capital Inc.	Samoa	Investments in Mainland China	52,908	52,908	-	100.00%	9,609	1,007	-	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%	3,164	(1,693)	-	Associate
Diva Capital Inc.	Diva Holding Inc.	Samoa	Investments in Mainland China	52,598	52,598	-	100.00%	9,598	1,007	-	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%	848	-	-	Affiliates
MTG	Ginnet	Taiwan	Sales of network and information and communication hardware and software	119,657	119,142	10,505	79.58%	189,468	7,953	-	Affiliates
MTG	Epic Cloud	Taiwan	Software and data processing services	27,500	27,500	2,750	100.00%	4,410	(17)	-	Affiliates
MTG	Corex	South Africa	Sales, purchase, import and export of electronic products	251,872	251,872	1	100.00%	281,269	27,536	-	Affiliates
MTG	Statinc	Taiwan	Market research, marketing consultant and data processing service	69,983	69,983	1,754	34.99%	79,344	(7,676)	-	Affiliates
MTG	Grandsys Inc.	Taiwan	Data software and data processing service	94,547	94,547	5,643	20.96%	113,445	2,012	-	Associate
MTG	AdvancedTEK	Taiwan	Applications implement services	30,091	30,091	1,153	34.09%	39,283	58	-	Affiliates
MTG	Everlasting Digital ESG Co., Ltd.	Taiwan	Sales and software development	5,000	5,000	500	29.41%	2,770	(1,166)	-	Associate
MTG	MRU (Formerly GST)	Taiwan	R&D and sales of computer information system	31,000	31,000	2,000	100.00%	26,372	805	-	Affiliates
Epic Cloud	Ginnet	Taiwan	Sales of network and information and communication hardware and software	172	172	10	0.08%	172	7,953	-	Affiliates
Epic Cloud	Statinc	Taiwan	Market research, marketing consultant and data processing service	40	40	1	0.02%	40	(7,676)	-	Affiliates
AdvancedTEK	APEO Human Capital Services Corp.	Taiwan	Implementaion of application software services	2,060	2,060	200	100.00%	2,725	143	-	Affiliates
Statinc	Datta	Taiwan	Market research, marketing consultant and data processing service	20,000	20,000	2,000	100.00%	11,168	(1,282)	-	Affiliates
Topview	Messoa	Taiwan	Sales, and import and export of video surveillance cameras	23,879	23,879	1,945	40.78%	9,864	4,463	-	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%	32,935	(525)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of March 31, 2023			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				March 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Value			
Simula	Aspire Asia Inc.	British Virgin Islands	Investment and holding activity	286,764	286,764	9,403	100.00%	134,327	(9,647)	-	Affiliates
Simula	Simula Technology Corp.	USA	Sales in North America	15,699	15,699	500	100.00%	42,305	470	-	Affiliates
Simula	Simula Company Limited	Hong Kong	Investment and holding activity	187,625	187,625	50,500	52.31%	134,326	(19,203)	-	Affiliates
Simula	Action Star Technology Co.,Ltd.	Taiwan	Manufacture of computer and peripherals products	983,858	983,858	32,001	59.35%	1,149,870	47,849	-	Affiliates
Simula	Mcurich Inc.	Taiwan	Sales of electronic products	15,029	15,029	645	15.12%	-	-	-	Associate
Aspire Asia Inc.	Aspire Electronics Corp.	Samoa	Investment and holding activity	95,099	95,099	2,188	95.10%	11,726	(515)	-	Affiliates
Aspire Asia Inc.	Simula Company Limited	Hong Kong	Investment and holding activity	181,726	181,726	46,033	47.69%	122,445	(19,203)	-	Affiliates
GSC	Bigmin Bio-Tech Company Ltd.	Taiwan	Sale of alcohol and medical disinfectant	20,250	20,250	1,500	100.00%	68,290	571	-	Affiliates
GSC	E-Strong Medical Technology Co., Ltd.	Taiwan	Manufacture of alcohol and dialysate	310,112	310,112	23,687	71.03%	305,877	158	-	Affiliates
Alpha	AH	Cayman	Investment and holding activity	208,500	208,500	6,464	100.00%	-	-	-	Affiliates
Alpha	Alpha Solutions	Japan	Sale of network equipment, components and technical services	5,543	5,543	1	100.00%	18,223	(107)	-	Affiliates
Alpha	Alpha USA	USA	Sale, marketing and procurement service in USA	51,092	51,092	1,500	100.00%	157,406	(26)	-	Affiliates
Alpha	Alpha HK	Hong Kong	Investment and holding activity	3,143,628	3,143,628	780,911	100.00%	2,215,940	12,691	-	Affiliates
Alpha	ATS	USA	Post-sale service	260,497	260,497	8,100	100.00%	187,631	518	-	Affiliates
Alpha	Enrich	Taiwan	Investment and holding activity	400,000	400,000	40,000	100.00%	299,503	(4,505)	-	Affiliates
Alpha	Hitron	Taiwan	Marketing on system integration of communication production and telecommunication products	4,811,000	4,811,000	200,000	62.24%	3,922,853	28,626	-	Affiliates
Alpha	D-Link Asia	Singapore	Investment in manufacturing business	1,692,805	1,692,805	86,946	100.00%	1,874,811	(20,317)	-	Affiliates
Alpha	Alpha VN	Vietnam	Manufacture and sales of network products	1,006,156	703,056	(Note 1)	100.00%	873,571	(39,872)	-	Affiliates
Enrich	IDT	Taiwan	Telecommunication and broadband network system services	189,523	189,523	2,575	6.40%	103,864	29,359	-	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%	13,194	(3,502)	-	Affiliates
Enrich	APL	Taiwan	Sale of network equipment, components and technical services	80,000	80,000	8,000	98.92%	57,052	(6,223)	-	Affiliates
Enrich	Rapidtek	Taiwan	Antenna design and production and sales of RF testing products	108,750	108,750	1,500	6.01%	108,750	23,263	-	Associate
Hitron	HSM	Samoa	International trade	172,179	642,697	5,850	100.00%	140,027	27	-	Affiliates
Hitron	IDT	Taiwan	Telecommunication and broadband network system services	126,091	126,091	16,703	41.49%	498,936	29,359	-	Affiliates
Hitron	HVN	Vietnam	Production and sale of broadband telecommunications products	1,511,735	1,511,735	(Note 1)	100.00%	2,512,909	286,153	-	Affiliates
Hitron	HUS	USA	International trade	90,082	90,082	300	100.00%	578,636	94,488	-	Affiliates
Hitron	HBV	The Netherlands	International trade	59,604	59,604	15	100.00%	101,432	(5,186)	-	Affiliates
Hitron	HTG	Taiwan	Investment	20,000	20,000	2,000	100.00%	3,448	5	-	Affiliates

(Note1)There was no shares as the company is a limited liability company.

(Note2)The above intercompany transactions have been eliminated when preparing the consolidated financial statements.

QISDA CORPORATION AND SUBSIDIARIES
Information on investments in Mainland China
For the three months ended March 31, 2023

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

Table 9

A. Qisda Corporation

1. Information on investments in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2023	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Qisda (Suzhou) Co., Ltd. ("QCSZ")	Manufacture of monitors and communication devices	2,255,520 (USD 74,000)	(Note 1)	2,164,080 (USD 71,000)	-	-	2,164,080 (USD 71,000)	555,968	100.00%	555,968 (Note 3)	11,450,976	-
BenQ Medical (Shanghai) Co., Ltd. ("BMSH")	Sale of medical consumable and equipment	41,453 (USD 1,360)	(Note 10)	-	-	-	-	(1,919)	100.00%	(1,919) (Note 4)	22,947	-
Qisda Electronics (Suzhou) Co., Ltd. ("QCES")	Manufacture of monitors	359,664 (USD 11,800)	(Note 1)	359,664 (USD 11,800)	-	-	359,664 (USD 11,800)	(25,484)	100.00%	(25,484) (Note 4)	1,769,192	-
Qisda Optonics (Suzhou) Co., Ltd. ("QCOS")	Manufacture of projectors	379,781 (USD 12,460)	(Note 1)	379,781 (USD 12,460)	-	-	379,781 (USD 12,460)	448	100.00%	448 (Note 3)	4,204,037	445,099 (USD 14,603)
Qisda (Shanghai) Co., Ltd. ("QCSH")	Manufacture of monitors	2,026,920 (USD 66,500)	(Note 1)	1,463,040 (USD 48,000)	-	-	1,463,040 (USD 48,000) (Note 8)	(5,193)	100.00%	(5,193) (Note 4)	(1,514,059)	-
Qisda Precision Industry (Suzhou) Co., Ltd. ("QCPS")	Manufacture of plastic parts	152,400 (USD 5,000)	(Note 1)	144,780 (USD 4,750)	-	-	144,780 (USD 4,750)	3,289	100.00%	3,289 (Note 4)	448,115	-
BenQ Intelligent Technology ("BQC_RO")	Sales and maintenance of electronic products in China	91,440 (USD 3,000)	(Note 1)	91,440 (USD 3,000)	-	-	91,440 (USD 3,000)	94,530	100.00%	94,530 (Note 3)	1,831,974	-
BenQ Technology (Shanghai) Co., Ltd. ("BQIs")	Sales of brand-name electronic products	30,480 (USD 1,000)	(Note 1)	6,096 (USD 200)	-	-	6,096 (USD 200) (Note 7)	13,351	100.00%	13,351 (Note 4)	110,876	-
ShengCheng Trading(Shanghai) Co., Ltd. ("BQsha_EC2")	Sales of brand-name electronic products	3,048 (USD 100)	(Note 11)	-	-	-	-	5,063	100.00%	5,063 (Note 4)	62,736	-
Nanjing BenQ Hospital Co., Ltd. ("NMH")	Medical services	5,547,817 (USD 182,015)	(Note 1)	5,711,830 (USD 187,396)	-	-	5,711,830 (USD 187,396)	63,608	70.28%	44,704 (Note 3)	2,504,214	-
Suzhou BenQ Hospital Co., Ltd. ("SMH")	Medical services	2,671,384 (CNY 601,975)	(Note 1)	2,712,598 (USD 88,996)	-	-	2,712,598 (USD 88,996)	82,126	70.28%	57,718 (Note 3)	988,126	-
BenQ Hospital Management Consulting (Nanjing) Co.,	Medical management consulting	30,480 (USD 1,000)	(Note 1)	30,480 (USD 1,000)	-	-	30,480 (USD 1,000)	(123)	70.28%	(86) (Note 4)	16,262	-
Suzhou BenQ Investment Co., Ltd. ("BIC")	Investment and holding activity	914,400 (USD 30,000)	(Note 9)	-	-	-	-	41	70.28%	29 (Note 4)	602,768	-
Nanjing Silvertown Health & Development Co., Ltd. ("NSHD")	Medical services	443,770 (CNY 100,000)	(Note 12)	-	-	-	(Note 12)	(1,082)	10.54%	(114) (Note 4)	123,842 (Note 16)	-
BenQ Guru Software Co., Ltd. ("GSS")	R&D and sales of computer information systems	402,336 (USD 13,200)	(Note 1)	295,656 (USD 9,700)	-	-	295,656 (USD 9,700) (Note 6)	3,198	100.00%	3,198 (Note 4)	13,729	-
BenQ Biotech (Shanghai) Co., Ltd. ("BBC")	Manufacture and sales of medical consumables and equipment	665,655 (CNY 150,000)	(Note 2)	909,729 (CNY 205,000)	-	-	909,729 (CNY 205,000)	(25,125)	70.00%	(17,588) (Note 4)	580,028	-
Guangxi Youshan Medical Technology Co., Ltd.	Medical services	26,626 (CNY 6,000)	(Note 14)	-	-	-	(Note 14)	6,743	38.50%	2,596 (Note 4)	23,019	-
Wangcheng Medical Technology (Chengdu) Co.,	Sales of medical consumables and equipment	8,875 (CNY 2,000)	(Note 14)	-	-	-	(Note 14)	526	49.00%	258 (Note 4)	6,399	-
Shanghai Filter Technology Co.,Ltd ("Filter")	Sales of medical consumables and equipment	275,137 (CNY 62,000)	(Note 14)	-	-	-	(Note 14)	(475)	70.00%	(333) (Note 4)	192,098	-

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2023	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Shanghai Perfusion Medical Technology Co.,Ltd	R&D and manufacture of medical consumables and equipment	22,189 (CNY 5,000)	(Note 14)	-	-	-	(Note 14)	(71)	35.70%	(25)	7,896	-
Guigang Donghui Medical Investment Co., Ltd.	Medical services	2,996,641 (CNY 675,269)	(Note 13)	-	-	-	(Note 13)	(186,163)	9.93%	(18,486)	312,692	-
Shanghai Zhenglang Medical Equipment Co.,Ltd	Sales of medical consumables and equipment	26,626 (CNY 6,000)	(Note 14)	-	-	-	(Note 14)	2,979	35.70%	1,064	12,276	-
Jiangsu Yudi Optical Co.,Ltd (“Yudi”)	Sales and Manufacture of Optical Lens	358,921 (CNY 80,880)	(Note 15)	-	-	-	(Note 15)	35,282	20.01%	7,060	491,555	-
										(Note 4)	(Note 16)	

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

(Note 2) Direct investment in Mainland China.

(Note 3) Investment income or loss was recognized based on the 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 above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.48 and CNY\$1 = NT\$4.4437.

(Note 6) The amount of GRHK reinvestments US\$3,500 thousand were excluded.

(Note 7) The amount of QCES reinvestments US\$800 thousand were excluded.

(Note 8) The amount of QCES reinvestments US\$18,500 thousand were excluded.

(Note 9) The investment was from the operating capital of BBM.

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

(Note 11) The reinvestments were from the distribution of dividends of BQHK.

(Note 12) NSHD is established by NMH's asset division.

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

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

(Note 15) The investment was from the operating capital of QCES.

(Note 16) Accounting for investments using equity method.

(Note 17) The above amounts have been eliminated when preparing the consolidated financial statement, except for NSHD, Guigang Donghui Medical Investment Co., Ltd. and Yudi, which was classified as investments accounted for using equity method.

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
16,707,574 (Note 18) (USD 518,302 and CNY 205,000)	17,456,109 (USD 572,707)	(Note 19)

(Note 18) The remitted investment amount of \$2,438,400 (USD 80,000 thousand) for the disposed subsidiary BQC were included.

(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, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2023	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
BenQ Material (Suzhou) Co., Ltd. ("BMS")	Manufacture of optoelectronics	883,920 (USD29,000)	(Note 1)	883,920 (USD29,000)	-	-	883,920 (USD 29,000)	16,528	100.00%	16,528 (Note 2)	2,547,902 (Note 6)	-
Daxon Biomedical (Suzhou) Co., Ltd. ("DTB")	Service and sales of optoelectronics and medical consumables	48,815 (CNY11,000)	(Note 4)	-	-	-	-	1,242	100.00%	1,242 (Note 2)	27,999 (Note 6)	-
BenQ Materials (Wuhu) Co., Ltd. ("BMW")	Manufacture and sales of optoelectronics and cosmetics	355,016 (CNY80,000)	(Note 1)	177,508 (CNY 40,000)	-	-	177,508 (CNY 40,000) (Note 5)	(36,907)	100.00%	(36,578) (Note 2)	(224,511) (Note 6)	-
BenQ Materials Medical Supplies (Suzhou) Co., Ltd. ("BMM")	Manufacture and sales of medical consumables and equipment	66,566 (CNY15,000)	(Note 4)	-	-	-	-	(5,406)	100.00%	(5,406) (Note 2)	41,176 (Note 6)	-
Suzhou Sigma Medical Supplies Co., Ltd. ("SMSZ")	Manufacture and sales of medical consumables and equipment	22,007 (USD722)	(Note 3)	22,007 (USD722)	-	-	22,007 (USD 722)	1	100.00%	1 (Note 2)	1,101 (Note 6)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMC	1,061,428 (USD29,000 and CNY40,000)	1,176,586 (USD29,000 and CNY65,950)	(Note 7)
SGM	22,007 (USD722)	22,007 (USD722)	80,000

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

(Note 2) Investment income or loss was recognized based on the 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\$30.48 and CNY\$1=NT\$4.4377.

3. Significant transactions with investee companies in Mainland China:

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

C. BenQ Medical Technology Corp.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2023	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
BenQ Medical Technology (Shanghai) Ltd. (“BMTS”)	Agency of international and entrepot trade business	30,480 (USD 1,000)	(Note 1)	30,480 (USD 1,000)	-	-	30,480 (USD 1,000)	287	100.00%	287 (Note 5)	17,707 (Note 4)	-
LILY Medical (Suzhou) Co., Ltd. (“ALS”)	Sales of medical consumables and equipment	6,401 (USD 210)	(Note 2)	6,401 (USD 210)	-	-	6,401 (USD 210)	(150)	100.00%	(150) (Note 6)	1,637 (Note 4)	-
TDX Medical Technology (Jiangsu) Co., Ltd.	Sales of medical consumables and equipment	88,760 (CNY 20,000)	(Note 2)	35,504 (CNY 8,000)	-	-	35,504 (CNY 8,000)	4,864	40.00%	1,946 (Note 6)	36,885	-
Suzhou Trident Original Medical Technology Co., Ltd.	Sales of medical consumables and equipment	8,876 (CNY 2,000)	(Note 3)	-	-	-	-	1,720	22.00%	378 (Note 6)	9,001	-

(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\$30.48 and CNY\$1=NT\$4.4377.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMTC	65,984 (USD 1,000 and CNY 8,000)	86,166 (USD 2,827)	676,900
LILY	6,401 (USD 210)	6,401 (USD 210)	107,213

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, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2023	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Partner Tech (Shanghai) Co., Ltd. ("PTCM")	Sales, purchase, import and export of electronic products	106,680 (USD 3,500)	(Note 1)	106,680 (USD 3,500)	-	-	106,680 (USD 3,500)	(5,266)	100.00%	(5,266) (Note 2)	66,628	-

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

(Note 2) Investment income or loss was recognized based on the unreviewed financial statements of the company.

(Note 3) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1=NT\$30.48.

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

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
PTT	106,680 (USD 3,500)	210,495 (USD 6,906)	633,778

3. Significant transactions with investee companies in Mainland China:

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

E. DFI Inc.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2023 (Note 7)	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Yan Tong Infotech (Dongguan) Co., Ltd. ("DYTI")	Manufacture and sales of industrial motherboards and component	69,200	(Note 1)	-	-	-	-	(872)	100.00%	(872) (Note 2)	57,242	33,306
Yan Ying Hao Trading (ShenZhen) Co., Ltd. ("DYTH")	Wholesale, import and export of industrial motherboards and	13,840	(Note 1)	-	-	-	-	(2,952)	100.00%	(2,952) (Note 2)	49,551	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
DFI	- (Note 3)	63,551 (USD 2,085) (Note 5 and 6)	3,277,807 (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\$30.48.

3. Significant transactions with investee companies in Mainland China:

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

F. Aewin Technologies Co., Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2023 (Note 5)	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Aewin Beijing Technologies Co., Ltd.	Wholesale of computer peripheral products and software	46,129	(Note 1)	46,129	-	-	46,129	(11,597)	100.00%	(11,597) (Note 3)	178,168	-
Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	15,265	(Note 2)	-	-	-	-	624	100.00%	624 (Note 3)	(1,542)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
AEWIN	46,129 (USD 1,500)	60,960 (USD 2,000)	748,680 (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) Pursuant to “Principle of Investment or Technical Cooperation in Mainland China”, investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 5) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 6) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.48.

3. Significant transactions with investee companies in Mainland China:

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

G. Ace Pillar Co., Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2023 (Note 4)	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	1,075,853 (USD 35,297)	(Note 1)	59,436 (USD 1,950)	-	-	59,436 (USD 1,950)	(16,360)	100.00%	(16,360) (Note 3)	532,767	125,533
Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	7,411 (CNY 1,670)	(Note 1)	4,877 (USD 160)	-	-	4,877 (USD 160)	7	100.00%	7 (Note 3)	4,200	-
Advancedtek Ace (TJ) Inc.	Electronic system integration	9,144 (USD 300)	(Note 1)	4,572 (USD 150)	-	-	4,572 (USD 150)	94	100.00%	94 (Note 3)	2,259	-
Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	44,196 (USD 1,450)	(Note 1)	(Note 2)	-	-	(Note 2)	1,106	100.00%	1,106 (Note 3)	109,748	-
Standard International Trading (Shanghai) Co., Ltd.	Sales of semiconductor optoelectronics equipment and consumables	14,630 (USD 480)	(Note 1)	14,630 (USD 480)	-	-	14,630 (USD 480)	1,623	100.00%	1,623 (Note 3)	113,979	118,686

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
ACE	156,027 (USD 5,119)	156,027 (USD 5,119)	1,254,241 (Note 5)
STC	14,630 (USD 480)	14,630 (USD 480)	103,644 (Note 5)

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

(Note 2) Established by Cyber South's reinvestment.

(Note 3) Investment income or loss was recognized based on the reviewed financial statements by the auditors of ACE.

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

(Note 5) Pursuant to "Principle of Investment or Technical Cooperation in Mainland China", investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 7) The above amounts were translated into New Taiwan dollars at the exchange rate of US\$1 = NT\$30.48 and CNY\$1 = NT\$4.4377.

3. Significant transactions with investee companies in Mainland China:

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

H. Data Image Corporation

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of March 31, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Data Image (Suzhou) Corporation	Manufacture and sales of LCD	534,081	(Note 1)	511,884	-	-	511,884	6,978	100.00%	6,978	424,643	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 15,654	USD 16,952	775,725 (Note 4)

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

(Note 2) The above amounts have been eliminated when preparing the consolidated financial statements.

(Note 3) Investment income or loss was recognized based on the unreviewed financial statements of the company.

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

3. Significant transactions with investee companies in Mainland China:

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

I.DIVA Laboratories. Ltd.

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of March 31, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	52,643	(Note 1)	52,643	-	-	52,643	1,007	100.00%	1,007	9,570	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 1,725	USD 2,000	587,431 (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 unreviewed financial statements of the company.

(Note 3) The accumulated investments is US\$1,725 thousand and the investment not yet executed is US\$275 thousand as of March 31, 2023.

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

3. Significant transactions with investee companies in Mainland China:

The transactions between DIVA and its investee companies in Mainland China have been eliminated when preparing the consolidated financial statements. Please refer to section “Information on Significant Transactions” 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, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 3)	Carrying Value as of March 31, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
K2 (Shanghai) International Medical Inc.	Sales of medical consumables	38,100 (USD 1,250)	(Note 1)	58,918 (USD 1,933)	-	-	58,918 (USD 1,933)	8,950	100.00%	8,950	100,656	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
58,918 (USD 1,933)	58,918 (USD 1,933)	393,064 (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\$30.48.

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, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2023 (Note 3)	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	191,437	(Note 1)	141,375	-	-	141,375	(20,130)	100.00%	(20,130) (Note 2)	162,295	-
Opti Cloud Technologies, Inc.	Development of High-speed optical transmission cable and module product technology	137,336	(Note 1)	95,099	-	-	95,099	(957)	51.18%	(490) (Note 2)	11,722	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Simula	257,755	302,851	1,383,804

(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, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of March 31, 2023 (Note 8)	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
Alpha Networks (Chengdu) Co.,Ltd.	Research and development of network products	420,426	(Note 1)	420,426	-	-	420,426	4,636	100.00%	4,636	605,254	-
Alpha Networks (Dongguan) Co., Ltd.	Production and sale of network products	787,496	(Note 1)	741,084	-	-	741,084 (Note 6)	3,436	100.00%	3,436	1,601,341	-
Mirac Networks (Dongguan) Co.,Ltd.	Production and sale of network products	107,131 (Note 9)	(Note 1)	307,326	-	-	307,326	4,162	100.00%	4,162	156,115	-
Alpha Networks (Changshu) Co., Ltd.	Production and sale of network products	1,925,920	(Note 1)	1,925,920	-	-	1,925,920	29,233	100.00%	29,233	1,210,550	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2023	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. 11120417620 of being qualified for operating headquarters issued by Ministry of Economic Affairs on June, 8 2022, the upper limit on investment in mainland China pursuant to “Principle of investment or Technical Cooperation in Mainland China” issued by Investment Commission, MOEA on August, 29, 2008 is not applicable.

(Note 6) The investment of \$46,412 thousand is from the operating capital of D-Link Asia, so the accumulated investment amount from Taiwan is excluded at the end of the period.

(Note 7) Alpha indirectly investment the subsidiary Mingzhen (Changshu) has liquidated all rights and obligations on July 23, 2018 and cancelled the registration. Accumulated outflow of \$164,622 thousand is still necessary to include in the accumulated investment amount by the principle of Investment Commission, MOEA.

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

(Note 9) On December 19, 2022, the related registration of capital reduction has been completed while the capital has not been remitted as of December 31, 2022.

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, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of March 31, 2023 (Note 4)	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
HSZ	Production and sale of broadband telecommunications products	171,425	(Note 1)	641,763	-	470,518	171,245	32	100.00%	32	145,186	-
HJT	Sale of broadband network products and related services	31,139	(Note 1)	31,139	-	-	31,139	(7)	100.00%	(7)	3,761	-
IHC	Technical consultation on electronic communication, technology research and development, maintenance and after-sale service	5,814	(Note 1)	12,048	-	-	12,048	271	41.49% (Note 3)	113	5,298	23,037

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Hitron	214,432	684,950	2,908,622

(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 China based investment company which was originally invested by Hitron (Samoa) , however, IHC has been 100% owned by IDT due to the Group's restructuring decision resolved in year 2012.

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

3. Significant transactions with investee companies in Mainland China:

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

N.Topview Optronics Corporation

1. Information on investments in Mainland China

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2023	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of March 31, 2023	Accumulated Inward Remittance of Earnings as of March 31, 2023
					Outflow	Inflow						
-	-	-	-	-	-	-	-	-	-	-	-	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on Investment (Note 2)
Topview	5,547 (USD 182)	5,547 (USD 182)	750,038

(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\$30.48.

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.