Stock Code:2352

QISDA CORPORATION

Parent-Company-Only Financial Statements
With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

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Independent Auditors' Report

To the Board of Directors

Qisda Corporation:

Opinion

We have audited the parent-company-only financial statements of Qisda Corporation (the "Company"), which comprise the parent-company-only balance sheets as of December 31, 2021 and 2020, and the parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter section of our report), the accompanying parent-company-only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

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

Key audit matters for the Company's parent-company-only financial statements for the year ended December 31, 2021 are stated as follows:

1. Revenue recognition

   Please refer to note 4(p) for the accounting policy on revenue recognition, and note 6(u) for the related disclosures of revenue, respectively, of the notes to the parent-company-only financial statements.

Description of key audit matter:

The Company recognizes revenue depending on the various trade terms in each individual sale transaction, which are considered to be complex in determining the timing of revenue recognition. Therefore, revenue recognition has been identified as one of the key audit matters.

How the matter was addressed in our audit:

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

2. Valuation of inventories

Please refer to note 4(g) for the inventory accounting policy, note 5 for estimation uncertainty of inventory valuation, and note 6(f) for the related inventory write-down disclosures, respectively, of the notes to the parent-company-only financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

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

3. Assessment of impairment of goodwill from investments in subsidiaries

Please refer to note 4(n) for the accounting policy on impairment of non-financial assets, note 5 for the estimation uncertainty of impairment of goodwill, and note 6(g) for the related disclosures of goodwill impairment test, respectively, of the notes to the parent-company-only financial statements.

Description of key audit matter:

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

How the matter was addressed in our audit:

In relation to the key audit matter above, our principal audit procedures included obtaining the assessment of goodwill impairment provided by the management; assessing the appropriateness of the valuation model and key assumptions, including the discount rate, expected sales growth rate and future cash flow projections, used by the management in measuring the recoverable amount; performing a sensitivity analysis of key assumptions and results; and assessing the adequacy of the Company's disclosures with respect to the related information.

Other Matter

We did not audit the financial statements of certain investees accounted for using the equity method of the Company. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those investees, is based solely on the report of other auditors. Those investments accounted for using the equity method amounted to NT$1,992,489 thousand and NT$5,666,505 thousand, respectively, constituting 2.05% and 6.27%, respectively, of the total assets as of December 31, 2021 and 2020, and the related shares of profit of subsidiaries, associates and joint ventures amounted to NT$206,959 thousand and NT$260,766 thousand, respectively, constituting 2.45% and 4.97%, respectively, of the total income before income tax for the years ended December 31, 2021 and 2020.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent-company-only financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent-company-only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent-company-only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent-company-only financial statements, including the disclosures, and whether the parent-company-only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investees accounted for using the equity method to express an opinion on the parent-company-only financial statements. We are responsible for the direction, supervision and performance of the audit. We remained solely responsible for our audit opinion.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 7, 2022

Notes to Readers

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

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

(English Translation of Financial Statements Originally Issued in Chinese)

QISDA CORPORATION

Parent-Company-Only Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 794,594	1	865,308	1
1110	Financial assets at fair value through profit or loss－current (note 6(b))	7,618	-	56,157	-
1170	Notes and accounts receivable, net (notes 6(d) and (u))	7,335,535	8	9,073,131	10
1181	Notes and accounts receivable from related parties (notes 6(d) and (u) and 7)	12,802,517	13	14,017,651	16
1200	Other receivables (notes 6(d) and (e))	89,702	-	1	-
1210	Other receivables from related parties (notes 6(e) and 7)	4,179	-	2,531	-
130X	Inventories (note 6(f))	5,872,381	6	4,433,192	5
1470	Other current assets	156,757	-	109,930	-
	Total current assets	27,063,283	28	28,557,901	32
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income－non-current (note 6(c))	15,253,712	16	37,438	-
1550	Investments accounted for using the equity method (notes 6(g) and 8)	51,223,148	53	58,752,284	65
1600	Property, plant and equipment (notes 6(h), 7 and 8)	1,949,691	2	1,513,839	2
1755	Right-of-use assets (note 6(i))	473,693	-	550,191	1
1760	Investment property (note 6(j))	221,622	-	262,739	-
1780	Intangible assets (note 6(k))	225,918	-	12,327	-
1840	Deferred income tax assets (note 6(r))	494,584	1	436,876	-
1900	Other non-current assets	27,333	-	101,771	-
1980	Other financial assets－non-current (note 8)	276,900	-	122,110	-
	Total non-current assets	70,146,601	72	61,789,575	68
	Total assets	$ 97,209,884	100	90,347,476	100

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2100	Short-term borrowings (note 6(l))	$ 3,417,200	4	6,227,600	7
2120	Financial liabilities at fair value through profit or loss－current (note 6(b))	20,375	-	8,744	-
2130	Contract liabilities－current (note 6(u))	556,308	1	305,119	-
2170	Notes and accounts payable	1,508,326	2	1,311,156	2
2180	Accounts payable to related parties (note 7)	23,589,792	24	23,527,390	26
2200	Other payables (note 6(v))	2,147,452	2	1,735,355	2
2220	Other payables to related parties (note 7)	725	-	5,865	-
2230	Current tax liabilities	217,329	-	241,607	-
2322	Current portion of long-term debt (notes 6(m) and 8)	495,733	-	425,226	-
2280	Lease liabilities－current (notes 6(n) and 7)	125,831	-	118,054	-
2250	Provisions－current (notes 6(o))	24,329	-	26,371	-
2300	Other current liabilities (note 6(m))	79,548	-	81,721	-
2365	Refund liabilities—current	1,800,075	2	1,247,436	2
	Total current liabilities	33,983,023	35	35,261,644	39
	Non-current liabilities:				
2540	Long-term debt (notes 6(m) and 8)	20,556,869	21	17,819,303	20
2580	Lease liabilities－non-current (notes 6(n) and 7)	637,277	1	753,499	1
2550	Provisions－non-current (note 6(o))	82,479	-	75,259	-
2570	Deferred income tax liabilities (note 6(r))	50,727	-	21,745	-
2600	Other non-current liabilities (note 6(q))	443,086	-	390,525	-
	Total non-current liabilities	21,770,438	22	19,060,331	21
	Total liabilities	55,753,461	57	54,321,975	60
	Equity (note 6(s)):				
3110	Common stock	19,667,820	20	19,667,820	22
3200	Capital surplus	1,844,310	2	1,879,501	2
3300	Retained earnings	20,777,515	22	15,742,825	17
3400	Other equity	(833,222)	(1)	(1,264,645)	(1)
	Total equity	41,456,423	43	36,025,501	40
	Total liabilities and equity	$ 97,209,884	100	90,347,476	100

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

QISDA CORPORATION

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	**%**	**Amount**	**%**
4000	**Operating revenue (notes 6(u) and 7)**	$ 104,634,583	100	92,411,291	100
5000	**Operating costs (notes 6(f), (h), (i), (j), (k), (n), (o), (q) and (v) and 7 and 12)**	(100,446,928)	(96)	(87,422,698)	(95)
	Gross profit	4,187,655	4	4,988,593	5
5910	Unrealized profit or loss on sales to subsidiaries, associated and joint ventures	303,439	-	100,943	-
	Realized or loss gross profit	4,491,094	4	5,089,536	5
	Operating expenses (notes 6(d), (h), (i), (j), (k), (n), (p), (q) and (v) and 7 and 12):				
6100	Selling expenses	(1,178,455)	(1)	(1,089,249)	(1)
6200	Administrative expenses	(959,555)	(1)	(861,008)	(1)
6300	Research and development expenses	(2,274,898)	(2)	(2,161,744)	(2)
6450	Gain on reversal of impairment loss (expected credit loss)	(14,877)	-	3,876	-
	Total operating expenses	(4,427,785)	(4)	(4,108,125)	(4)
	Operating income	63,309	-	981,411	1
	Non-operating income and loss:				
7100	Interest income (note 6(w))	2,618	-	11,344	-
7010	Other income (notes 6(m), (n), (p) and (w) and 7)	351,975	-	169,874	-
7020	Other gains and losses, net (notes 6(g) and (w))	2,103,115	2	705,622	1
7050	Finance costs (notes 6(n) and (w) and 7)	(371,194)	-	(362,091)	-
7375	Share of profit of subsidiaries, associates and joint ventures (note 6(g))	6,293,736	6	3,744,772	4
	Total non-operating income and loss	8,380,250	8	4,269,521	5
	Income before income tax	8,443,559	8	5,250,932	6
7950	**Income tax expense (note 6(r))**	(136,013)	-	(262,453)	(1)
	Net income	8,307,546	8	4,988,479	5
	Other comprehensive income:				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurements of defined benefit plans (notes 6(q) and (s))	(44,539)	-	(84,860)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (note 6(s))	(842,812)	(1)	(11,000)	-
8320	Share of other comprehensive income of subsidiaries, associates and joint ventures (notes 6(g) and (s))	1,941,048	2	494,198	-
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	-	-	-	-
		1,053,697	1	398,338	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations (note 6(s))	(309,370)	-	(756,355)	-
8399	Less: income tax related to items that may be reclassified subsequently to profit or loss	-	-	-	-
		(309,370)	-	(756,355)	-
	Other comprehensive income (loss) for the year, net of income tax	744,327	1	(358,017)	-
	Total comprehensive income for the year	$ 9,051,873	9	4,630,462	5
	Earnings per share (in New Taiwan dollars) (note 6(t)):				
9750	Basic earnings per share	$ 4.22		2.54	
9850	Diluted earnings per share	$ 4.17		2.51	

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

QISDA CORPORATION

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Total other equity interest				
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total retained earnings	Foreign currency translation differences	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Total other equity interest	Total equity
Balance at January 1, 2020	$ 19,667,820	2,220,653	1,826,479	168,422	10,669,093	12,663,994	(657,512)	410,052	(361,048)	(608,508)	33,943,959
Net income in 2020	-	-	-	-	4,988,479	4,988,479	-	-	-	-	4,988,479
Other comprehensive income (loss) in 2020	-	-	-	-	-	-	(756,355)	459,397	(61,059)	(358,017)	(358,017)
Total comprehensive income in 2020	-	-	-	-	4,988,479	4,988,479	(756,355)	459,397	(61,059)	(358,017)	4,630,462
Appropriation of earnings:											
Legal reserve	-	-	357,505	-	(357,505)	-	-	-	-	-	-
Special reserve	-	-	-	440,086	(440,086)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(1,475,086)	(1,475,086)	-	-	-	-	(1,475,086)
Share of changes in equity of subsidiaries, associates and joint ventures	-	(172,241)	-	-	-	-	-	-	-	-	(172,241)
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	-	(168,911)	-	-	(732,682)	(732,682)	-	-	-	-	(901,593)
Disposal of financial assets measured at fair value through other comprehensive income by subsidiaries	-	-	-	-	298,120	298,120	-	(298,120)	-	(298,120)	-
Balance at December 31, 2020	19,667,820	1,879,501	2,183,984	608,508	12,950,333	15,742,825	(1,413,867)	571,329	(422,107)	(1,264,645)	36,025,501
Net income in 2021	-	-	-	-	8,307,546	8,307,546	-	-	-	-	8,307,546
Other comprehensive income (loss) in 2021	-	-	-	-	-	-	(309,370)	1,120,142	(66,445)	744,327	744,327
Total comprehensive income in 2021	-	-	-	-	8,307,546	8,307,546	(309,370)	1,120,142	(66,445)	744,327	9,051,873
Appropriation of earnings:											
Legal reserve	-	-	455,392	-	(455,392)	-	-	-	-	-	-
Special reserve	-	-	-	656,137	(656,137)	-	-	-	-	-	-
Cash dividends distributed to shareholders	-	-	-	-	(2,950,173)	(2,950,173)	-	-	-	-	(2,950,173)
Share of changes in equity of subsidiaries, associates and joint ventures	-	(35,191)	-	-	-	-	-	-	-	-	(35,191)
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries	-	-	-	-	(635,587)	(635,587)	-	-	-	-	(635,587)
Disposal of financial assets measured at fair value through other comprehensive income by associates and subsidiaries	-	-	-	-	312,904	312,904	-	(312,904)	-	(312,904)	-
Balance at December 31, 2021	**$ 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**

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

QISDA CORPORATION

Parent-Company-Only Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from operating activities:		
Income before income tax	$ 8,443,559	5,250,932
Adjustments for:		
Adjustments to reconcile profit or loss:		
Depreciation	235,420	221,622
Amortization	32,838	19,553
Expected credit loss (gain on reversal of impairment loss)	14,877	(3,876)
Interest expense	371,194	362,091
Interest income	(2,618)	(11,344)
Dividend income	(200,467)	(1,750)
Share of profits of subsidiaries, associates and joint ventures	(6,293,736)	(3,744,772)
Loss on disposal of property, plant and equipment	2,786	-
Gain on disposal of investments	(1,979,741)	(460,696)
Unrealized profit or loss on sales to subsidiaries, associates and joint ventures	(303,439)	(100,943)
Total adjustments for profit or loss	(8,122,886)	(3,720,115)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in financial assets at fair value through profit or loss	48,539	(18,716)
Decrease in notes and accounts receivable	1,722,719	1,857,396
Decrease in notes and accounts receivable from related parties	1,215,134	760,376
Decrease (increase) in other receivable	(89,701)	818
Increase in other receivable from related parties	(1,648)	(1,083)
Decrease (increase) in inventories	(1,439,189)	712,540
Decrease in other current assets	21,706	26,675
Increase in other non-current assets	(12,633)	(85,538)
Net changes in operating assets	1,464,927	3,252,468
Changes in operating liabilities:		
Increase in financial liabilities at fair value through profit or loss	11,631	8,744
Increase (decrease) in notes and accounts payable	197,170	(3,771)
Increase (decrease) in accounts payable to related parties	62,402	(2,214,023)
Decrease in other payable to related parties	(5,140)	(4,066)
Increase (decrease) in provisions	5,178	(1,895)
Increase in contract liabilities	251,189	52,216
Increase in other payables and other current liabilities	943,925	247,495
Increase (decrease) in other non-current liabilities	8,024	(9,362)
Net changes in operating liabilities	1,474,379	(1,924,662)
Total changes in operating assets and liabilities	2,939,306	1,327,806
Total adjustments	(5,183,580)	(2,392,309)
Cash provided by operations	3,259,979	2,858,623
Interest received	2,618	11,344
Dividends received	2,907,725	906,838
Interest paid	(363,252)	(359,873)
Income taxes paid	(256,599)	(85,397)
Net cash provided by operating activities	5,550,471	3,331,535

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

QISDA CORPORATION

Parent-Company-Only Statements of Cash Flows (Continued)

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from investing activities:		
Purchase of investments accounted for using the equity method	(1,699,394)	(7,591,175)
Additions to property, plant and equipment	(571,497)	(88,425)
Proceeds from disposal of property, plant and equipment	24,124	-
Additions to intangible assets	(168,513)	(21,029)
Increase in other financial assets	(154,790)	(81,888)
Net cash used in investing activities	(2,570,070)	(7,782,517)
Cash flows from financing activities:		
Decrease in short-term borrowings	(2,810,400)	(962,400)
Increase in long-term debt	8,257,776	9,238,864
Repayments of long-term debt	(5,429,852)	(2,421,590)
Payment of lease liabilities	(118,466)	(116,354)
Cash dividends distributed to shareholders	(2,950,173)	(1,475,086)
Net cash provided by (used in) financing activities	(3,051,115)	4,263,434
Net decrease in cash and cash equivalents	(70,714)	(187,548)
Cash and cash equivalents at beginning of year	865,308	1,052,856
Cash and cash equivalents at end of year	$ **794,594**	**865,308**

See accompanying notes to parent-company-only financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2021 and 2020

(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 is engaged in the manufacturing, sales and services of high-end monitors and opto-mechatronics products.

2. Authorization of the parent-company-only financial statements:

These parent-company-only financial statements were authorized for issue by the Board of Directors on March 7, 2022.

3. Application of New and Revised Accounting Standards and Interpretations:

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent-company-only financial statements, from January 1, 2021:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"
- Amendments to IFRS 16 "Covid-19-Related Rent Concessions beyond June 30, 2021"

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

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2022, would not have a significant impact on its parent-company-only financial statements:

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

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

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

The following new and amended standards, which may be relevant to the Company, 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"	The amendments aim to promote consistency in applying the standards by helping companies determine whether, in balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.	January 1, 2023

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its parent-company-only financial position and parent-company-only financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company 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 parent-company-only financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

4. Summary of significant accounting policies:

The significant accounting policies presented in the parent-company-only financial statements are summarized as follows and have applied consistently to all periods presented in these financial statements.

(a) Statement of compliance

The Company' s accompanying parent-company-only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations").

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(b) Basis of preparation

(i) Basis of measurement

The accompanying parent-company-only financial statements have been prepared on a historical cost basis except for the following items:

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

(ii) Functional and presentation currency

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

(c) Foreign currency

(i) Foreign currency transactions

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

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

(ii) Foreign operations

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

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

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

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

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

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

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

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

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

(e) Cash and cash equivalents

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

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

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(f) Financial instruments

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

(i) Financial assets

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

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

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

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

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

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income. On derecognition, other comprehensive income accumulated in equity is reclassified to retained earnings and is never reclassified to profit or loss.

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

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

All financial assets not classified as measured at amortized cost or at FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

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

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

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

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

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

5) Impairment of financial assets

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

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

• bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. The information includes both quantitative and qualitative information and analysis based on the Company’s historical experience and credit assessment, as well as forward-looking information.

ECLs are probability-weighted estimate of credit losses over the expected life of financial assets. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

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

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

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

6) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Financial liabilities

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

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

3) Derecognition of financial liabilities

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

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

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

4) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

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

(g) Inventories

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

(h) Investment in associates

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

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

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

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

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

Adjustments are made to associates' financial statements to conform to the accounting polices applied by the Company.

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

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

(i) Investment in subsidiaries

When preparing the parent-company-only financial statements, investment in subsidiaries which are controlled by the Company is accounted for using the equity method. Under equity method, profit or loss, and other comprehensive income recognized in parent-company-only financial statement is in line with total comprehensive income attributable to the shareholders of the Company in the consolidated financial statements. In addition, changes in equity recognized in the parent-company-only financial statements is in line with the changes in equity attributable to shareholders of the Company in the consolidated financial statements.

Changes in a parent's ownership interest in a subsidiary that do not result in the loss of control as accounted for within equity.

(j) Investment property

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

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

(Continued)

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

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

(k) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

Land is not depreciated. The estimated useful lives for property, plant and equipment are as follows: buildings: 10 to 40 years; machinery and equipment: 2 to 10 years; furniture and fixtures: 3 years; and other equipment: 3 to 10 years.

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

(l) Leases

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

(i) As a lessee

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

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

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

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

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

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

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

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or

— there is a change of the Company's assessment on whether it will exercise a extension an option to purchase the underlying asset; or

— there is a change in the lease term resulting from a change of the Company's assessment on whether it will exercise an extension or termination option; or

— there is any lease modification in lease subject, scope of the lease or other terms.

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

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

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

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

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

(ii) As a lessor

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

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

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

(m) Intangible assets

Intangible assets including acquired software, and patents are carried at cost, less accumulated amortization and accumulated impairment losses. Amortization is recognized in profit or loss using the straight-line method over the estimated useful lives of 2 to 5 years.

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

(n) Impairment of non-financial assets

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

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

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

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

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

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

(o) Provisions

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

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

(p) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

(i) Sale of goods

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

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

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

A receivable is recognized when the goods are delivered, as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

(ii) Rendering of services

The Company’ s revenue from providing product design and development services is recognized in the accounting period in which services are rendered.

(iii) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer, and the payment by the customer, exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(q) Government grants and government assistance

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

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

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

(r) Employee benefits

(i) Defined contribution plans

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

(ii) Defined benefit plans

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

(Continued)

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

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

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

(iii) Short-term employee benefits

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

(s) Income taxes

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

Current taxes comprise the expected tax payable or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income taxes are recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are not recognized for:

(i) Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

(ii) Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) Taxable temporary differences arising on the initial recognition of goodwill.

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

Deferred tax assets are recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(t) Business combinations

The Company uses acquisition method for acquisitions of new subsidiaries. Goodwill is measured as the excess of the acquisition-date fair value of the consideration transferred (including any non-controlling interest in the acquiree) over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed (generally at fair value). If the residual balance is negative, the Company shall re-assess whether it has correctly identified all of the assets acquired and liabilities assumed and record any additional assets or liabilities that are identified in that review, and shall recognize a gain on the bargain purchase thereafter.

Acquisition-related costs are expensed as incurred except for the costs related to issuance of debt or equity instruments.

In a business combination achieved in stages, the Company shall re-measure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss in profit or loss. The amount previously recognized in other comprehensive income in relation to the changes in the value of the Company’s equity interest should be reclassified to profit or loss on the same basis as would be required if the Company had disposed directly of the previously held equity interest.

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the provisional amounts for the items for which the accounting is incomplete are reported in the financial statements. During the measurement period, the provisional amounts recognized at the acquisition date are retrospectively adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date.

Contingent consideration as part of the consideration transferred is measured at the acquisition date fair value. Any fluctuation of the fair value during the measurement period after acquisition date is retrospectively adjusted to the acquisition cost and goodwill. The adjustments are to reflect new information obtained about facts and circumstances that existed as of the acquisition date. The measurement period shall not exceed one year from the acquisition date. For the fair value adjustments of the contingent consideration that occurred not during the measurement period, the accounting treatment will be based on the classification of contingent consideration. Contingent consideration classified as equity cannot be re-measured and has to be adjusted under owner's equity. Other contingent consideration should be subsequently measured at fair value at the end of each reporting period, and recognized in profit or loss.

(u) Earnings per share ("EPS")

The basic and diluted EPS attributable to stockholders of the Company are disclosed in the financial statements. Basic EPS is calculated by dividing net income attributable to stockholders of the Company by the weighted-average number of common shares outstanding during the year. In calculating diluted EPS, the net income attributable to stockholders of the Company and weighted-average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common shares. The Company's dilutive potential common shares are profit sharing for employees to be settled in the form of common stock.

(v) Operating segments

The Company discloses the operating segment information in the consolidated financial statements. Therefore, the Company does not disclose the operating segment information in the parent-company-only financial statements.

5. Critical accounting judgments and key sources of estimation uncertainty

The preparation of the parent-company-only financial statements in conformity with the Regulations Governing the Preparation of Financial Reports requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and the future periods affected.

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

Information about judgments made in applying the accounting policies that have significant effects on the amounts recognized in the parent-company-only financial statements is as follows:

(a) Judgment regarding whether the Company has substantial control over the investee. Please refer to consolidated financial statements for the year ended December 31, 2021.

(b) Judgment regarding significant influence of associates

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included as follows:

(a) Valuation of inventory

Inventories are measured at the lower of cost and net realizable value. Due to the rapid technological innovations and highly competitive environments in the electronic industry, the life cycle of certain products of the Company are short and their market prices fluctuate rapidly, which could possibly result in a price decline and obsolescence of inventory, wherein the inventory cost may exceed its net realizable value. The net realizable value of the inventory is mainly determined based on assumption of future demand within a specific time horizon, which could result in significant adjustments.

(b) Assessment of impairment of goodwill from investments in subsidiaries

The assessment of impairment of goodwill requires the Company to make subjective judgments to identify cash-generating units, allocate the goodwill to relevant cash-generating units, and estimate the recoverable amount of relevant cash-generating units. Any changes in these estimates based on changed economic conditions or business strategies could result in significant adjustments in future years.

6. Significant account disclosures

(a) Cash and cash equivalents

	December 31, 2021	December 31, 2020
Demand deposits and checking accounts	$ 235,425	108,354
Foreign currency deposits	559,169	756,954
	$ 794,594	**865,308**

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(b) Financial instruments measured at fair value through profit or loss

		December 31, 2021	December 31, 2020
Financial assets measured at fair value through profit or loss－current:			
Foreign currency forward contracts	$	5,647	55,999
Foreign exchange swaps		1,971	158
	$	**7,618**	**56,157**
Financial liabilities at fair value through profit or loss－ current:			
Foreign currency forward contracts	$	646	-
Foreign exchange swaps		19,729	8,744
	$	**20,375**	**8,744**

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

The Company entered into derivative contracts to manage foreign currency exchange risk resulting from its operating and financing activities. As of December 31, 2021 and 2020, the outstanding derivative financial instruments did not conform to the criteria for hedge accounting consisted of the following:

(i) Foreign currency forward contracts

	December 31, 2021		
	Contract amount (in thousands)		**Maturity period**
MYR Buy/ USD Sell	MYR	34,000	2022/01~2022/02
CNY Buy/ USD Sell	USD	43,600	2022/02~2022/04

	December 31, 2020		
	Contract amount (in thousands)		**Maturity period**
MYR Buy/ USD Sell	MYR	14,000	2021/03
CNY Buy/ USD Sell	USD	73,600	2021/01~2021/03

(ii) Foreign exchange swaps

	December 31, 2021		
	Contract amount (in thousands)		Maturity period
Swap in USD/Swap out TWD	USD	268,000	2022/01~2022/06

	December 31, 2020		
	Contract amount (in thousands)		Maturity period
Swap in USD/Swap out TWD	USD	48,000	2021/01~2021/03

(c) Financial assets at fair value through other comprehensive income—non-current

	December 31, 2021	December 31, 2020
Equity investments at fair value through other comprehensive income:		
Domestic listed stocks	$ 15,253,712	37,438

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

On May 12, 2021, the Company lost significant influence over AU Optronics Corp. ("AU"). Hence, the investment in AU was reclassified from investment accounted for using the equity method to financial assets at fair value through other comprehensive income. Please refer to not 6(g).

No strategic investments were disposed for the years ended December 31, 2021 and 2020, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

(d) Notes and accounts receivable

	December 31, 2021	December 31, 2020
Notes and accounts receivable	$ 7,378,266	9,100,985
Notes and accounts receivable from related parties	12,802,517	14,017,651
	20,180,783	23,118,636
Less: loss allowance	(42,731)	(27,854)
	$ 20,138,052	23,090,782

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

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

	December 31, 2021		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 19,279,745	0.05%	9,216
Past due 1-90 days	898,239	3.42%	30,716
Past due over 91 days	2,799	100%	2,799
	$ 20,180,783		**42,731**

	December 31, 2020		
	Gross carrying amount	**Weighted-average loss rate**	**Loss allowance provision**
Current	$ 20,413,086	0.09%	19,293
Past due 1-90 days	2,699,323	0.09%	2,334
Past due over 91 days	6,227	100%	6,227
	$ 23,118,636		**27,854**

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

	2021	**2020**
Balance at January 1	$ 27,854	33,141
Impairment losses (gain on reversal of impairment loss)	14,877	(3,876)
Write-off	-	(1,411)
Balance at December 31	**$ 42,731**	**27,854**

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

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

December 31, 2021

Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
Taishin International Bank	$ 8,903,357	-	8,903,357	-	0.54%～0.82%	-
CTBC Bank	5,260,495	-	5,198,490	62,005	0.54%～0.72%	-
	$ 14,163,852	**-**	**14,101,847**	**62,005**		**-**

December 31, 2020

Underwriting bank	Factored amount	Unpaid advance amount	Advance amount	Amount recognized in other receivables	Range of interest rates	Collateral
Taishin International Bank	$ 3,638,461	-	3,638,461	-	0.61%～0.72%	-
CTBC Bank	2,688,933	-	2,688,933	-	0.60%～0.68%	-
	$ 6,327,394	**-**	**6,327,394**	**-**		**-**

(e) Other receivables

	December 31, 2021	December 31, 2020
The factored accounts receivable, net of advance amount	$ 62,005	-
Other receivables－others	27,697	1
Other receivables from related parties	4,179	2,531
	$ 93,881	**2,532**

As of December 31, 2021 and 2020, no loss allowance was provided for other receivables after management’s assessment.

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(f) Inventories

	December 31, 2021	December 31, 2020
Raw materials	$ 293,553	295,596
Work in process	62,979	49,046
Finished goods	5,108,205	3,930,798
Inventories in transit	407,644	157,752
	$ 5,872,381	**4,433,192**

For the years ended December 31, 2021 and 2020, the cost of inventories sold amounted to $100,255,047 and $87,273,687, respectively, of which the write-downs of inventories to net realizable value amounted to $12,872, and $8,680, respectively.

(g) Investments accounted for using the equity method

A summary of the Company’s investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2021	December 31, 2020
Subsidiaries	$ 49,123,621	44,089,838
Associates	2,099,527	14,662,446
	$ 51,223,148	**58,752,284**

(i) Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2021.

(ii) Acquisition of subsidiaries－Golden Spirit Co., Ltd. and its subsidiaries

1) Consideration transferred

On June 19, 2020, the Company invested the amount of $254,000 and acquired the entire shareholdings of Golden Spirit Co., Ltd. (“GSC”), in which the Company obtained control over it. Thereafter, GSC and its subsidiaries to become the Company’s subsidiaries. GSC and its subsidiaries are engaged in the trading and manufacturing of alcohol and medical disinfectant. The acquisition of GSC enables the Company to accelerate the product deployment in the dialysis business, and expand the business of medical and epidemic prevention products.

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

2) Identifiable net assets acquired in a business combination

On June 19, 2020 (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:		
Cash		$ 254,000
Less: identifiable net assets acquired at fair value:		
Cash and cash equivalents	$ 42,989	
Notes and accounts receivable, net	56,664	
Inventories	54,988	
Other current assets	36,610	
Other financial assets－current	4,288	
Financial assets at fair value through other comprehensive income－non-current	2,960	
Property, plant and equipment	545,568	
Right-of-use assets	45,633	
Intangible assets－trademarks	69,156	
Intangible assets－computer software	1,921	
Intangible assets－customer relationships	1,176	
Intangible assets－agency	2,843	
Intangible assets－others	1,235	
Other non-current assets	27,873	
Other financial assets－non-current	21,432	
Short-term borrowings	(203,902)	
Notes and accounts payable	(19,826)	
Accounts payable to related parties	(3,805)	
Other payable	(30,927)	
Other current liabilities	(27,572)	
Current portion of long-term debt	(37,148)	
Long-term debt	(191,885)	
Deferred income tax liabilities	(13,657)	
Lease liabilities	(48,331)	
Other non-current liabilities	(9,761)	
Non-controlling interests	(87,034)	241,488
Goodwill		**$ 12,512**

Goodwill arising from the acquisition are included in the carrying amount of investments accounted for using the equity method.

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(iii) Acquisition of subsidiaries－Simula Technology Inc. and its subsidiaries

1) Consideration transferred

On April 1, 2020, the Company subscribed 30,000 thousand shares of Simula Technology Inc. (“Simula”) at a price of $600,000 through private offering and acquired 37.5% of its ownership. In addition, the Company’ s subsidiaries, Darly Venture Inc. and Darly2 Venture Co., Ltd. acquired 13.77% of its ownership in public market for $411,840. After these investments in Simula, the Company obtained 51.27% of Simula’s ownership and owned more the half of Simula’ s total number of directors. Therefore, the Company obtained control over Simula. Thereafter, Simula and its subsidiaries to become the Company’ s subsidiaries. Simula and its subsidiaries are engaged in electronic components manufacturing, electronic material wholesale, product design and international trade. The acquisition of Simula enables the Company to jointly develop vehicle networking, medical and health equipment, and AIoT solutions, and assist the Company to develop upstream and downstream key components of supply chain.

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

2) Identifiable net assets acquired in a business combination

On April 1, 2020(the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:		
Cash		$ 1,011,840
Non-controlling interests (measured at non-controlling interest's proportionate share of fair value of Simula's identifiable net assets)		807,562
Less: identifiable net assets acquired at fair value:		
Cash and cash equivalents	$ 1,016,057	
Financial assets at fair value through profit or loss－current	18	
Notes and accounts receivable, net	197,657	
Other receivable	7,472	
Inventories	111,483	
Other current assets	14,264	
Financial assets at fair value through other comprehensive income－non-current	4,880	
Investments accounted for using equity method	4,140	
Property, plant and equipment	354,283	
Right-of-use assets	36,011	
Intangible assets－customer relationships	154,526	
Intangible assets－expertise	124,792	
Intangible assets－computer software	4,641	
Deferred income tax assets	4,918	
Other non-current assets	14,553	
Financial liabilities at fair value through profit or loss－current	(114)	
Contract liabilities－current	(4,016)	
Notes and accounts payable	(101,289)	
Other payable	(167,133)	
Other current liabilities	(1,603)	
Lease liabilities	(36,515)	
Deferred income tax liabilities	(63,502)	
Other non-current liabilities	(477)	
Non-controlling interests	(17,827)	1,657,219
Goodwill		**$ 162,183**

Goodwill arising from the acquisition are included in the carrying amount of investments accounted for using the equity method.

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

(iv) Acquisition of subsidiaries－Alpha Networks Inc. and its subsidiaries

1) Consideration transferred

On July 23, 2020, the Company invested the amount of $3,092,150 and acquired 19.02% ownership of Alpha Networks Inc. (“Alpha”) through public tender offer, resulting in the Company and the subsidiaries’ ownership interest in Alpha to increase from 23.84% to 42.86%. Thereafter, the Company obtained control over Alpha. Hence, Alpha and its subsidiaries have become the Company’ s subsidiaries. Alpha and its subsidiaries are engaged in research, development, design, manufacture and sales of broadband products, wireless network products, as well as computer network system equipment, and their related components. The acquisition of Alpha enables the Company to seize the business opportunity of rapid 5G development by integrating and strengthening the Group’s strong technological and manufacturing skills, as well as Alpha’ s capability on network equipment industry in order to expand its market share and customers base to increase international competitiveness.

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

2) Identifiable net assets acquired in a business combination

On July 23, 2020, (the acquisition date), the fair value of identifiable assets acquired and liabilities assumed from the acquisition was as follows:

Consideration transferred:		
Cash		$ 3,092,150
Add: fair value of the pre-existing interest in the acquiree		3,200,885
Less: Dividends receivable from acquisitions		(45,461)
Add: non-controlling interest (measured at non-controlling interest's proportionate share of the fair value of Alpha's identifiable net assets)		6,274,387
Less: identifiable net assets acquired at fair value:		
Cash and cash equivalents	$ 5,179,564	
Financial assets at fair value through profit or loss－current	85,472	
Notes and accounts receivable, net	5,839,060	
Inventories	7,529,865	
Other financial asset—current	10,874	
Other current asset	887,344	
Financial assets at fair value through other comprehensive income－non-current	206,469	
Property, plant and equipment	4,578,437	
Right-of-use asset	1,217,679	
Deferred income tax assets	208,561	
Intangible assets－goodwill	578,901	
Intangible assets－patent	782,741	
Intangible assets－trademark	229,755	
Intangible assets－customer relationships	392,233	
Intangible assets－expertise	221,870	
Intangible assets－computer software	55,412	
Other financial asset—non-current	159,587	
Short-term borrowings	(2,899,290)	
Financial liabilities at fair value through profit or loss－current	(9,192)	
Notes and accounts payable	(6,658,208)	
Accounts payable to related parties	(3,795)	
Contract liabilities	(469,582)	
Other payable	(2,382,643)	
Provision	(204,261)	
Bonds payable	(576,724)	
Lease liabilities	(202,240)	
Deferred income tax liabilities	(496,526)	
Other non-current liabilities	(293,960)	
Non-controlling interests	(2,986,676)	10,980,727
Goodwill		**$ 1,541,234**

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

Goodwill arising from the acquisition are included in the carrying amount of investments accounted for using the equity method.

The Company's previously held 23.84% ownership of Alpha is remeasured to fair value at the acquisition date, and recognized a gain on disposal of $676,979 in other gains and losses, net.

(v) Impairment test on goodwill

The carrying amounts of goodwill arising from business combinations and the respective CGUs to which the goodwill was allocated for impairment test purpose as of December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Alpha	$ 1,730,813	1,730,813
DFI	$ 1,427,555	1,427,555
PTT	$ 810,579	924,757

Each CGU or group of CGUs to which the goodwill is allocated represents the lowest level within the group, at which the goodwill is monitored for internal management purpose. Based on the results of impairment tests conducted by the Company, the recoverable amount exceeded its carrying amount; as a result, no impairment loss was recognized. The recoverable amount of a CGU was determined based on the value in use, and the related key assumptions were as follows:

	December 31, 2021	December 31, 2020
Alpha：		
Revenue growth rate	4%~15%	4%~15%
Discount rates	17.46%	16.98%

	December 31, 2021	December 31, 2020
DFI：		
Revenue growth rate	7%~20%	16%~24%
Discount rates	13.51%	17.17%

	December 31, 2021	December 31, 2020
PTT：		
Revenue growth rate	7%~13%	-5%~6%
Discount rates	13.24%	13.92%

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

1) The cash flow projections were based on future financial budgets, covering a period of 5 years, approved by management. Cash flows beyond that 5-year period have been extrapolated using 1% to 3.58% growth rate.

2) The estimation of discount rate is based on the weighted average cost of capital.

(vi) Investments in associates

			December 31, 2021		December 31, 2020	
Name of Associates	**Main Business and Relationship**	**Location**	**Percentage of voting rights**	**Carrying amount**	**Percentage of voting rights**	**Carrying amount**
AU Optronics Corp. ("AU")	R & D, manufacture and sale of TFT-LCD panels, the Company's strategic partners	Taiwan	-	-	6.99 %	12,701,500
Darfon Electronics Corp. ("DFN")	Manufacture and sale of power devices, peripheral equipment, and integrated communication devices, the Company's strategic partners	Taiwan	20.72 %	2,040,465	20.72 %	1,904,389
Q.S.Control Corp.	Manufacture and sales of medical consumables and equipment, the Company's strategic partners	Taiwan	20.00 %	59,062	20.00 %	56,557
				$ 2,099,527		14,662,446

The equity-method was used to account for the Company's investments in AU, in which the Company holds less than 20% of the voting rights but has significant influence over AU as the chairman of the Company was elected as director and participates in the decision-making on the Board of AU before May 11, 2021. However, the chairman of the Company resigned as the director of AU on May 11, 2021, which caused the Company to lose significant influence over AU's financial and operating policy decisions. As a result, the investment in AU has been reclassified to financial assets at fair value through other comprehensive income— non-current. A gain on disposal of investments of $1,979,741 was recognized under other gains and losses, net accordingly.

For the years ended December 31, 2021 and 2020, the Company's shares of profits (losses) of associates amounted to $1,495,904 and $440,368, respectively.

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

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

	December 31, 2021	December 31, 2020
AU	$ -	9,290,386
DFN	2,940,854	2,514,517

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

1) The summarized financial information of AU:

	December 31, 2020
Current assets	$ 168,317,673
Non-current assets	238,952,622
Current liabilities	(98,338,179)
Non-current liabilities	(115,141,751)
Equity	**$ 193,790,365**
Equity attributable to non-controlling interests of AU	**$ 10,985,674**
Equity attributable to shareholders of AU	**$ 182,804,691**

	2020
Net sales	**$ 270,955,381**
Net income	$ 2,907,427
Other comprehensive income	2,862,980
Total comprehensive income	**$ 5,770,407**
Total comprehensive income attributable to non-controlling interests of AU	**$ (319,234)**
Total comprehensive income attributable to shareholders of AU	**$ 6,089,641**

	2021	2020
The Company's share of equity of associates at January 1	$ 12,804,784	12,348,373
Net income attributable to the Company	1,255,866	236,005
Other comprehensive income (loss) attributable to the Company	(63,477)	189,661
Capital surplus attributable to the Company	(55,616)	3,020
Reclassified to financial assets at fair value through other comprehensive income	(13,838,274)	-
Cumulative effect of net income recognized under treasury stock method	(103,283)	(75,559)
The carrying amount of investments in the associates at December 31	**$ -**	**12,701,500**

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

2) The summarized financial information of DFN:

	December 31, 2021	December 31, 2020
Current assets	$ 21,078,564	14,983,083
Non-current assets	12,116,710	9,286,423
Current liabilities	(16,153,908)	(11,672,915)
Non-current liabilities	(4,320,029)	(2,017,529)
Equity	**$ 12,721,337**	**10,579,062**
Equity attributable to non-controlling interests of DFN	**$ 2,879,152**	**1,387,996**
Equity attributable to shareholders of DFN	**$ 9,842,185**	**9,191,066**

	2021	2020
Net sales	**$ 28,048,736**	**22,349,528**
Net income	$ 1,301,622	953,347
Other comprehensive income (loss)	(174)	124,103
Total comprehensive income	**$ 1,301,448**	**1,077,450**
Total comprehensive income attributable to non-controlling interests of DFN	**$ 161,642**	**42,255**
Total comprehensive income attributable to shareholders of DFN	**$ 1,139,806**	**1,035,195**

	2021	2020
The Company's share of equity of associates at January 1	$ 1,904,389	1,798,607
Net income attributable to the Company	237,533	187,238
Other comprehensive income (loss) attributable to the Company	(1,393)	27,228
Capital surplus attributable to the Company	44,948	24,726
Dividend received from associates	(145,012)	(133,410)
The carrying amount of investments in the associates at December 31	**$ 2,040,465**	**1,904,389**

3) Aggregate financial information of associates that were not individually material to the Company was summarized as follows. The financial information was included in the Company's parent-company-only financial statements.

	December 31, 2021	December 31, 2020
The aggregate carrying amount of associates that were not individually material to the Company	**$ 59,062**	**56,557**

QISDA CORPORATION

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		2021	2020
Attributable to the Company:			
Net income	$	2,505	3,979
Other comprehensive income		-	-
Total comprehensive income	$	2,505	3,979

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

(h) Property, plant and equipment

		Land	Buildings	Machinery	Other equipment	Construction in progress	Total
Cost:							
Balance at January 1, 2021	$	805,484	1,667,399	806,287	176,941	49,203	3,505,314
Additions		-	79,176	219,004	42,028	231,289	571,497
Disposals		-	(3,999)	(78,981)	(3,426)	-	(86,406)
Reclassification		-	19,904	17,053	7,608	(45,516)	(951)
Balance at December 31, 2021	$	**805,484**	**1,762,480**	**963,363**	**223,151**	**234,976**	**3,989,454**
Balance at January 1, 2020	$	805,484	1,660,803	849,007	163,336	40,985	3,519,615
Additions		-	6,596	36,876	10,535	34,418	88,425
Disposals		-	-	(101,816)	(910)	-	(102,726)
Reclassification		-	-	22,220	3,980	(26,200)	-
Balance at December 31, 2020	$	**805,484**	**1,667,399**	**806,287**	**176,941**	**49,203**	**3,505,314**
Accumulated depreciation:							
Balance at January 1, 2021	$	-	1,205,397	643,670	142,408	-	1,991,475
Depreciation		-	44,421	48,001	15,362	-	107,784
Disposals		-	(329)	(56,463)	(2,704)	-	(59,496)
Balance at December 31, 2021	$	**-**	**1,249,489**	**635,208**	**155,066**	**-**	**2,039,763**
Balance at January 1, 2020	$	-	1,162,211	707,235	130,752	-	2,000,198
Depreciation		-	43,186	38,251	12,566	-	94,003
Disposals		-	-	(101,816)	(910)	-	(102,726)
Balance at December 31, 2020	$	**-**	**1,205,397**	**643,670**	**142,408**	**-**	**1,991,475**
Carrying amount:							
Balance at December 31, 2021	$	**805,484**	**512,991**	**328,155**	**68,085**	**234,976**	**1,949,691**
Balance at December 31, 2020	$	**805,484**	**462,002**	**162,617**	**34,533**	**49,203**	**1,513,839**

(i) The Company owned a parcel of land with a book value of $104,324. Because of certain legal restrictions, this land was registered under the name of individuals. In order to protect the Company's rights to this land, the Company signed a deed of trust with these individuals, under which they are obliged to surrender their rights to the Company when required.

(ii) Pledge as collateral

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

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(i) Right-of-use assets

	Buildings
Cost:	
Balance at January 1, 2021	$ 844,214
Additions	10,021
Reclassification from investment property	6,212
Balance at December 31, 2021	**$ 860,447**
Balance at January 1, 2020	$ 1,247,361
Reclassification to investment property	(403,147)
Balance at December 31, 2020	**$ 844,214**
Accumulated depreciation:	
Balance at January 1, 2021	$ 294,023
Reclassification from investment property	6,342
Depreciation	86,389
Balance at December 31, 2021	**$ 386,754**
Balance at January 1, 2020	$ 306,812
Depreciation	86,372
Reclassification to investment property	(99,161)
Balance at December 31, 2020	**$ 294,023**
Carrying amount:	
Balance at December 31, 2021	**$ 473,693**
Balance at December 31, 2020	**$ 550,191**

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(j) Investment property

		Right-of-use assets—Buildings
Cost:		
Balance at January 1, 2021	$	403,147
Reclassification to right-of-use assets		(6,212)
Balance at December 31, 2021	**$**	**396,935**
Balance at January 1, 2020	$	-
Reclassification from right-of-use assets		403,147
Balance at December 31, 2020	**$**	**403,147**
Accumulated depreciation:		
Balance at January 1, 2021	$	140,408
Depreciation		41,247
Reclassification to right-of-use assets		(6,342)
Balance at December 31, 2021	**$**	**175,313**
Balance at January 1, 2020	$	-
Reclassification from right-of-use assets		99,161
Depreciation		41,247
Balance at December 31, 2020	**$**	**140,408**
Carrying amount:		
Balance at December 31, 2021	**$**	**221,622**
Balance at December 31, 2020	**$**	**262,739**
Fair value:		
Balance at December 31, 2021	**$**	**224,507**
Balance at December 31, 2020	**$**	**271,630**

Investment property comprises a number of commercial properties that are sub-leased to third parties. The fair value of the investment property is determined by considering the discounted value of the cash flow that the Company expects to receive the sub-lease rent. The inputs, which are used in the fair value measurement, were classified to level 3.

As of December 31, 2021 and 2020, investment property was not pledged as collateral.

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(k) Intangible assets

(i) The movements of cost and accumulated amortization of intangible assets were as follows:

		Computer software	Others	Total
Cost:				
Balance at January 1, 2021	$	51,027	10,239	61,266
Addition		159,408	9,105	168,513
Reclassification		77,916	-	77,916
Balance at December 31, 2021	**$**	**288,351**	**19,344**	**307,695**
Balance at January 1, 2020	$	29,998	10,239	40,237
Addition		21,029	-	21,029
Balance at December 31, 2020	**$**	**51,027**	**10,239**	**61,266**
Accumulated amortization:				
Balance at January 1, 2021	$	38,700	10,239	48,939
Amortization		32,587	251	32,838
Balance at December 31, 2021	**$**	**71,287**	**10,490**	**81,777**
Balance at January 1, 2020	$	19,147	10,239	29,386
Amortization		19,553	-	19,553
Balance at December 31, 2020	**$**	**38,700**	**10,239**	**48,939**
Carrying amount:				
Balance at December 31, 2021	**$**	**217,064**	**8,854**	**225,918**
Balance at December 31, 2020	**$**	**12,327**	**-**	**12,327**

(ii) Amortization

The amortization of intangible assets is included in the following line items of the statement of comprehensive income:

		2021	2020
Cost of sales	**$**	**11,471**	**379**
Operating expenses	**$**	**21,367**	**19,174**

(l) Short-term borrowings

		December 31, 2021	December 31, 2020
Unsecured bank loans	**$**	**3,417,200**	**6,227,600**
Unused credit facilities	**$**	**14,462,527**	**8,426,548**
Interest rate		**0.48%~0.8%**	**0.349%~0.877%**

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(m) Long-term debt

	December 31, 2021	December 31, 2020
Unsecured bank loans	$ 19,552,602	14,844,529
Secured bank loans	1,500,000	3,400,000
	21,052,602	18,244,529
Less: current portion of long-term debt	(495,733)	(425,226)
	$ 20,556,869	**17,819,303**
Unused credit facilities	**$ 19,604,347**	**13,605,221**
Interest rate interval	**0.63%~1.797%**	**0.84%~1.797%**
Maturity year	**2022~ 2026**	**2021~ 2026**

(i) Collateral for bank borrowings

Refer to note 8 for a description of the Company's assets pledged as collateral to secure the bank loans.

(ii) Low interest rate loan from government assistance

In early 2020, the Company has obtained the low interest rate loans from banks in accordance with "Guidelines of Project Loans for Returning Overseas Taiwanese Businesses". The preferential interest rate ranged from 0.63% to 0.812%. As of December 31, 2021, the related loan amount was $1,839,094. The estimated fair value of the loan was $1,811,095, using the prevailing market interest rate ranged from 1.05% to 1.30%. The difference of $28,809 was regarded as government grant and was recognized as deferred income. For the year ended December 31, 2021, the deferred income of $8,958 was transferred and recognized in other income.

(iii) Compliance with loan agreement

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

For the years ended December 31, 2021 and 2020, the Company's financial ratio was in compliance with the syndicated loan agreement.

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

(n) Lease liabilities

The carrying amount of lease liabilities were as follows:

	December 31, 2021	December 31, 2020
Current	$ 125,831	118,504
Non-current	$ 637,277	753,499

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

The amounts recognized in profit or loss were as follows:

	2021	2020
Expenses relating to short-term leases	$ 5,924	5,441
Income from sub-leasing right-of-use assets	$ 136,608	122,747
Interest on lease liabilities	$ 14,672	16,771

The amounts recognized in the statement of cash flows for the Company was as follows:

	2021	2020
Total cash outflow for leases	$ 139,062	138,566

(i) Real estate leases

The Company leases buildings for its office and factory. These leases typically run for a period of 2 to 10 years. The Company has to negotiate the new leased term and recognize relevant right-of-use assets and lease liabilities when the lease expires. Some of the leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

(ii) Other leases

The Company leases some transportation equipment with contract terms within one year. These leases are short-term and the Company has elected to apply exemption and not to recognize right-of-use assets and lease liabilities.

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(o) Provisions

	Warranties
Balance at January 1, 2021	$ 101,630
Provisions made	36,990
Amount utilized	(24,330)
Amount reversed	(7,482)
Balance at December 31, 2021	**$ 106,808**
Current	**$ 24,329**
Non-current	**$ 82,479**
Balance at January 1, 2020	$ 103,525
Provisions made	36,962
Amount utilized	(26,085)
Amount reversed	(12,772)
Balance at December 31, 2020	**$ 101,630**
Current	**$ 26,371**
Non-current	**$ 75,259**

Warranty provision is estimated based on historical warranty data associated with similar products and services. The Company expects to settle most of the warranty liability within three years from the date of the sale of the product.

(p) Operating lease —the Company acts as a lessor

The Company leased its land and buildings under operating leases. The future minimum lease payments under operating leases are as follows:

	December 31, 2021	December 31, 2020
Not later than 1 year	$ 134,019	103,457
Later than 1 year but not later than 5 years	538,499	358,567
Later than 5 years	-	69,615
	$ 672,518	**531,639**

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

In 2021 and 2020, the related rental income amounted to $136,608 and $122,747, respectively, and was recognized under non-operating income and loss－other income.

(q) Employee benefits

(i) Defined benefit plans

The reconciliation between the present value of defined benefit obligations and the net defined benefit liabilities for defined benefit plans was as follows:

		December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$	875,154	842,820
Fair value of plan assets		(462,771)	(461,797)
Net defined benefit liabilities	**$**	**412,383**	**381,023**

The Company make defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pension benefits for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive a payment based on years of service and average salary for the six months prior to the employee's retirement.

1) Composition of plan assets

The pension fund (the "Fund") contributed by the Company is managed and administered by the Bureau of Labor Funds of the Ministry of Labor (the Bureau of Labor Funds). According to the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, with regard to the utilization of the Fund, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

As of December 31, 2021 and 2020, the Company's labor pension fund account balance at Bank of Taiwan amounted to $462,771 and $461,797, respectively. Refer to the website of the Bureau of Labor Funds for information on the labor pension fund assets including the asset portfolio and yield of the fund.

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

2) Movements in present value of defined benefit obligations

	2021	2020
Defined benefit obligations at January 1	$ 842,820	747,266
Current service costs and interest expense	7,954	10,034
Remeasurement on the net defined benefit liabilities:		
—Actuarial losses (gains) arising from experience adjustments	12,292	14,929
—Actuarial losses (gains) arising from changes in financial assumptions	36,972	82,960
Benefits paid by the plan	(21,338)	(12,369)
Benefits paid by employer	(3,546)	-
Defined benefit obligations at December 31	**$ 875,154**	**842,820**

3) Movements of fair value of plan assets

	2021	2020
Fair value of plan assets at January 1	$ 461,797	441,843
Interest income	3,506	5,053
Remeasurement on the net defined benefit liabilities (assets)		
—Actuarial gains (losses)	4,725	13,029
Contributions by the employer	14,081	14,241
Benefits paid by the plan	(21,338)	(12,369)
Fair value of plan assets at December 31	**$ 462,771**	**461,797**

4) Changes in the effect of the asset ceiling

In 2021 and 2020, there was no effect of the asset ceiling.

5) Expenses recognized in profit or loss

	2021	2020
Current service costs	$ 1,641	1,620
Net interest expense on the net defined benefit liability	2,807	3,361
	$ 4,448	**4,981**
Cost of sales	$ 794	844
Selling expenses	800	908
Administrative expenses	535	661
Research and development expenses	2,319	2,568
	$ 4,448	**4,981**

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Notes to the Parent-Company-Only Financial Statements

6) Actuarial assumptions

The principal assumptions of the actuarial valuation were as follows:

	December 31, 2021	**December 31, 2020**
Discount rate	0.625 %	0.750 %
Future salary increases rate	3.000 %	3.000 %

The Company expects to make contribution of $14,040 to the defined benefit plans in the year following December 31, 2021.

The weighted average duration of the defined benefit plans is 14.55 years.

7) Sensitivity analysis

The following table summarizes the impact of a change in the assumptions on the present value of the defined benefit obligation on December 31, 2021 and 2020.

	Increase (decrease) in present value of defined benefit obligations	
	0.25% Increase	**0.25% Decrease**
December 31, 2021		
Discount rate	(24,640)	25,562
Future salary change	24,492	(23,745)
December 31, 2020		
Discount rate	(25,258)	26,252
Future salary change	25,182	(24,397)

Each sensitivity analysis considers the change in one assumption at a time, leaving the other assumptions unchanged. This approach shows the isolated effect of changing one individual assumption but does not take into account that some assumptions are related. The method used to carry out the sensitivity analysis is the same as the calculation of the net defined benefit liabilities recognized in the balance sheets.

(ii) Defined contribution plans

The Company contributes monthly an amount equal to 6% of each employee's monthly wages to the employee's individual pension fund account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company has no legal or constructive obligation to pay additional amounts after contributing a fixed amount to the Bureau of Labor Insurance.

For the years ended December 31, 2021 and 2020, the Company recognized pension expenses of $90,453 and $88,658, respectively, in relation to the defined contribution plans.

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Notes to the Parent-Company-Only Financial Statements

(r) Income taxes

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

		2021	2020
Current income tax expense	$	164,739	170,312
Deferred income tax expense (benefit)			
Origination and reversal of temporary differences		246,601	58,750
Changes in unrecognized deductible temporary differences and tax losses		(275,327)	33,391
Deferred income tax expense (benefit)		(28,726)	92,141
Income tax expense	**$**	**136,013**	**262,453**

In 2021 and 2020, there was no income tax recognized directly in equity or other comprehensive income.

Reconciliation of income tax expense and income before income tax for 2021 and 2020 was as follows:

		2021	2020
Income before income tax	**$**	**8,443,559**	**5,250,932**
Income tax using the Company's statutory tax rate	$	1,688,712	1,050,186
Investment income recorded under equity method		(856,097)	(541,425)
Gain on disposal of investments		(395,948)	(92,140)
Surtax on undistributed earnings		61,245	63,062
Tax-exempt dividend income		(40,093)	(350)
Change in unrecognized temporary differences and tax losses		(275,327)	(17,644)
Others		(46,479)	(199,236)
Income tax expense	**$**	**136,013**	**262,453**

(ii) Deferred income tax assets and liabilities

1) Unrecognized deferred income tax assets and liabilities

Unrecognized deferred income tax assets:

		December 31, 2021	December 31, 2020
Loss associated with investments in subsidiaries	$	274,547	261,408
Deductible temporary differences		1,561,432	1,562,001
Tax losses		-	-
	$	**1,835,979**	**1,823,409**

(Continued)

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Unrecognized deferred income tax liabilities:

	December 31, 2021	December 31, 2020
Net profits associated with investments in subsidiaries	$ 2,246,022	1,958,125

As the Company is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2021 and 2020, and management considers that it is probable that the temporary differences will not reverse in the foreseeable future, such temporary differences are not recognized as deferred income tax assets and liabilities. In addition, as the Company determined that it is not probable that future taxable profits will be available against which the temporary differences can be utilized, these items were not recognized as deferred income tax assets.

2) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred income tax assets and liabilities for 2021 and 2020 were as follows:

Deferred income tax assets:

	Balance at January 1, 2021	Recognized in profit or loss	Balance at December 31, 2021
Unrealized inter-company profits	$ 39,098	(39,098)	-
Deferred revenue	36,484	(8,984)	27,500
Allowance for sales discounts	249,487	110,528	360,015
Unrealized accrued expenses	14,989	-	14,989
Others	96,818	(4,738)	92,080
	$ 436,876	57,708	494,584

	Balance at January 1, 2020	Recognized in profit or loss	Balance at December 31, 2020
Unrealized inter-company profits	$ 59,286	(20,188)	39,098
Deferred revenue	49,842	(13,358)	36,484
Operating loss carryforwards	78,418	(78,418)	-
Allowance for sales discounts	223,063	26,424	249,487
Unrealized accrued expenses	14,989	-	14,989
Others	91,966	4,852	96,818
	$ 517,564	(80,688)	436,876

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

Deferred income tax liabilities:

	Balance at January 1, 2021	Recognized in profit or loss	Balance at December 31, 2021
Unrealized foreign exchange gain	$ (21,745)	(7,392)	(29,137)
Unrealized inter-company loss	-	(21,590)	(21,590)
	$ (21,745)	**(28,982)**	**(50,727)**

	Balance at January 1, 2020	Recognized in profit or loss	Balance at December 31, 2020
Unrealized foreign exchange gain	**$ (10,292)**	**(11,453)**	**(21,745)**

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

(s) Capital and other equity

(i) Common stock

As of December 31, 2021 and 2020, the Company's authorized shares of common stock consisted of 5,000,000,000 shares, of which 1,966,781,958 shares were issued and outstanding. The par value of the Company's common stock is $10 (dollars) per share.

As of December 31, 2021 and 2020, the Company had issued 285 thousand units of global depository receipts (GDRs). The GDRs were listed on the Luxemburg Stock Exchange, and each GDR represents five common shares.

(ii) Capital surplus

	December 31, 2021	December 31, 2020
Changes in equity of associates accounted for using the equity method	$ 54,052	97,612
Changes in ownership interests in subsidiaries	1,790,258	1,781,889
	$ 1,844,310	**1,879,501**

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.

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(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 should be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

The Company may distribute its legal reserve or capital surplus to shareholders by issuing new shares or by distributing cash according to article 241 of the Company Act. The abovementioned distribution of earnings by way of cash dividends could be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

As the Company is a technology- and capital-intensive enterprise in its growing phase, the Company has adopted a remaining earnings appropriation method as its dividend policy in order to meet long-term capital needs and cash requirements of stockholders, and thereby maintain continuous development and steady growth.

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

1) Legal reserve

If a company has no accumulated deficit, it may, pursuant to a resolution approved by the stockholders, distribute its legal reserve to shareholders by issuing new shares or by distributing cash for the portion in excess of 25% of the paid-in capital. According to the Company Act and the Company's articles of incorporation, the abovementioned distribution of earnings by way of cash dividends could be approved by the Company's Board of Directors and then reported to the Company's shareholders in its meeting.

2) Special reserve

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

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Notes to the Parent-Company-Only Financial Statements

3) Earnings distribution

The appropriation of 2020 earnings, via cash dividends, has been approved by the Company's Board of Directors on May 11, 2021. The other appropriations of 2020 earnings have been approved by the shareholders during their meeting on August 27, 2021. The cash dividends of appropriation of 2019 earnings was approved by the Company's Board of Directors on May 7, 2020. Other appropriations of 2019 earnings was approved by the shareholders during their meeting on June 19, 2020. The resolved appropriations were as follows:

	2020 earnings		2019 earnings	
	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)	Amount
Legal reserve		$ 455,392		357,505
Special reserve		$ 656,137		440,086
Dividends per share:				
Cash dividends	$ 1.50	2,950,173	0.75	1,475,086

On March 7, 2022, the cash dividends of appropriated from 2021 earnings approved by the Company's Board of Directors were as follows.

	2021 earnings	
	Dividends per share (in dollars)	Amount
Dividends per share:		
Cash dividends	$ 2.50	4,916,955

(iv) Other equity items (net after tax)

1) Foreign currency translation differences:

	2021	2020
Balance at January 1	$ (1,413,867)	(657,512)
Foreign exchange differences arising from translation of foreign operations	(309,370)	(756,355)
Balance at December 31	$ (1,723,237)	(1,413,867)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

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

	2021	2020
Balance at January 1	$ 571,329	410,052
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(842,812)	(11,000)
Disposal of financial assets measured at fair value through other comprehensive income	(312,904)	(298,120)
Share of other comprehensive income of subsidiaries and associates	1,962,954	470,397
Balance at December 31	**$ 1,378,567**	**571,329**

3) Remeasurement of defined benefit plans:

	2021	2020
Balance at January 1	$ (422,107)	(361,048)
Remeasurement of the defined benefit plans	(44,539)	(84,860)
Shares of remeasurement of the defined benefit plans of subsidiaries and associates accounted for using the equity method	(21,906)	23,801
Balance at December 31	**$ (488,552)**	**(422,107)**

(t) Earnings per share ("EPS")

(i) Basic earnings per share

The basic earnings per share were calculated as the profit attributable to shareholders of the Company divided by the weighted-average number of ordinary shares outstanding as follows:

	2021	2020
Profit attributable to shareholders of the Company	**$ 8,307,546**	**4,988,479**
Weighted-average number of ordinary shares outstanding (in thousands)	**1,966,782**	**1,966,782**
Basic earnings per share (in New Taiwan dollars)	**$ 4.22**	**2.54**

(ii) Diluted earnings per share

	2021	2020
Profit attributable to shareholders of the Company	**$ 8,307,546**	**4,988,479**
Weighted-average number of ordinary shares outstanding (in thousands)	1,966,782	1,966,782
Effect of dilutive potential common stock:		
Remuneration to employee	25,541	19,965
Weighted-average number of ordinary shares outstanding (including effect of dilutive potential common stock)	**1,992,323**	**1,986,747**
Diluted earnings per share (in New Taiwan dollars)	**$ 4.17**	**2.51**

(Continued)

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

		2021	2020
Primary geographical markets:			
Asia	$	66,048,794	56,950,153
Europe		8,915,730	8,945,516
America		29,453,979	25,741,813
Others		216,080	773,809
	$	**104,634,583**	**92,411,291**
Major products/services lines:			
Electronic products	$	103,468,249	91,583,420
Other design and development service		1,166,334	827,871
	$	**104,634,583**	**92,411,291**

(ii) Contract balances

		December 31, 2021	December 31, 2020	January 1, 2020
Notes and accounts receivable (including related parties)	$	20,180,783	23,118,636	25,737,819
Less: loss allowance		(42,731)	(27,854)	(33,141)
	$	**20,138,052**	**23,090,782**	**25,704,678**
Contract liabilities	**$**	**556,308**	**305,119**	**252,903**

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

The amounts of revenue recognized for the years ended December 31, 2021 and 2020 that was included in the contract liability balances January 1, 2021 and 2020 were $305,119 and $252,903, respectively.

(v) 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.

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

For the years ended December 31, 2021 and 2020, the Company estimated its remuneration to employees amounting to $682,594 and $429,669, respectively, and the remuneration to directors amounting to $68,964 and $42,925, respectively. The abovementioned estimated amounts are calculated based on the net profits before tax of each period (excluding the remuneration to employees and directors), multiplied by a certain percentage of the remuneration to employees and directors. The estimations are recognized as cost of sales or operating expenses. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in next year.

The estimated remuneration to employees and directors for 2021 and 2020 were the same as the amount approved by the Company’ s Board of Directors on March 7, 2022 and May 11, 2021, respectively, and paid in cash. Related information is available on the Market Observation Post System website of the Taiwan Stock Exchange.

(w) Non-operating income and loss

(i) Interest income

	2021	2020
Interest income from bank deposits	**$ 2,618**	**11,344**

(ii) Other income

	2021	2020
Rental income	$ 136,608	122,747
Dividend income	200,467	1,750
Government grants income	14,900	45,377
	$ 351,975	**169,874**

(iii) Other gains and losses, net

	2021	2020
Loss on disposal of property, plant and equipment	$ (2,786)	-
Gain on disposal of investments (note 6(g))	1,979,741	460,696
Foreign currency exchange gains	22,002	280,921
Gains (losses) on financial assets and liabilities at fair value through profit or loss	85,280	(59,948)
Others	18,878	23,953
	$ 2,103,115	**705,622**

(iv) Finance costs

	2021	2020
Interest expense from bank loans	$ (356,522)	(345,320)
Interest expense on lease liabilities	(14,672)	(16,771)
	$ (371,194)	**(362,091)**

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QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(x) Financial instruments

(i) Categories of financial instruments

1) Financial assets

	December 31, 2021	December 31, 2020
Financial assets at fair value through profit or loss	$ 7,618	56,157
Financial assets at fair value through other comprehensive income	15,253,712	37,438
Financial assets measured at amortized cost:		
Cash and cash equivalents	794,594	865,308
Notes and accounts receivable and other receivables (including related parties)	20,231,933	23,093,314
Other financial assets—non-current	276,900	122,110
Subtotal	21,303,427	24,080,732
Total	**$ 36,564,757**	**24,174,327**

2) Financial liabilities

	December 31, 2021	December 31, 2020
Financial liabilities at fair value through profit or loss	$ 20,375	8,744
Financial liabilities measured at amortized cost:		
Short-term borrowings	3,417,200	6,227,600
Notes and accounts payable and other payables (including related parties)	27,246,295	26,579,766
Lease liabilities (including current portion and related parties)	763,108	871,553
Long-term debt (including current portion)	21,052,602	18,244,529
Other non-current liabilities－guarantee deposits	30,780	9,225
Subtotal	52,509,985	51,932,673
Total	**$ 52,530,360**	**51,941,417**

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Notes to the Parent-Company-Only Financial Statements

(ii) Fair value information

1) Financial instruments not measured at fair value

The Company considers that the carrying amounts of financial assets and financial liabilities measured at amortized cost approximate their fair values.

2) Financial instruments measured at fair value

The financial department of the Company evaluates the fair value of financial instrument and utilizes the assistance from external experts or financial institutions for the evaluation of fair value when necessary, and regularly revises the inputs and makes essential adjustments on the fair value to confirm the evaluation results 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 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).

	December 31, 2021			
	Fair Value			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit and loss:				
Foreign currency forward contracts	$ -	5,647	-	5,647
Foreign exchange swaps	-	1,971	-	1,971
Subtotal	-	7,618	-	7,618
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stocks	15,253,712	-	-	15,253,712
Total	**$ 15,253,712**	**7,618**	**-**	**15,261,330**
Financial liabilities at fair value through profit and loss:				
Foreign currency forward contracts	$ -	646	-	646
Foreign exchange swaps	-	19,729	-	19,729
Total	**$ -**	**20,375**	**-**	**20,375**

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QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

	December 31, 2020			
	Fair Value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss:				
Foreign currency forward contracts	$ -	55,999	-	55,999
Foreign exchange swaps	-	158	-	158
Subtotal	-	56,157	-	56,157
Financial assets measured at fair value through other comprehensive income:				
Domestic listed stocks	37,438	-	-	37,438
Total	**$ 37,438**	**56,157**	**-**	**93,595**
Financial liabilities at fair value through profit and loss:				
Foreign exchange swaps	-	8,744	-	8,744
Total	**$ -**	**8,744**	**-**	**8,744**

3) Valuation techniques and assumptions used in fair value measurement

a) Non-derivative financial instruments

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

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

b) Derivative financial instruments

The fair value of derivative financial instruments is determined using a valuation technique generally accepted by market participants. The fair value of foreign currency forward contracts and foreign exchange swaps is usually determined by the forward exchange rate.

4) Transfers between levels of the fair value hierarchy

There were no transfers among fair value hierarchies for the years ended December 31, 2021 and 2020.

(y) Financial risk management

The Company is exposed to credit risk, liquidity risk, and market risk (including currency risk, interest rate risk, and other market price risk). The Company has disclosed the information on exposure to the aforementioned risks and the Company's policies and procedures to measure and manage those risks as well as the quantitative information below.

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QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

The Company's Board of Directors is responsible for developing and monitoring the Company's risk management policies. The Company' s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's operations.

The Company's management monitors and reviews financial activities in accordance with procedures required by relevant regulations and internal controls. Internal auditors undertake both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Company's Board of Directors.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents, derivative instruments, receivables from customers, and other receivables. The maximum exposure to credit risk is equal to the carrying amount of the Company's financial assets.

The Company maintains cash and enters into derivative transactions with various reputable financial institutions; therefore, the exposure related to potential default by those counter-parties is not considered significant.

The majority of the Company' s customers are well-known international companies with high financial transparency in the electronics industry. As of December 31, 2021 and 2020, 61% and 77%, respectively, of the Company' s notes and accounts receivable were concentrated in the top five customers. In order to reduce credit risk of accounts receivable, the Company has established a credit policy under which each customer is analyzed individually for creditworthiness for the purpose of setting the credit limit. Additionally, the Company continuously evaluates the credit quality of customers and utilizes insurance to minimize the risk.

The Company's policy provides financial guarantees only to wholly owned subsidiaries. As of December 31, 2021 and 2020, except for its subsidiaries, the Company did not provide any other guarantees and endorsements.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in settling its financial liabilities by delivering cash or other financial assets. The Company manages liquidity risk by monitoring regularly the current and mid- to long-term cash demand, maintaining adequate cash and banking facilities, and ensuring compliance with the terms of the loan agreements. As of December 31, 2021 and 2020, the Company had unused credit facilities of $34,066,874 and $22,031,769, respectively.

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

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Notes to the Parent-Company-Only Financial Statements

	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2021						
Non-derivative financial liabilities:						
Short-term borrowings	$ 3,419,074	3,419,074	-	-	-	-
Lease liabilities	802,769	72,477	65,972	147,330	432,093	84,897
Long-term debt	21,238,642	204,841	361,342	1,905,037	18,767,422	-
Notes and accounts payable	25,098,118	25,098,118	-	-	-	-
Other payables	2,148,177	2,148,177	-	-	-	-
Guarantee deposits	30,780	-	24,099	125	6,556	-
	$ 52,737,560	**30,942,687**	**451,413**	**2,052,492**	**19,206,071**	**84,897**
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	$ 1,427,213	1,427,213	-	-	-	-
Inflow	(1,432,214)	(1,432,214)	-	-	-	-
Foreign exchange swaps:						
Outflow	7,435,998	7,435,998	-	-	-	-
Inflow	(7,418,240)	(7,418,240)	-	-	-	-
	$ 12,757	**12,757**	**-**	**-**	**-**	**-**
December 31, 2020						
Non-derivative financial liabilities:						
Short-term borrowings	$ 6,244,622	5,742,953	501,669	-	-	-
Lease obligations payable	925,770	72,391	60,326	133,380	429,239	230,434
Long-term debt	18,864,485	151,366	371,366	4,152,864	14,107,492	81,397
Notes and accounts payable	24,838,546	24,838,546	-	-	-	-
Other payables	1,741,220	1,741,220	-	-	-	-
Guarantee deposits	9,225	-	-	-	9,225	-
	$ 52,623,868	**32,546,476**	**933,361**	**4,286,244**	**14,545,956**	**311,831**
Derivative financial instruments:						
Foreign currency forward contracts:						
Outflow	$ 2,185,390	2,185,390	-	-	-	-
Inflow	(2,241,389)	(2,241,389)	-	-	-	-
Foreign exchange swaps:						
Outflow	1,360,800	1,360,800	-	-	-	-
Inflow	(1,352,214)	(1,352,214)	-	-	-	-
	$ (47,413)	**(47,413)**	**-**	**-**	**-**	**-**

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

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company’s income or the value of its financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Company utilizes derivative financial instruments to manage market risk and the volatility of profit or loss. All such transactions are carried out within the guidelines set by the Company’s Board of Directors.

QISDA CORPORATION

Notes to the Parent-Company-Only Financial Statements

1) Foreign currency risk

The Company utilizes foreign currency forward contracts and foreign exchange swaps to hedge its foreign currency exposure with respect to its sales and purchases. These financial instruments help to reduce, but do not eliminate, the impact of foreign currency exchange rate movements.

The maturity dates of derivative financial instruments the Company entered into were less than six months and did not conform to the criteria for hedge accounting.

The Company's exposure to foreign currency risk arises from cash and cash equivalents, notes and accounts receivable (including related-party transactions), notes and accounts payable (including related-party transactions), other receivables (including related-party transactions), other payables (including related-party transactions), and loans and borrowings that are denominated in a currency other than the functional currency of Company. At the reporting date, the carrying amounts of the Company's significant monetary assets and liabilities denominated in a currency other than the functional currency of the Company and the sensitivity analysis were as follows:

	December 31, 2021				
	Foreign currency (in thousands)	Exchange rate	TWD (in thousands)	Change in magnitude	Effect on profit or loss (in thousands)
Financial assets					
USD	$ 745,301	27.680	20,629,932	1 %	206,299
Financial liabilities					
USD	982,307	27.680	27,190,258	1 %	271,903

	December 31, 2020				
	Foreign currency (in thousands)	Exchange rate	TWD (in thousands)	Change in magnitude	Effect on profit or loss (in thousands)
Financial assets					
USD	$ 839,687	28.350	23,805,126	1 %	238,051
Financial liabilities					
USD	887,324	28.350	25,155,635	1 %	251,556

As the Company deal in diverse foreign currencies, gains and losses on foreign exchange were summarized as a single amount. Please refers to note 6(w) for the aggregate of realized and unrealized foreign exchange gains for the years ended December 31, 2021 and 2020.

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Notes to the Parent-Company-Only Financial Statements

2) Interest rate risk

The Company's short-term borrowings and long-term debt carried floating interest rates. To manage the interest rate risk, the Company periodically assesses the interest rates of bank loans and maintains good relationships with financial institutions to obtain lower financing costs. The Company also strengthens the management of working capital to reduce the dependence on bank loans as well as the risk arising from fluctuation of interest rates.

The following sensitivity analysis is based on the risk exposure to floating-interest-rate liabilities on the reporting date. The sensitivity analysis assumes the liabilities recorded at the reporting date had been outstanding for the entire period.

If interest rates had been 100 basis points (1%) higher/lower, with all other variables held constant, pre-tax income for the years ended December 31, 2021 and 2020 would have been $244,698 and $244,721, respectively, lower/higher, which mainly resulted from the borrowings with floating interest rates.

3) Other market price risk

The Company is exposed to the risk of price fluctuation in the securities market due to the investment in domestic listed stock. The Company supervises the equity price risk actively and manages the risk based on fair value.

Assuming a hypothetical increase or decrease of 5% in equity prices of the equity investments at each reporting date, the other comprehensive income for the years ended December 31, 2021 and 2020, would have increased or decreased by $762,686 and $1,872, respectively.

(z) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Company maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital expenditures, repayment of debts, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders. The Company monitors its capital through reviewing the liability-to-equity ratio periodically.

The Company's liability-to-equity ratio at the end of each reporting period was as follows:

	December 31, 2021	December 31, 2020
Total liabilities	$ 55,753,461	54,321,975
Total equity	$ 41,456,423	36,025,501
Liability-to-equity ratio	134.49 %	150.79 %

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Notes to the Parent-Company-Only Financial Statements

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

(i) Please refer to note 6(i) for a description of acquisition of right-of-use assets under lease in 2021.

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

	January 1, 2021	Cash flows	Non-cash changes: Additions	Non-cash changes: Others	December 31, 2021
Short-term borrowing	$ 6,227,600	(2,810,400)	-	-	3,417,200
Long-term debts	18,244,529	2,827,924	-	(19,851)	21,052,602
Lease liabilities	871,553	(118,466)	10,021	-	763,108
Total liabilities from financing activities	**$ 25,343,682**	**(100,942)**	**10,021**	**(19,851)**	**25,232,910**

	January 1, 2020	Cash flows	Non-cash changes: Others	December 31, 2020
Short-term borrowing	$ 7,190,000	(962,400)	-	6,227,600
Long-term debts	11,447,582	6,817,274	(20,327)	18,244,529
Lease liabilities	987,907	(116,354)	-	871,553
Total liabilities from financing activities	**$ 19,625,489**	**5,738,520**	**(20,327)**	**25,343,682**

7. Related-party transactions:

(a) Related party name and categories

The followings are subsidiaries and other related parties that have had transactions with the Company during the reporting periods.

Name of related party	Relationship with the Company
Qisda Sdn. Bhd. ("QLPG")	The Company's subsidiary
Qisda America Corp. ("QALA")	The Company's subsidiary
Qisda Japan Co., Ltd. ("QJTO")	The Company's subsidiary
BenQ Corp. ("BenQ")	The Company's subsidiary
BenQ Material Corp. ("BMC")	The Company's subsidiary
BenQ Dialysis Technology Corp. ("BDT")	The Company's subsidiary
Qisda Optronics Corp. ("QTOS")	The Company's subsidiary
Qisda (L) Corp. ("QLLB")	The Company's subsidiary
Darly Venture (L) Ltd. ("Darly")	The Company's subsidiary
Darly Venture Inc. ("APV")	The Company's subsidiary
BenQ BM Holding Cayman Corp. ("BBHC")	The Company's subsidiary
BenQ Biotech (Shanghai) Co., Ltd ("BBC")	The Company's subsidiary
Guangxi Youshan Medical Technology Co., Ltd. ("Youshan")	The Company's subsidiary
Wangcheng Medical Technology(Chengdu) Co., Ltd. ("Wangcheng")	The Company's subsidiary
Shanghai Filter Technology Co., Ltd (" Filter")	The Company's subsidiary

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Name of related party	Relationship with the Company
Shanghai Zhenglang Medical Equipment Co., Ltd. (“Zhenglang”)	The Company’s subsidiary
Qisda Vietnam Co., Ltd. (“QVH”)	The Company’s subsidiary
Qisda (Suzhou) Co., Ltd. (“QCSZ”)	The Company’s subsidiary
Qisda (Hong Kong) Limited (“QCHK”)	The Company’s subsidiary
BenQ Medical (Shanghai) Co., LTD (“BMSH”)	The Company’s subsidiary
Qisda (Shanghai) Co., Ltd. (“QCSH”)	The Company’s subsidiary
Qisda Electronics (Suzhou) Co., Ltd. (“QCES”)	The Company’s subsidiary
Qisda Optronics (Suzhou) Co., Ltd. (“QCOS”)	The Company’s subsidiary
Qisda Precision Industry (Suzhou) Co., Ltd. (“QCPS”)	The Company’s subsidiary
BenQ ESCO Corp. (“BES”)	The Company’s subsidiary
BenQ (Hong Kong) Limited (“BQHK”)	The Company’s subsidiary
BenQ Europe B.V. (“BQE”)	The Company’s subsidiary
BenQ Asia Pacific Corp. (“BQP”)	The Company’s subsidiary
BenQ America Corporation (“BQA”)	The Company’s subsidiary
BenQ Latin America Corp. (“BQL”)	The Company’s subsidiary
Mainteq Europe B.V. (“MQE”)	The Company’s subsidiary
Darly2 Venture Co., Ltd. (“Darly 2”)	The Company’s subsidiary
BenQ Intelligent Technology (Hong Kong) Co., Ltd. (“BQHK_HLD”)	The Company’s subsidiary
BenQ INFTY Lab Ltd. (“INF”)	The Company’s subsidiary
BenQ Guru Holding Limited (“GSH”)	The Company’s subsidiary
BenQ Medical Technology Corp. (“BMTC”)	The Company’s subsidiary
PT BenQ Teknologi Indonesia (“BQid”)	The Company’s subsidiary
BenQ Korea Co., Ltd. (“BQkr”)	The Company’s subsidiary
BenQ Japan Co., Ltd. (“BQjp”)	The Company’s subsidiary
BenQ Australia Pty Ltd. (“BQau”)	The Company’s subsidiary
BenQ (M.E.) FZE (“BQme”)	The Company’s subsidiary
BenQ India Private Ltd. (“BQin”)	The Company’s subsidiary
BenQ Singapore Pte Ltd. (“BQsg”)	The Company’s subsidiary
BenQ Service & Marketing (M) Sdn. Bhd (“BQmy”)	The Company’s subsidiary
BenQ (Thailand) Co., Ltd. (“BQth”)	The Company’s subsidiary
BenQ Vietnam Co., Ltd. (BQvn)	The Company’s subsidiary
BenQ Co., Ltd. (“BQC”)	The Company’s subsidiary
BenQ Technology (Shanghai) Co., Ltd. (“BQls”)	The Company’s subsidiary
ShengCheng Trading (Shanghai) Co., Ltd (“BQsha_EC2”)	The Company’s subsidiary
BenQ Intelligent Technology (Shanghai) Co., Ltd (“BQC_RO”)	The Company’s subsidiary
Guru Systems (Suzhou) Co., Ltd. (“GSS”)	The Company’s subsidiary
BenQ GURU Corp. (“GST”)	The Company’s subsidiary
BenQ Canada Corp. “(BQca”)	The Company’s subsidiary
BenQ Mexico S. de R.L. de C.V. (“BQmx”)	The Company’s subsidiary
Joytech LLC. (“Joytech”)	The Company’s subsidiary
Vividtech LLC. (“Vividtech”)	The Company’s subsidiary
MaxGen Comercio Industrial Imp E Exp Ltda. (“MaxGen”)	The Company’s subsidiary

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Notes to the Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
BenQ Service de Mexico S. de R.L. de C.V. (“BQsm”)	The Company’s subsidiary
BenQ UK Limited (“BQuk”)	The Company’s subsidiary
BenQ Deutschland GmbH (“BQde”)	The Company’s subsidiary
BenQ Iberica S.L. Unipersonal (“BQib”)	The Company’s subsidiary
BenQ Austria GmbH “(BQat”)	The Company’s subsidiary
BenQ Benelux B.V. (“BQnl”)	The Company’s subsidiary
BenQ Italy S.R.L. (“BQit”)	The Company’s subsidiary
BenQ France SAS (“BQfr”)	The Company’s subsidiary
BenQ Nordic A.B. (“BQse”)	The Company’s subsidiary
BenQ LLC. (“BQru”)	The Company’s subsidiary
BenQ BM Holding Corp. (“BBM”)	The Company’s subsidiary
Darly Consulting Corporation (“Darly C”)	The Company’s subsidiary
Highview Investments Limited (“Highview”)	The Company’s subsidiary
Asiaconnect International Company (“Asiaconnect”)	The Company’s subsidiary
LILY Medical Corporation (“LILY”)	The Company’s subsidiary
BenQ AB Dentcare Corporation (“BABD”)	The Company’s subsidiary
BenQ HealthCare Corporation (“BHS”) (Formerly BenQ Hearing Solution Corporation)	The Company’s subsidiary
EASTECH CO., LTD. (“EASTECH“)	The Company’s subsidiary
BenQ Medical Technology (Shanghai) Ltd. (“BMTS”)	The Company’s subsidiary
LILY Medical (Suzhou) Co., Ltd. (“ALS”)	The Company’s subsidiary
BenQ Materials (L) Co. (“BMLB”)	The Company’s subsidiary
Sigma Medical Supplies Corp (“SGM”)	The Company’s subsidiary
Suzhou Sigma Medical Supplies Co., Ltd. (“SGS”)	The Company’s subsidiary
Genejet Biotech Co., Ltd. (“GJB”)	The Company’s subsidiary
Cenefom Corp.	The Company’s subsidiary (note 1)
BenQ Material (Suzhou) Co., Ltd. (“BMS”)	The Company’s subsidiary
Daxon Biomedical (Suzhou) Co., Ltd. (“DTB”)	The Company’s subsidiary
BenQ Materials Medical Supplies (Suzhou) Co., Ltd (“BMM”)	The Company’s subsidiary
BenQ Materials (Wuhu) Co., Ltd. (“BMW”)	The Company’s subsidiary
Nanjing BenQ Hospital Co., Ltd. (“NMH”)	The Company’s subsidiary
Suzhou BenQ Hospital Co., Ltd. (“SMH”)	The Company’s subsidiary
BenQ Hospital Management Consulting (Nanjing) Co., Ltd. (“NMHC”)	The Company’s subsidiary
BenQ Healthcare Consulting Corporation (“BHCC”)	The Company’s subsidiary
Suzhou BenQ Investment Co., Ltd. (“BIC”)	The Company’s subsidiary
Partner Tech Corp. (“PTT”)	The Company’s subsidiary
Partner-Tech Europe GmbH (“PTE”)	The Company’s subsidiary
Partner Tech Middle East FZCO (“PTME”)	The Company’s subsidiary
Partner Tech North Africa (“PTNA”)	The Company’s subsidiary
Partner Tech UK Corp., Ltd. (“PTUK”)	The Company’s subsidiary
P&J Investment Holding Co., Ltd. (B.V.I.) (“P&J”)	The Company’s subsidiary

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
P&S Investment Holding Co., Ltd. (B.V.I.) (“P&S”)	The Company’s subsidiary
Partner Tech (Shanghai) Co., Ltd. (“PTCM”)	The Company’s subsidiary
Partner Tech USA Inc. (“PTU”)	The Company’s subsidiary
Webest Solution Corporation (“WEBEST”)	The Company’s subsidiary
Mace Digital Corporation(“PTMG”)	The Company’s subsidiary
Sloga Team D.o.o. (“Sloga”)	The Company’s subsidiary
Retail Solution & System S.L. (“RSS”)	The Company’s subsidiary
E-POS International LLC (“E-POS”)	The Company’s subsidiary
Epoint Systems Pte. Ltd. (“PTSE”)	The Company’s subsidiary
La Fresh information Co., Ltd (“PTTN”)	The Company’s subsidiary
Corex (Pty) Ltd. (“Corex”)	The Company’s subsidiary
Ace Pillar Co., Ltd. (“ACE”)	The Company’s subsidiary
Cyber South Management Ltd.	The Company’s subsidiary
Tianjin Ace Pillar Co., Ltd.	The Company’s subsidiary
Hong Kong Ace Pillar Enterprise Company Limited	The Company’s subsidiary
Proton Inc.	The Company’s subsidiary
Ace Tek (HK) Holding Co., Ltd.	The Company’s subsidiary
Suzhou Super Pillar Automation Equipment Co., Ltd.	The Company’s subsidiary
Grace Transmission (Tianjin) Co., Ltd.	The Company’s subsidiary
Xuchang Ace AI Equipment Co., Ltd.	The Company’s subsidiary
Advancedtek Ace (TJ) Inc.	The Company’s subsidiary
DFI Inc.(“DFI”)	The Company’s subsidiary
DFI AMERICA, LLC	The Company’s subsidiary
DFI Co., Ltd.	The Company’s subsidiary
Yan Tong Technology Ltd. (“Yan Tong”)	The Company’s subsidiary
Diamond Flower Information (NL) B.V.	The Company’s subsidiary
Brainstorm Corporation	The Company’s subsidiary
Yan-Tong Infotech (Dongguan) Co., Ltd.	The Company’s subsidiary
Yan Ying Hao Trading (ShenZhen) Co., Ltd	The Company’s subsidiary
Aewin Technologies Co., Ltd (“AEWIN”)	The Company’s subsidiary
WISE WAY	The Company’s subsidiary
AEWIN TECH INC.	The Company’s subsidiary
BRIGHT PROFIT	The Company’s subsidiary
Aewin Beijing Technologies Co., Ltd	The Company’s subsidiary
Aewin (Shenzhen) Technologies Co., Ltd	The Company’s subsidiary
K2 International Medical Inc. (“K2”)	The Company’s subsidiary
K2 Medical (Thailand) Co., Ltd.	The Company’s subsidiary
K2 (Shanghai) International Medical Inc. (“K2SH”)	The Company’s subsidiary
PT. Frismed Hoslab Indonesia (“K2ID”)	The Company’s subsidiary
Data Image Corporation (“DIC”)	The Company’s subsidiary
Data Image (Mauritius) Corporation	The Company’s subsidiary
Data Image (Suzhou) Corporation	The Company’s subsidiary

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
DIVA Laboratories. Ltd. (“DIVA”)	The Company’s subsidiary
DIVA Laboratories GmbH	The Company’s subsidiary
DIVA Laboratories U.S.,LLC	The Company’s subsidiary
Panoramic Imaging Solutions Inc.	The Company’s subsidiary
Diva Capital Inc.	The Company’s subsidiary
Diva Holding Inc.	The Company’s subsidiary
Suzhou Diva Lab. Inc.	The Company’s subsidiary
Expert Alliance Systems & Consultancy (HK) Co., Ltd. (“EASC”)	The Company’s subsidiary
Expert Alliance Smart Technology Co., Ltd.	The Company’s subsidiary
Topview Optronics Corporation (“Topview”)	The Company’s subsidiary
Messoa Technologies Inc.	The Company’s subsidiary
Messoa Technologies Inc. (USA)	The Company’s subsidiary
Sysage Technology Co., Ltd. (“Sysage”)	The Company’s subsidiary
Global Intelligence Network Co., Ltd. (“Ginnet”)	The Company’s subsidiary
Epic Cloud Information Integration Corporation. (“Epic Cloud”)	The Company’s subsidiary
AdvancedTEK International Corp. (“AdvancedTEK”)	The Company’s subsidiary (note 1)
Statinc Company (“Statinc”)	The Company’s subsidiary
APEO Human Capital Services Corp.	The Company’s subsidiary
DKABio Co., Ltd. (“Dataa”)	The Company’s subsidiary
Golden Spirit Co., Ltd. (“GSC”)	The Company’s subsidiary
Bigmin Bio-Tech Company Ltd.	The Company’s subsidiary
E-Strong Medical Technology Co., Ltd. (“ESM”)	The Company’s subsidiary
Simula Technology Inc. (“Simula”)	The Company’s subsidiary
Aspire Asia Inc.	The Company’s subsidiary
Simula Technology Corp.	The Company’s subsidiary
Action Star Technology Co., Ltd. (“AST”)	The Company’s subsidiary
Simula Company Limited	The Company’s subsidiary
Aspire Electronics Corp.	The Company’s subsidiary
Opti Cloud Technologies, Inc.	The Company’s subsidiary
Simula Technology (ShenZhen) Co., Ltd.	The Company’s subsidiary
Alpha Networks Inc.(“Alpha”)	The Company’s subsidiary
Alpha Holdings Inc. (“Alpha Holdings”)	The Company’s subsidiary
Alpha Solutions Co., Ltd. (“Alpha Solutions”)	The Company’s subsidiary
Alpha Networks Inc. (“Alpha USA”)	The Company’s subsidiary
Alpha Technical Services Inc. (“ATS”)	The Company’s subsidiary
Alpha Networks (Hong Kong) Limited (“Alpha HK”)	The Company’s subsidiary
Enrich Investment Corporation(“Enrich Investment”)	The Company’s subsidiary
Hitron Technologies Inc. (“Hitron Technologies”)	The Company’s subsidiary
D-Link Asia Investment Pte, Ltd. (“D-Link Asia”)	The Company’s subsidiary
Alpha Networks (Dongguan) Co., Ltd. (“Alpha Dongguan“)	The Company’s subsidiary
Alpha Networks (Chengdu) Co., Ltd. (“Alpha Chengdu”)	The Company’s subsidiary
Mirac Networks (Dongguan) Co., Ltd.	The Company’s subsidiary

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

Name of related party	Relationship with the Company
Alpha Networks (Changshu) Co., Ltd. (“Alpha Changshu”)	The Company’s subsidiary
Hitron Technologies (Samoa) Inc. (“Hitron Samoa”)	The Company’s subsidiary
Interactive Digital Technologies Inc.(“Interactive Digital”)	The Company’s subsidiary
Hitron Technologies Europe Holding B.V. (“Hitron Europe”)	The Company’s subsidiary
Hitron Technologies (Americas)Inc. (“Hitron Americas”)	The Company’s subsidiary
Innoauto Technologies Inc. (“Innoauto Technologies”)	The Company’s subsidiary
Hitron Technologies (Vietnam) Inc. (“Hitron Vietnam”)	The Company’s subsidiary
Hitron Technologies (SIP) Inc. (“Hitron Suzhou”)	The Company’s subsidiary
Jietech Trading (Suzhou) Inc. (“Jietech Suzhou”)	The Company’s subsidiary
Hwa Chi Technologies(Shanghai) Inc. (“Hwa Chi Technologies”)	The Company’s subsidiary
Transnet Corporation (“Transnet”)	The Company’s subsidiary
Aespula Technologies Inc. (“Aespula”)	The Company’s subsidiary
AU Optronics Corp. (“AU”)	Prior to May 12, 2021, AU was an associate of the Company. However, starting May 12, 2021, AU was no longer an associate of the Company. Since January 2021, AU accounted the investments in the Company using the equity method.
Darfon Electronics Corp. (“DFN”)	The Company’s associate
Visco Vision Inc. (“Visco Vision”)	The Company’s associate
Q.S.Control Corp.(“Q.S.C”)	The Company’s associate
Nanjing Silvertown Health & Development Co., Ltd. (“NSHD”)	The Company’s associate
Darwin Precisions Corporation (“Darwin”)	AU’s subsidiary
AU Optronics (Kunshan) Co., Ltd. (“AUKS”)	AU’s subsidiary
a.u. Vista Inc. (“AUVI”)	AU’s subsidiary
AU Optronics (Suzhou) Corp. (“AUSZ”)	AU’s subsidiary
AU Optronics (Slovakia) s.r.o. (“AUSK”)	AU’s subsidiary
BenQ Foundation	Substantive related party

(Note 1) Starting from 2021, the Company’s former associate has become a subsidiary.

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(b) Significant related-party transactions

(i) Revenue

		2021	2020
Subsidiaries:			
QALA	$	24,548,118	21,292,914
BenQ		6,258,208	5,073,679
Other subsidiaries		3,984,675	3,421,153
		34,791,001	29,787,746
Associates		2,305,741	7,470,527
The entity who has significant influence over the Company:			
AU		4,372,337	-
AUSZ		1,247,244	-
Others		221,539	-
		5,841,120	-
	$	**42,937,862**	**37,258,273**

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.

The Company sold raw materials and work in process to its subsidiaries for reprocessing, and the related finished goods were resold back to the Company. For this reason, the Company offset the recognized revenues and costs from these transactions, which amounted to $20,616,259 and $24,215,200, for the years ended December 31, 2021 and 2020, respectively.

(ii) Purchases

		2021	2020
Subsidiaries:			
QCSZ	$	78,724,562	67,384,007
QCOS		14,536,303	11,852,965
Other subsidiaries		1,635,823	122,425
		94,896,688	79,359,397
Associates		7,126	20,456
	$	**94,903,814**	**79,379,853**

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.

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(iii) Lease

The Company leased its office and plant to its related parties. In 2021 and 2020, the related rental income from subsidiaries amounted to $90,316 and $76,668, respectively, and from associates amounted to $4,665 and $3,162, respectively, recognized as the non-operating income and loss－other income. The related receivables were classified as other receivables from related parties.

The Company leased factory from AU, and the rent is paid monthly with reference to the nearby office rental rates. The Company entered into a new factory lease contract with AU and recognized the right-of-use assets and the lease liabilities amounting to $10,021, respectively, in 2021. For the years ended December 31, 2021 and 2020, the related interest expense on lease liabilities amounted to $49 and $126, respectively. As of December 31, 2021 and 2020, the balance of the lease liability amounted to $9,608 and $4,448, respectively.

(iv) Repair service

The Company' s subsidiaries provided repair service to the Company. These subsidiaries charged the Company for their repair service based on the actual costs of services rendered. For the years ended December 31, 2021 and 2020, the repair service fees amounted to $739 and $1,058, respectively, recognized as operating costs. The related payables were classified as "other payables to related parties".

(v) Donation

For the years ended December 31, 2021 and 2020, the Company made a donation to a substantive related party (BenQ Foundation) $6,000 and $5,000, respectively.

(vi) Property transactions

In 2021, the Company sold machinery to subsidiaries at a price of $22,600. In 2020, the Company purchased machinery from subsidiaries at a price of $2,682.

(vii) Guarantees

For the years ended December 31, 2021 and 2020, the Company provided guarantees in order to apply for foreign exchange credit line for its subsidiaries amounting to $2,934,080 and $3,005,100, respectively.

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(viii) Receivables

Account	Related-party categories	December 31, 2021	December 31, 2020
Accounts receivable	Subsidiaries:		
	QALA	$ 5,538,535	6,269,938
	BenQ	2,524,742	3,033,274
	QJTO	991,853	794,613
	QCSZ	879,741	923,692
	Other subsidiaries	735,919	745,490
		10,670,790	11,767,007
	Associates	1,252	2,250,644
	The entity who has significant influence over the Company:		
	AU	1,281,698	-
	AUSZ	707,652	-
	Others	141,125	-
		2,130,475	-
Other receivables	Subsidiaries	4,179	2,531
		$ 12,806,696	**14,020,182**

(ix) Payables

Account	Related party categories	December 31, 2021	December 31, 2020
Accounts payable	Subsidiaries:		
	QCSZ	$ 18,224,092	17,993,269
	QCES	1,376,443	1,704,966
	QCOS	3,567,730	3,574,987
	Other subsidiaries	411,887	249,395
	Associates	9,200	4,773
		23,589,352	23,527,390
	The entity who has significant influence over the Company:		
	AU	440	-
Other payables	Subsidiaries	725	5,865
		$ 23,590,517	**23,533,255**

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(c) Compensation for key management personnel

	2021	2020
Short-term employee benefits	$ 164,433	152,285
Post-employment benefits	1,071	864
	$ 165,504	153,149

8. Pledged assets:

The carrying amounts of the assets pledged as collateral are detailed below:

Pledged assets	Pledged to secure	December 31, 2021	December 31, 2020
Common stock of investments accounted for using the equity method	Credit lines of bank loans	$ -	5,933,504
Land and buildings	Credit lines of bank loans	1,214,152	1,163,163
Other financial assets (special deposit account)	Restrictions on utilization of repatriated offshore funds	236,906	81,832
		$ 1,451,058	7,178,499

9. Significant commitments and contingencies:

In addition to those in note 7, the Company had the following commitments and contingencies:

(a) Significant unrecognized commitments

	December 31, 2021	December 31, 2020
Unused letters of credit	$ 138,400	113,711

(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: None.

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

12. Others:

A summary of employee benefits, depreciation, and amortization, by function, is as follows:

	2021			2020		
	Cost of sales	Operating expenses	Total	Cost of sales	Operating expenses	Total
Employee benefits:						
Salaries	559,173	2,636,210	3,195,383	472,868	2,328,207	2,801,075
Insurance	34,519	145,855	180,374	30,614	128,373	158,987
Pension	14,791	80,110	94,901	14,464	79,175	93,639
Remuneration to directors	-	79,584	79,584	-	48,668	48,668
Others	50,486	158,877	209,363	48,673	139,174	187,847
Depreciation	50,263	185,157	235,420	47,295	174,327	221,622
Amortization	11,471	21,367	32,838	379	19,174	19,553

	2021	2020
The number of employees	1,750	1,745
The number of non-employee directors	6	6
Average employee benefits	$ 2,110	1,864
Average employee salaries	$ 1,832	1,611
Average employee salaries adjustment rate	13.72 %	6.06 %
Supervisors' remuneration	$ -	-

The Company' s salary and remuneration policies (including directors, managers and employees) were as follows:

(a) Directors:

(i) The remuneration to directors is stipulated and distributed according to the Company's Articles of Incorporation, authorizing the Board of Directors to determine the remuneration based on the participation and contribution of each director, as well as " Remuneration Policy to the Directors and Functional Committee Members" which is in reference to domestic and overseas industry norms. If there is earnings, the remunerations to directors is approved by the Board of Directors according to the Company's Articles of Incorporation.

(ii) The remunerations to directors is in accordance with the Company's Articles of Incorporation and Remuneration Policy, and is reviewed by the Remuneration Committee and approved by the Board of Directors.

(b) Managers:

The remuneration to managers is in accordance with the Company's personnel rules with reference to the industry norms, individual performance and the Company's overall operating performance, and is reviewed by the Salary and Remuneration Committee and approved by the Board of Directors.

(Continued)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(c) Employees:

(i) The Company provides diversified and competitive overall remuneration and career development opportunities. Apart from basic salary (including principal salary, meal allowance, etc.), various allowances and rewards, such as work allowances, duty allowances, performance bonuses, incentive bonuses and remuneration to employees based on the Company's annual profit, are designed for difference job nature and reward purpose.

(ii) The Company annually participates in the international market salary surveys, wherein it adjust the salary based on the salary benchmark of each job and individual performance to sustain its market competitiveness. Under the premise of enhancing the Company's overall operations and performance through teamwork and individual effort, the Company designs various short term or long term reward plans and profit sharing with employees to achieve the purpose of talent attraction, retention, motivation and programmatic cultivation of high quality talents.

(iii) The salary and bonus for employees is in accordance with the Company's personnel rules. The remuneration to employees is in accordance with Company's Articles of Incorporation, and is approved by the Board of Directors and reported to shareholders meeting.

13. Additional disclosures:

(a) Information on significant transactions:

(i) Financing provided to other parties: Table 1 (attached)

(ii) Guarantees and endorsements provided to other parties: Table 2 (attached)

(iii) Marketable securities held at the reporting date (excluding investments in subsidiaries, associates, and joint ventures): Table 3 (attached)

(iv) Marketable securities for which the accumulated purchase or sale amounts for the year exceed $300 million or 20% of the paid-in capital: Table 4 (attached)

(v) Acquisition of real estate which exceeds $300 million or 20% of the paid-in capital: Table 5 (attached)

(vi) Disposal of real estate which exceeds $300 million or 20% of the paid-in capital: Table 6 (attached)

(vii) Total purchases from and sales to related parties which exceed $100 million or 20% of the paid-in capital: Table 7 (attached)

(viii) Receivables from related parties which exceed $100 million or 20% of the paid-in capital: Table 8 (attached)

(ix) Transactions about derivative instruments: Refer to note 6(b)

(b) Information on investees : Table 9 (attached)

QISDA CORPORATION
Notes to the Parent-Company-Only Financial Statements

(c) Information on investment in Mainland China: Table 10 (attached)

(d) Major shareholders:

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

14. Segment information:

Please refer to the consolidated financial statements for the year ended December 31, 2021.

QISDA CORPORATION
Financing provided to other parties
For the year ended December 31, 2021
(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		
0	The Company	APV	Other receivables from related parties	yes	200,000	-	-	1.20%	2	-	Operating requirements	-	-	-	8,291,285	16,582,569
1	BenQ	BQL	Other receivables from related parties	yes	500,400	249,120	249,120	-	2	-	Operating requirements	-	-	-	2,085,224	4,170,448
1	BenQ	Darly Venture (L) Ltd	Other receivables from related parties	yes	278,000	138,400	138,400	0.75%	2	-	Operating requirements	-	-	-	2,085,224	4,170,448
1	BenQ	Darly 2	Other receivables from related parties	yes	200,000	-	-	-	2	-	Operating requirements	-	-	-	2,085,224	4,170,448
1	BenQ	Darly C	Other receivables from related parties	yes	300,000	-	-	-	2	-	Operating requirements	-	-	-	2,085,224	4,170,448
2	QLLB	Qisda (Shanghai) Co., Ltd. ("QCSH")	Other receivables from related parties	yes	3,219,000	1,605,440	1,605,440	-	2	-	Operating requirements	-	-	-	6,053,140	6,053,140
3	QLPG	QLLB	Other receivables from related parties	yes	558,502	543,529	231,994	3.20%	2	-	Operating requirements	-	-	-	8,291,285	16,582,569
4	BBM	Suzhou BenQ Hospital Co., Ltd. ("SMH")	Other receivables from related parties	yes	128,385	110,720	-	-	2	-	Operating requirements	-	-	-	2,037,689	2,037,689
4	BBM	Nanjing BenQ Hospital Co., Ltd.("NMH")	Other receivables from related parties	yes	855,900	692,000	553,600	-	2	-	Operating requirements	-	-	-	2,037,689	2,037,689
5	BIC	Suzhou BenQ Hospital Co., Ltd. ("SMH") (Note 26)	Other receivables from related parties	yes	21,787	21,727	21,727	1.00%	2	-	Operating requirements	-	-	-	335,850	335,850
6	NMHC	Nanjing BenQ Hospital Co., Ltd.("NMH") (Note 26)	Other receivables from related parties	yes	22,658	22,596	22,596	1.00%	2	-	Operating requirements	-	-	-	23,639	23,639
7	QCOS	Suzhou BenQ Hospital Co., Ltd. ("SMH") (Note 26)	Other receivables from related parties	yes	740,758	738,718	738,718	3.60%	2	-	Operating requirements	-	-	-	1,635,411	1,635,411
7	QCOS	Qisda (Shanghai) Co., Ltd. ("QCSH") (Note 26)	Other receivables from related parties	yes	87,148	86,908	86,908	2.00%~2.30%	2	-	Operating requirements	-	-	-	4,145,642	41,456,423
8	BMS	BenQ Meterials (Wuhu) Co., Ltd.(Note 26)	Other receivables from related parties	yes	1,154,711	1,151,531	818,239	1.30%	2	-	Operating requirements	-	-	-	1,938,681	1,938,681
8	BMS	Suzhou Sigma Medical Supplies Co., Ltd. ("SMSZ")(Note 26)	Other receivables from related parties	yes	86,718	-	-	1.30%	2	-	Operating requirements	-	-	-	1,938,681	1,938,681
8	BMS	BenQ Materials Medical Supplies (Suzhou) Co., Ltd ("BMM")(Note 26)	Other receivables from related parties	yes	259,560	130,362	23,900	1.30%	2	-	Operating requirements	-	-	-	1,938,681	1,938,681
9	PTT	Corex (Pty) Ltd.	Other receivables from related parties	yes	113,400	-	-	USD 3.50% ZAR 8.85%	2	-	Operating requirements	-	-	-	402,770	402,770
10	Ace Pillar Co., Ltd.	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	yes	250,560	249,120	166,080	0.00%~4.35%	2	-	Operating requirements	-	-	-	410,619	821,237

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		
10	Ace Pillar Co., Ltd.	Suzhou Super Pillar Automation Equipment Co., Ltd.	Other receivables from related parties	yes	28,530	27,680	27,680	-	2	-	Operating requirements	-	-	-	410,619	821,237
11	Cyber South	Suzhou Super Pillar Automation Equipment Co., Ltd.	Other receivables from related parties	yes	15,692	-	-	1.15%	2	-	Operating requirements	-	-	-	626,514	626,514
12	Grace Transmission (Tianjin) Co., Ltd.	Advancedtek Ace (TJ) Inc.	Other receivables from related parties	yes	2,614	-	-	1.80%	2	-	Operating requirements	-	-	-	7,018	7,018
12	Grace Transmission (Tianjin) Co., Ltd.	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	yes	13,044	-	-	1.80%	2	-	Operating requirements	-	-	-	7,018	7,018
13	Proton Inc.	Tianjin Ace Pillar Co., Ltd.	Other receivables from related parties	yes	17,344	-	-	1.80%	2	-	Operating requirements	-	-	-	39,722	39,722
14	Aewin	Aewin Beijing Technologies Co., Ltd	Other receivables from related parties	yes	85,590	-	-	-	2	-	Operating requirements	-	-	-	231,859	463,718
14	Aewin	Aewin Beijing Technologies Co., Ltd	Other receivables from related parties	yes	208,489	102,949	102,949	-	1	445,822	Business transaction	-	-	-	231,859	463,718
15	Alpha HK	Alpha Changshu	Other receivables from related parties	yes	1,425,960	966,032	966,032	-	2	-	Operating requirements	-	-	-	2,263,055	2,263,055
16	Mirac Networks (Dongguan) Co., Ltd.	Alpha Changshu	Other receivables from related parties	yes	129,231	-	-	2.50%	2	-	Operating requirements	-	-	-	303,307	303,307
17	Alpha Networks (Chengdu) Co., Ltd.	Alpha Changshu	Other receivables from related parties	yes	174,296	173,816	173,816	2.00%~2.50%	2	-	Operating requirements	-	-	-	574,686	574,686
18	Hitron Technologies	Hitron Vietnam	Other receivables from related parties	yes	922,680	830,400	608,960	1.00%	2	-	Operating requirements	-	-	-	939,324	1,878,649
18	Hitron Technologies	Suzhou	Other receivables from related parties	yes	427,950	-	-	1.00%	2	-	Operating requirements	-	-	-	939,324	1,878,649
19	Jietech Trading (Suzhou) Inc.	Suzhou	Other receivables from related parties	yes	21,680	-	-	2.00%	2	-	Operating requirements	-	-	-	3,716	3,716
20	Alpha Dongguan	Alpha Changshu	Other receivables from related parties	yes	306,761	305,916	305,916	2.00%	2	-	Operating requirements	-	-	-	1,034,891	1,034,891
21	D-Link Asia	Alpha Changshu	Other receivables from related parties	yes	139,000	138,400	138,400	-	2	-	Operating requirements	-	-	-	1,745,594	1,745,594
22	Darly	BenQ	Other receivables from related parties	yes	200,000	200,000	200,000	0.50%	2	-	Operating requirements	-	-	-	1,563,426	1,563,426
23	Darly 2	BenQ	Other receivables from related parties	yes	400,000	400,000	200,000	0.50%	2	-	Operating requirements	-	-	-	1,675,750	1,675,750
24	Darly C	BenQ	Other receivables from related parties	yes	100,000	100,000	100,000	0.50%	2	-	Operating requirements	-	-	-	181,642	181,642

(Note 1) The aggregate financing amount and the individual financing amount of the Company to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent audited or reviewed net worth of the Company.
(Note 2) 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 3) The aggregate financing amount and the individual financing amount of BenQ to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent net worth of BenQ.
(Note 4) 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 5) 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 audited or reviewed net worth of the Company. The financing amount to the subsidiaries not wholly owned by the Company and the individual financing amount of QCOS shall not exceed 40% of the most recent net worth of QCOS.

(Note 6) The aggregate financing amount and the individual financing amount of QLPG to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent audited or reviewed net worth of the Company.

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

(Note 9) The aggregate financing amount and the individual financing amount of NMHC to subsidiaries shall not exceed 100% of the most recent net worth of NMHC.

(Note 10) The aggregate financing amount and the individual financing amount of PTT to subsidiaries shall not exceed 40% of the most recent net worth of PTT.

(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 to foreign subsidiaries wholly owned by ACE and the individual financing amount of Cyber South shall not exceed 100% of the most recent net worth of Cyber South. The aggregate financing amount to the subsidiaries not wholly owned by ACE and the individual financing amount of Cyber South shall not exceed 10% and 5%, respectively, of the most recent net worth of Cyber South.

(Note 13) The aggregate financing amount to foreign subsidiaries wholly owned by ACE and the individual financing amount of Grace Transmission (Tianjin) Co., Ltd. shall not exceed 100% of the most recent net worth of Grace Transmission (Tianjin) Co., Ltd.. The aggregate financing amount to the subsidiaries not wholly owned by ACE and the individual financing amount of Grace Transmission (Tianjin) Co., Ltd. shall not exceed 10% and 5%, respectively, of the most recent net worth of Grace Transmission (Tianjin) Co., Ltd..

(Note 14) The aggregate financing amount to foreign subsidiaries wholly owned by ACE and the individual financing amount of Hong Kong Ace Pillar Enterprise Company Limited shall not exceed 100% of the most recent net worth of Hong Kong Ace Pillar Enterprise Company Limited. The aggregate financing amount to the subsidiaries not wholly owned by ACE and the individual financing amount of Hong Kong Ace Pillar Enterprise Company Limited shall not exceed 10% and 5%, respectively, of the most recent net worth of Hong Kong Ace Pillar Enterprise Company Limited.

(Note 15) The aggregate financing amount and the individual financing amount of AEWIN to subsidiaries shall not exceed 40% and 20%, respectively, of the most recent audited or reviewed net worth of AEWIN.

(Note 16) 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 17) The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Mirac Networks (Dongguan) Co., Ltd. shall not exceed 100% of the most recent net worth of Mirac Networks (Dongguan) Co., Ltd.

(Note 18) 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 19) The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of Alpha Networks (Dongguan) Co., Ltd. shall not exceed 100% of the most recent net worth of Alpha Networks (Dongguan) Co., Ltd.

(Note 20) The aggregate financing amount to foreign subsidiaries wholly owned by Alpha and the individual financing amount of D-Link Asia shall not exceed 100% of the most recent net worth of D-Link Asia.

(Note 21) The aggregate financing amount of Hitron Technologies and its subsidiaries(Jietech Trading (Suzhou) Inc.) to subsidiaries shall not exceed 40% of the the most recent audited or reviewed net worth of both parties. The financing reason and limit for each type of party is stated as below:

a For entities who have business transactions with Hitron Technologies, the individual financing amount shall not exceed the total transaction amount 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 10% of the most recent audited or reviewed net worth of Hitron Technologies.

c For foreign subsidiaries which Hitron Technologies has 100% of direct or indirect voting rights, the aggregate financing amount and the individual financing amount shall not exceed 100% of the net worth of the lender.

d For foreign subsidiaries which Hitron Technologies has 100% of direct or indirect voting rights, the aggregate financing amount and the individual financing amount shall not exceed 100% of the net worth of the lender.

(Note 22) The aggregate financing amount and the individual financing amount of Darly Venture Inc. to subsidiaries shall not exceed 40% of the most recent net worth of Darly Venture Inc.

(Note 23) The aggregate financing amount and the individual financing amount of Darly 2 Venture, Corp. to subsidiaries shall not exceed 40% of the most recent net worth of Darly 2 Venture, Corp.

(Note 24) The aggregate financing amount and the individual financing amount of Darly Consulting Corp. to subsidiaries shall not exceed 40% of the most recent net worth of Darly Consulting Corp.

(Note 25) Purpose of Fund Financing: 1.Business transaction purpose. 2. Short-term financing purpose.

(Note 26) To decrease the interest expense of the Group, certain subsidiaries using special purpose trust account through financial intermediaries offer idle fund to other subsidiaries in need.

QISDA CORPORATION
Guarantees and endorsements provided to other parties
For the year ended December 31, 2021
(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	8,291,285	4,581,600	3,376,960	2,934,080	-	8.15%	20,728,211	Y	-	-
1	BenQ	MaxGen	Parent/Subsidiary	2,085,224	98,157	85,006	85,006	-	0.82%	10,426,119	N	-	-
2	PTT	Partner Tech Middle East FZCO	Parent/Subsidiary	201,385	57,060	55,360	55,360	-	5.50%	503,463	N	-	-
2	PTT	Partner-Tech Europe GmbH	Parent/Subsidiary	201,385	57,060	55,360	55,360	-	5.50%	503,463	N	-	-
2	PTT	Partner Tech USA Inc.	Parent/Subsidiary	201,385	28,530	27,680	27,680	-	2.75%	503,463	N	-	-
3	DIC	Data Image (Suzhou) Corporation	Parent/Subsidiary	267,622	55,600	27,680	12,159	-	2.07%	669,056	N	-	Y
4	ACE	Tianjin Ace Pillar Co., Ltd.	Parent/Subsidiary	821,237	327,500	188,400	56,490	-	9.18%	1,026,547	N	-	Y
5	AEWIN	Aewin Beijing Technologies Co., LTD	Parent/Subsidiary	226,889	129,780	65,181	65,181	-	5.63%	579,064	N	-	Y
6	Alpha	Alpha Networks (Dongguan) Co., Ltd.	Parent/Subsidiary	4,801,210	57,060	55,360	14,138	-	0.58%	9,602,419	N	-	Y
6	Alpha	Alpha Networks (Changshu) Co., Ltd.	Parent/Subsidiary	4,801,210	199,710	193,760	13,812	-	2.06%	9,602,419	N	-	Y
7	Hitron Technologies	Innoauto Technologies Inc.	Parent/Subsidiary	4,696,622	75,000	-	-	-	-	7,044,933	N	-	-
7	Hitron Technologies	Hitron Technologies Europe Holding B.V.	Parent/Subsidiary	4,696,622	645,036	601,096	77,352	-	12.80%	7,044,933	N	-	-
7	Hitron Technologies	Hitron Technologies (Americas) Inc.	Parent/Subsidiary	4,696,622	836,100	553,600	-	-	11.79%	7,044,933	N	-	-
7	Hitron Technologies	Hitron Technologies (Vietnam) Inc.	Parent/Subsidiary	4,696,622	2,168,280	1,771,520	-	-	37.72%	7,044,933	N	-	-
7	Hitron Technologies	Hitron Technologies (SIP) Inc.	Parent/Subsidiary	4,696,622	514,446	-	-	-	-	7,044,933	N	-	Y
8	Sysage	Corex (Pty) Ltd.	Parent/Subsidiary	858,113	222,400	221,440	94,737	-	5.16%	2,145,282	N	-	-
8	Sysage	Global Intelligence Network Co., Ltd.	Parent/Subsidiary	858,113	100,000	100,000	100,000	-	2.33%	2,145,282	N	-	-

(Note 1) The aggregate endorsement/guarantee amount provided by the Company to QLLB and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the most recent audited or reviewed net worth of the Company.
(Note 2) The aggregate endorsement/guarantee amount provided by BenQ to MaxGen and the endorsement/guarantee amount provided to individual party shall not exceed 100% and 20%, respectively, of the net worth of BenQ.
(Note 3) The aggregate endorsement/guarantee amount provided by PTT to PTT 's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the net worth of PTT.
(Note 4) The aggregate endorsement/guarantee amount provided by DIC to Data Image (Suzhou) Corporation and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the net worth of DIC.
(Note 5) The aggregate endorsement/guarantee amount provided by ACE to ACE's subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 40%, respectively, of the net worth of ACE.
(Note 6) The aggregate endorsement/guarantee amount provided by 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 7) The aggregate endorsement/guarantee amount provided by Hitron Technologies to Hitron Technologies’subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 150% and 20%, respectively, of the net worth of Hitron Technologie. However, there is no restriction for those directly or indirectly held subsidiaries with more than 50% of the voting shares and for those directly and indirectly hold 100% of the voting shares are indirectly endorsed and guaranteed, but it shall not exceed Hitron Technologies 100% of the net worth of the most recent financial statements.
(Note 8) The aggregate endorsement/guarantee amount provided by AEWIN to Aewin Beijing Technologies Co., Ltd. and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the recent audited or reviewed net worth of AEWIN.
(Note 9) The aggregate endorsement/guarantee amount provided by Sysage to subsidiaries and the endorsement/guarantee amount provided to individual party shall not exceed 50% and 20%, respectively, of the most recent audited or reviewed net worth of Sysage.

QISDA CORPORATION
Marketable securities held (excluding investments in subsidiaries, associates, and joint ventures)
For the year ended December 31, 2021
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 3

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
The Company	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,388	57,304	4.61%	57,304	-
The Company	Stock: AU	-	Financial assets at fair value through other comprehensive income-non-current	663,599	15,196,408	6.93%	15,196,408	-
QLLB	CPEC Huachuang Private Equity Fund (Fujian) Co., Ltd. Fund	-	Financial assets at fair value through other comprehensive income-non-current	-	42,788	2.50%	42,788	-
BMC	Stock: Lagis Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income-current	1,680	55,490	5.25%	55,490	-
BMC	Stock: Biodenta Corporation	-	Financial assets at fair value through profit or loss-non-current	225	(Note 1)	2.50%	-	-
BMC	Stock: YiLeLaFa Corporation	-	Financial assets at fair value through other comprehensive income-non-current	300	3,000	2.73%	3,000	-
BMC	Stock: CUUMed Catheter Medical Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	323	6,187	2.12%	6,187	-
APV	Stock: Hi-Clearance Inc.	-	Financial assets at fair value through other comprehensive income-current	317	46,547	0.83%	46,547	-
APV	Stock: Joymaster Inc.	-	Financial assets at fair value through other comprehensive income-non-current	619	(Note 1)	6.19%	-	-
APV	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	672	32,222	2.77%	32,222	-
APV	Stock: Gigastone Corporation	-	Financial assets at fair value through other comprehensive income-non-current	31	377	0.06%	377	-
APV	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	2,000	10,680	6.17%	10,680	-
APV	Stock: CDIB Capital Innovation Advisors Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,667	21,665	3.33%	21,665	-
APV	Preferred Stock: D8AI Holdings Coporation	-	Financial assets at fair value through other comprehensive income-non-current	10,000	3,296	6.56%	3,296	-
APV	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	2,144	88,566	7.13%	88,566	-
APV	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	2,309	1,306,644	3.45%	1,306,644	-
Darly 2	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	470	22,536	1.94%	22,536	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Darly 2	Stock: Raydium Semiconductor Corporation	-	Financial assets at fair value through other comprehensive income-non-current	1,552	878,099	2.32%	878,099	-
Darly 2	Stock: Fong Huang Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	6,000	83,693	18.75%	83,693	-
Darly 2	Stock: Fong Huang 2 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	36,374	7.01%	36,374	-
Darly 2	Stock: Fong Huang 3 Innovation Corporation	-	Financial assets at fair value through other comprehensive income-non-current	3,000	32,465	13.04%	32,465	-
Darly C	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	34	1,630	0.14%	1,630	-
Darly C	Stock: Athena Capital Management	-	Financial assets at fair value through other comprehensive income-non-current	1,000	5,340	3.09%	5,340	-
Darly C	Stock: Anqing Innovation	-	Financial assets at fair value through other comprehensive income-non-current	1,033	5,409	2.24%	5,409	-
Darly C	Stock: Visco Vision Inc.	-	Financial assets at fair value through other comprehensive income-non-current	285	61,860	0.52%	61,860	-
BenQ	Stock: Crystalvue Medical Corp.	-	Financial assets at fair value through other comprehensive income-non-current	1,487	71,302	6.13%	71,302	-
PTT	Preferred Stock: D8AI Holdings Coporation	-	Financial assets at fair value through other comprehensive income-non-current	3,500	5,196	2.30%	5,196	-
DFI	Stock: APLEX Technology, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	999	41,259	3.32%	41,259	-
DFI	Fund: Cathay No 1 REIT	-	Financial assets at fair value through profit or loss-current	1,442	26,144	-	26,144	-
DFI	Asia Tech Venture Fund	-	Financial assets at fair value through other comprehensive income-non-current	USD 225	(Note 1)	-	-	-
DFI	Bond: WM 7.25% Perpetual	-	Financial assets at fair value through other comprehensive income-non-current	USD 200	(Note 1)	-	-	-
AEWIN	Stock: Aewin Korea Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	10	1,288	16.67%	1,288	-
AEWIN	Stock: AuthenTrend Technology Inc.	-	Financial assets at fair value through profit or loss-non-current	300	(Note 1)	1.42%	-	-
Sysage	CDS Holdings Limited	-	Financial assets at fair value through profit or loss-non-current	600	(Note 1)	1.11%	-	-
Sysage	Stock: Yobon Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	3	(Note 1)	0.42%	-	-
Sysage	Stock: Dynasafe Technologies, Inc.	-	Financial assets at fair value through profit or loss-non-current	3,906	227,410	19.53%	227,410	-
Sysage	Stock: Touch Cloud, Inc.	-	Financial assets at fair value through profit or loss-non-current	200	856	1.50%	856	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Sysage	Gemini Data, Inc.	-	Financial assets at fair value through profit or loss-non-current	2,706	10,930	1.70%	10,930	-
Sysage	Stock: Kingtel Corporation	-	Financial assets at fair value through profit or loss-non-current	443	1,498	18.09%	1,498	-
Sysage	Limited Partnership Equity: Taiwania Capital Buffalo Fund V ,LP.	-	Financial assets at fair value through profit or loss-non-current	(Note 2)	97,602	12.78%	97,602	-
Simula	Stock: Optomedia Technology Inc.	-	Financial assets at fair value through other comprehensive income-non-current	817	2,411	3.26%	2,411	-
Simula	Stock: Taiwan Competition Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	500	2,469	16.67%	2,469	-
GSC	Stock: New Image Medical Co.,Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	200	2,960	0.74%	2,960	-
Alpha	Stock: TGC, Inc.	-	Financial assets at fair value through profit or loss-non-current	500	(Note 1)	1.83%	-	-
Hitron Technologies	Stock: Senao International Co., Ltd.	-	Financial assets at fair value through profit or loss-current	152	5,077	-	5,077	-
Hitron Technologies	Stock: Transcend Information Inc.	-	Financial assets at fair value through profit or loss-current	441	32,237	-	32,237	-
Hitron Technologies	Stock: Chao Long Motor Parts Corp.	-	Financial assets at fair value through other comprehensive income-non-current	668	19,335	1.79%	19,335	-
Hitron Technologies	Stock: Imagetech Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	120	(Note 1)	1.20%	-	-
Hitron Technologies	Stock: Tsunami Visual Technologies, Inc.	-	Financial assets at fair value through other comprehensive income-non-current	1,220	(Note 1)	9.34%	-	-
Hitron Technologies	Stock: Pivot Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	198	(Note 1)	10.94%	-	-
Hitron Technologies	Stock: Cardtek Co., Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,000	(Note 1)	6.45%	-	-
Hitron Technologies	Stock: Yesmobile Holding Company Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	294	(Note 1)	0.75%	-	-
Hitron Technologies	Preferred Stock: Codent Networks (Cayman) Ltd.	-	Financial assets at fair value through other comprehensive income-non-current	1,570	(Note 1)	-	-	-
Interactive Digital	Stock: Transcend Information Inc.	-	Financial assets at fair value through profit or loss-current	362	26,462	-	26,462	-
DIVA	Stock: Insight Genomics Inc.	-	Financial assets at fair value through other comprehensive income-non-current	600	3,534	10.00%	3,534	-
DIVA	Stock: Renown Information Technology Corp.	-	Financial assets at fair value through other comprehensive income-non-current	600	762	12.00%	762	-

Investing Company	Marketable Securities Type and Name	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2021				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
DIVA	Stock: Pharmally International Holding Co. Ltd.	-	Financial assets at fair value through profit or loss-non-current	150	(Note 1)	-	-	-

(Note 1) The impairment loss was fully recognized.
(Note 2) There was no shares as the compan is a limited partnership.

QISDA CORPORATION

Marketable securities for which the accumulated purchase or sale amount for the year exceed NT$300 million or 20% of the paid-in capital

For the year ended December 31, 2021

(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 (Note 1)
The Company	Sysage	Investment accounted for using equity method	-	Parent/Subsidiary	66,000	1,856,785	30,841	1,387,856	-	-	-	-	96,841	2,662,719
BBM	NSHD	Investment accounted for using equity method	Hangzhou Lan Cheng Hong Chuang Investment Ltd.	-	-	384,857	-	-	-	1,231,460	180,476	1,042,365	-	183,100
DFI	Brainstorm	Investment accounted for using equity method	-	Parent/Subsidiary	-	-	233	501,582	-	-	-	-	233	501,582
DFI	ACE	Investment accounted for using equity method	-	Parent/Subsidiary	37,676	793,722	16,282	507,636	-	-	-	-	53,958	1,301,359
Hitron Technologies	Hitron Vietnam	Investment accounted for using equity method	-	Parent/Subsidiary	-	434,914	-	1,036,992	-	-	-	-	-	1,471,906
Simula	AST	Investment accounted for using equity method	-	Parent/Subsidiary	-	-	32,001	983,858	-	-	-	-	32,001	1,008,924
DIC	DIVA	Investment accounted for using equity method	-	-	-	-	20,856	625,680	-	-	-	-	20,856	617,569

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

QISDA CORPORATION
Acqusition of real estate which exceeds NT$300 million or 20% of the paid-in capital
For the year ended December 31, 2021
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 5

Company Name	Property Name	Transaction Date	Transaction Amount	Status of Payment	Counter Party	Relationship with the Counter Party	If the Counter Party is a Related Party, Disclose the Previous Transfer Information				Price Reference	Purpose of Acqusition and Current Condition	Notes
							Owner	Relationship with the Company	Date of Transfer	Amount			
AEWIN	Land and Buildings	Qctober 4, 2021	470,880	Payment in full	Avanti Commerce Centre Limited	-	-	-	-	-	Negotiate according to appraisal report	Operating purpose	None

QISDA CORPORATION
Disposal of real estate which exceeds NT$300 million or 20% of the paid-in capital
For the year ended December 31, 2021
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 6

Company Name	Property Name	Transaction Date	Acquisition date	Book Value	Transaction Amount	Status of Payment	Gain or Loss on Disposal of real estate	Relation with the Counter Party	Counter Party	Purpose of Disposal	Price Reference	Notes
Qisda Sdn. Bhd. (QLPG)	Two land and buildings in Malaysia	Board resolution date June 11, 2020 ; Transaction date: June, 2021	1990	115,802	618,957(MYR 92,000 thousand) Net selling price after tax is 561,173	517,907 which is 93% of the contract price has been received.	365,338	Associates	Visco Technology Sdn.Bhd.	To activate asset and increase working capital	Refer to appraisal report	Payment term： 10% will be charged within 1 month after signing the contact； 20% will be charged within 1 month after the government approval is received； 70% will be charged within 4 month after the government approval is received
DFI	Land and Buildings	November 30, 2021	April 1, 1987	456,344	550,000	Received all payments	85,901 (Note 1)	Not applicable	Axiomtek Co., Ltd.	To activate asset and increase working capital	Negotiate according to appraisal report	None

(Note 1) The amount after deducting transaction-related fees.

QISDA CORPORATION
Total purchases from and sales to related parties which exceed NT$100 million or 20% of the paid-in capital
For the year ended December 31, 2021
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 7

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)	(6,258,208)	(6)	OA90	-	-	2,524,742	13	-
The Company	QJTO	Parent/Subsidiary	(Sales)	(2,827,402)	(3)	OA120	-	-	991,853	5	-
The Company	QALA	Parent/Subsidiary	(Sales)	(24,548,118)	(23)	OA90	-	-	5,538,535	28	-
The Company	AU	(Note 5)	(Sales)	(5,928,960)	(6)	OA120	-	-	1,281,698	6	-
The Company	AUSZ	(Note 5)	(Sales)	(1,931,807)	(2)	OA120	-	-	707,652	4	-
The Company	AUKS	(Note 5)	(Sales)	(280,607)	-	OA120	-	-	141,110	1	-
The Company	DFI	Parent/Subsidiary	(Sales)	(350,492)	-	OA60	-	-	50,843	-	-
The Company	Topview	Parent/Subsidiary	(Sales)	(206,268)	-	OA60	-	-	22,901	-	-
The Company	BBC	Parent/Subsidiary	(Sales)	(125,685)	-	OA30	-	-	24,434	-	-
The Company	PTT	Parent/Subsidiary	(Sales)	(250,248)	-	OA30	-	-	46,137	-	-
The Company	QCSZ	Parent/Subsidiary	Purchases	78,724,562	78	OA120	-	-	(18,224,092)	(73)	-
The Company	QCOS	Parent/Subsidiary	Purchases	14,536,303	14	OA120	-	-	(3,567,730)	(14)	-
The Company	QVH	Parent/Subsidiary	Purchases	1,324,048	1	OA60	-	-	(155,155)	(1)	-
The Company	Sysage	Parent/Subsidiary	Purchases	126,885	-	OA120	-	-	(99,293)	-	-
QCSZ	The Company	Parent/Subsidiary	(Sales)	(78,724,562)	(89)	OA120	-	-	18,224,092	91	-
QCSZ	BQC_RO	Affiliates	(Sales)	(1,110,198)	(1)	OA120	-	-	7,656	-	-
QCSZ	QCES	Affiliates	(Sales)	(102,951)	-	OA60	-	-	13,173	-	-
QCSZ	QCPS	Affiliates	Purchases	1,527,466	2	OA60	-	-	(173,031)	(1)	-
QCSZ	DIC	Affiliates	Purchases	467,176	1	EOM45	-	-	(37,879)	-	-
QCSZ	AU	(Note 5)	Purchases	7,068,650	8	EOM55	-	-	(601,428)	(3)	-
QCOS	The Company	Parent/Subsidiary	(Sales)	(14,536,303)	(84)	OA120	-	-	3,567,730	91	-
QCOS	BQC_RO	Affiliates	(Sales)	(1,251,722)	(7)	OA120	-	-	33,197	1	-
QCOS	QCES	Affiliates	Purchases	835,839	5	OA60	-	-	(88,764)	(2)	-
QCOS	QCPS	Affiliates	Purchases	259,435	2	OA60	-	-	(33,167)	(1)	-
QCOS	AU	(Note 5)	Purchases	134,072	1	OA60	-	-	(13,930)	-	-
QCOS	ADPHQ	(Note 5)	Purchases	395,613	2	OA60	-	-	(67,013)	(2)	-
QCES	QCOS	Affiliates	(Sales)	(835,839)	(4)	OA60	-	-	88,764	3	-
QCES	QCSZ	Affiliates	Purchases	102,951	1	OA60	-	-	(13,173)	-	-
QCES	DARWIN	(Note 5)	Purchases	120,717	1	OA60	-	-	(24,565)	(1)	-
QCPS	QCSZ	Affiliates	(Sales)	(1,527,466)	(80)	OA60	-	-	173,031	68	-
QCPS	QCOS	Affiliates	(Sales)	(259,435)	(14)	OA60	-	-	33,167	13	-
QALA	The Company	Parent/Subsidiary	Purchases	24,548,118	100	OA90	-	-	(5,538,539)	(100)	-
QJTO	The Company	Parent/Subsidiary	Purchases	2,827,402	100	OA120	-	-	(991,853)	(99)	-
QVH	The Company	Parent/Subsidiary	(Sales)	(1,324,048)	(100)	OA60	-	-	155,155	96	-
BenQ	The Company	Parent/Subsidiary	Purchases	6,258,208	38	OA60	-	-	(2,524,742)	(52)	-
BenQ	INF	Affiliates	Purchases	151,688	1	OA60	-	-	(67,297)	(1)	-
BenQ	AU	(Note 5)	Purchases	3,473,089	21	EOM55	-	-	(2,511,593)	(52)	-
BenQ	BQA	Affiliates	(Sales)	(3,898,924)	(21)	OA90	-	-	734,413	13	-
BenQ	BQC_RO	Affiliates	(Sales)	(161,966)	(1)	OA120	-	-	5,521	-	-
BenQ	BQE	Affiliates	(Sales)	(7,017,415)	(39)	OA90	-	-	2,005,350	35	-
BenQ	BQHK_HLD	Affiliates	(Sales)	(143,583)	(1)	OA90	-	-	17,178	-	-
BenQ	BQL	Affiliates	(Sales)	(518,411)	(3)	OA90	-	-	238,912	4	-

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)	
BenQ	BQP	Affiliates	(Sales)	(6,177,436)	(34)	OA60	-	-	1,998,702	35	-
BQA	BQCA	Affiliates	(Sales)	(786,502)	(16)	OA60	-	-	136,303	28	-
BQA	BenQ	Affiliates	Purchases	3,898,924	98	OA90	-	-	(734,413)	(100)	-
BQC_RO	QCOS	Affiliates	Purchases	1,251,722	37	OA120	-	-	(33,197)	(9)	-
BQC_RO	QCSZ	Affiliates	Purchases	1,110,198	33	OA120	-	-	(7,656)	(2)	-
BQC_RO	BenQ	Affiliates	Purchases	161,966	5	OA120	-	-	(5,521)	(2)	-
BQC_RO	BQsha_EC2	Affiliates	(Sales)	(159,935)	(3)	OA120	-	-	4,378	1	-
BQE	BenQ	Affiliates	Purchases	7,017,415	96	OA90	-	-	(2,005,350)	(97)	-
BQE	BQDE	Affiliates	(Sales)	(1,877,581)	(23)	OA30	-	-	109,112	13	-
BQE	BQFR	Affiliates	(Sales)	(792,211)	(10)	OA30	-	-	228,091	27	-
BQE	BQIT	Affiliates	(Sales)	(416,472)	(5)	OA30	-	-	52,034	6	-
BQE	BQUK	Affiliates	(Sales)	(1,467,554)	(18)	OA30	-	-	184,932	22	-
BQE	BQAT	Affiliates	(Sales)	(888,899)	(11)	OA45	-	-	35,936	4	-
BQE	BQSE	Affiliates	(Sales)	(422,449)	(5)	OA30	-	-	15,918	2	-
BQE	BQIB	Affiliates	(Sales)	(648,013)	(8)	OA30	-	-	8,909	1	-
BQE	BQNL	Affiliates	(Sales)	(352,914)	(4)	OA30	-	-	82,213	10	-
BQE	BQCH	Affiliates	(Sales)	(201,387)	(3)	OA30	-	-	10,619	1	-
BQL	BenQ	Affiliates	Purchases	518,411	99	OA90	-	-	(238,912)	(99)	-
BQL	BQMX	Affiliates	(Sales)	(300,453)	(51)	OA90	-	-	93,090	17	-
BQL	MaxGen	Affiliates	(Sales)	(126,517)	(22)	OA90	-	-	440,640	79	-
BQP	BQAU	Affiliates	(Sales)	(439,947)	(6)	OA60	-	-	118,430	5	-
BQP	BOIN	Affiliates	(Sales)	(837,185)	(12)	OA60	-	-	663,687	30	-
BQP	BQJP	Affiliates	(Sales)	(2,167,397)	(31)	OA60	-	-	617,410	28	-
BQP	BOME	Affiliates	(Sales)	(1,006,588)	(14)	OA60	-	-	298,080	13	-
BQP	BQTH	Affiliates	(Sales)	(188,571)	(3)	OA60	-	-	106,705	5	-
BQP	BenQ	Affiliates	Purchases	6,177,436	98	OA60	-	-	(1,998,702)	(100)	-
BQAT	BQE	Affiliates	Purchases	888,899	100	OA45	-	-	(35,936)	(100)	-
BQAU	BQP	Affiliates	Purchases	439,947	91	OA60	-	-	(118,430)	(98)	-
BQCA	BQA	Affiliates	Purchases	786,502	100	OA60	-	-	(136,303)	(100)	-
BQCH	BQE	Affiliates	Purchases	201,387	100	OA30	-	-	(10,619)	(78)	-
BQDE	BQE	Affiliates	Purchases	1,877,581	100	OA30	-	-	(109,112)	(94)	-
BQFR	BQE	Affiliates	Purchases	792,211	100	OA30	-	-	(228,091)	(99)	-
BQHK_HLD	BenQ	Affiliates	Purchases	143,583	93	OA90	-	-	(17,178)	(92)	-
BQIB	BQE	Affiliates	Purchases	648,013	100	OA30	-	-	(8,909)	(72)	-
BQIN	BQP	Affiliates	Purchases	837,185	96	OA60	-	-	(663,687)	(100)	-
BQIT	BQE	Affiliates	Purchases	416,472	100	OA30	-	-	(52,034)	(96)	-
BQJP	BQP	Affiliates	Purchases	2,167,397	100	OA60	-	-	(617,410)	(97)	-
BQME	BQP	Affiliates	Purchases	1,006,588	95	OA60	-	-	(298,080)	(93)	-
BQMX	BQL	Affiliates	Purchases	300,453	87	OA90	-	-	(93,090)	(93)	-
BQNL	BQE	Affiliates	Purchases	352,914	98	OA30	-	-	(82,213)	(99)	-
BQSE	BQE	Affiliates	Purchases	422,449	99	OA30	-	-	(15,918)	(92)	-
BQsha_EC2	BQC_RO	Affiliates	Purchases	159,935	96	OA120	-	-	(4,378)	(85)	-
BQTH	BQP	Affiliates	Purchases	188,571	98	OA60	-	-	(106,705)	(100)	-
BQUK	BQE	Affiliates	Purchases	1,467,554	100	OA30	-	-	(184,932)	(95)	-
Maxgen	BQL	Affiliates	Purchases	126,517	80	OA90	-	-	(440,640)	(99)	-
BBC	The Company	Parent/Subsidiary	Purchases	125,685	52	OA30	-	-	(24,434)	(43)	-

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)	
ESM	GSC	Affiliates	(Sales)	(390,333)	88	OA60	-	-	55,052	80	-
GSC	ESM	Affiliates	Purchases	390,333	100	OA60	-	-	(55,052)	(96)	-
K2	K2(Shanghai)	Affiliates	(Sales)	(300,857)	37	OA90	-	-	112,267	44	-
K2(Shanghai)	K2	Affiliates	Purchases	300,857	44	OA90	-	-	(112,267)	(100)	-
INF	BenQ	Affiliates	(Sales)	(151,688)	100	OA60	-	-	67,297	98	-
DIC	QCSZ	Affiliates	(Sales)	(467,176)	(11)	EOM45	-	-	37,879	4	-
DIC	Data Image (Suzhou) Corporation	Affiliates	Processing cost	1,983,506	65	Depends on its working capital status	-	-	(199,422)	(23)	-
Data Image (Suzhou) Corporation	DIC	Affiliates	Processing Revenue	(1,983,506)	(46)	Depends on its working capital status	-	-	199,422	19	-
Data Image (Suzhou) Corporation	AU	(Note 5)	Purchases	377,832	12	EOM45	-	-	(28,175)	(3)	-
Topview	The Company	Parent/Subsidiary	Purchases	206,268	13	Depends on its contractual terms	-	-	(22,901)	(5)	-
Topview	Messoa Technologies Inc	Affiliates	(Sales)	(226,604)	(11)	Depends on its contractual terms	-	-	60,277	11	-
Messoa Technologies Inc	Topview	Affiliates	Purchases	226,604	99	Depends on its contractual terms	-	-	(60,277)	(99)	-
DFI	The Company	Parent/Subsidiary	Purchases	350,492	10	OA60	-	-	(50,843)	(6)	-
DFI	DFI AMERICA, LLC.	Affiliates	(Sales)	(579,172)	(17)	60~90 Days	-	-	69,313	11	-
DFI AMERICA, LLC.	DFI	Affiliates	Purchases	579,172	100	60~90 Days	-	-	(69,313)	(99)	-
DFI	Diamond Flower Information (NL) B.V.	Affiliates	(Sales)	(335,051)	(10)	60~90 Days	-	-	13,451	2	-
Diamond Flower Information (NL) B.V.	DFI	Affiliates	Purchases	335,051	100	60~90 Days	-	-	(13,451)	(100)	-
DFI	DFI Co., Ltd.	Affiliates	(Sales)	(216,968)	(6)	60~90 Days	-	-	14,796	2	-
DFI Co., Ltd.	DFI	Affiliates	Purchases	216,968	99	60~90 Days	-	-	(14,796)	(92)	-
DFI	DFI	Affiliates	(Sales)	(473,425)	(14)	EOM60	According to contract price	-	112,266	18	-
AEWIN	AEWIN	Affiliates	Purchases	473,425	24	EOM60	According to contract price	-	(112,266)	(43)	-
DFI	DYTH	Affiliates	(Sales)	(146,668)	(4)	60~90 Days	-	-	25,498	4	-
DYTH	DFI	Affiliates	Purchases	146,668	91	60~90 Days	-	-	(25,498)	(94)	-
AEWIN	Aewin Beijing Technologies Co., Ltd	Affiliates	(Sales)	(445,822)	(35)	150 Days after shipment	-	-	398,155	68	-
Aewin Beijing Technologies Co., Ltd	AEWIN	Affiliates	Purchases	445,822	42	150 Days after shipment	-	-	(398,155)	(64)	-
Advancedtek Ace (TJ) Inc.	Tianjin Ace Pillar Co., Ltd.	Affiliates	(Sales)	(455,128)	(100)	T/T 30 Days	-	-	61,680	98	-
Tianjin Ace Pillar Co., Ltd.	Advancedtek Ace (TJ) Inc.	Affiliates	Purchases	455,128	33	T/T 30 Days	-	-	(61,680)	(31)	-
AEWIN	AEWIN TECH	Affiliates	(Sales)	(148,507)	(12)	120 Days after shipment	-	-	57,270	10	-
AEWIN TECH	AEWIN	Affiliates	Purchases	148,507	100	120 Days after shipment	-	-	(57,270)	(100)	-
Alpha	Alpha USA	Affiliates	(Sales)	(4,760,796)	(28)	90 Days	-	-	852,899	29	-
Alpha	D-Link Asia	Affiliates	Purchases	5,541,952	35	90 Days	-	-	(349,133)	(21)	-

Company Name	Related Party	Nature of Relationship	Transaction Detail				Transactions with Terms Different from Others		Notes/Accounts Receivable or (Payable)		Note
			Purchases/ (Sales)	Amount	% of Total Purchases/(Sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total Note/ Accounts Receivable or (Payable)	
Alpha	Alpha Changshu	Affiliates	Purchases	6,329,794	40	90 Days	-	-	(372,631)	(23)	-
Alpha Changshu	Mirac	Affiliates	(Sales)	(606,216)	(9)	90 Days	-	-	127,369	24	-
Alpha HK	Alpha Changshu	Affiliates	(Sales)	(7,407,351)	(100)	90 Days	-	-	1,307,227	100	-
D-Link Asia	Alpha Dongguan	Affiliates	Purchases	5,541,952	56	90 Days	-	-	(377,082)	(41)	-
Hitron Technologies	Hitron Americas	Affiliates	(Sales)	(4,523,454)	(47)	90 Days	-	-	1,360,832	75	-
Hitron Technologies	Hitron Europe	Affiliates	(Sales)	(651,702)	(7)	90 Days	-	-	111,182	6	-
Hitron Vietnam	Hitron Technologies	Affiliates	(Sales)	(5,956,885)	(61)	90 Days	-	-	634,323	35	-
Hitron Suzhou	Hitron Technologies	Affiliates	(Sales)	(812,542)	(8)	90 Days	-	-	55,541	3	-
Hitron Suzhou	Hitron Vietnam	Affiliates	(Sales)	(153,206)	(2)	90 Days	-	-	-	-	-
Alpha USA	Alpha	Affiliates	Purchases	4,760,796	100	90 Days	-	-	(852,899)	(100)	-
D-Link Asia	Alpha	Affiliates	(Sales)	(5,541,952)	(56)	90 Days	-	-	349,133	38	-
Alpha Changshu	Alpha	Affiliates	(Sales)	(6,329,794)	(90)	90 Days	-	-	372,631	71	-
Mirac	Alpha Changshu	Affiliates	Purchases	606,216	99	90 Days	-	-	(127,369)	(78)	-
Alpha Changshu	Alpha HK	Affiliates	Purchases	7,407,351	89	90 Days	-	-	(1,307,227)	(75)	-
Alpha Dongguan	D-Link Asia	Affiliates	(Sales)	(5,541,952)	(99)	90 Days	-	-	377,082	92	-
Hitron Americas	Hitron Technologies	Affiliates	Purchases	4,523,454	96	90 Days	-	-	(1,360,832)	(100)	-
Hitron Europe	Hitron Technologies	Affiliates	Purchases	651,702	100	90 Days	-	-	(111,182)	(99)	-
Hitron Technologies	Hitron Vietnam	Affiliates	Purchases	5,956,885	58	90 Days	-	-	(634,323)	(81)	-
Hitron Technologies	Hitron Suzhou	Affiliates	Purchases	812,542	8	90 Days	-	-	(55,541)	(7)	-
Hitron Vietnam	Hitron Suzhou	Affiliates	Purchases	153,206	3	90 Days	-	-	-	-	-
BMC	AU	(Note 5)	(Sales)	(3,832,291)	(24)	OA90	(Note 1)	-	419,854	14	-
BMC	AUSZ	(Note 5)	(Sales)	(1,215,914)	(8)	OA90	(Note 1)	-	88,716	3	-
BMC	AUXM	(Note 5)	(Sales)	(809,816)	(5)	OA90	(Note 1)	-	51,334	2	-
BMC	BMM	Affiliates	(Sales)	(433,328)	(3)	OA120	(Note 1)	-	248,054	8	-
BMC	SGM	Affiliates	(Sales)	(270,498)	(2)	OA90	(Note 1)	-	150,948	5	-
BMC	VVM	Other related party	(Sales)	(102,930)	(1)	OA90	(Note 1)	-	42,066	1	-
BMC	BMS	Affiliates	Purchases	861,864	8	OA90	(Note 2)	-	(351,388)	(10)	-
BMC	VVT	Other related party	Purchases	359,098	3	OA30	(Note 2)	-	(48,346)	(1)	-
BMC	BMW	Affiliates	Purchases	257,518	2	OA90	(Note 2)	-	(42,785)	(1)	-
SGM	BMC	Affiliates	Purchases	433,328	57	OA90	-	-	(248,054)	(96)	-
SGM	BMC	Affiliates	Purchases	270,498	95	OA120	-	-	(150,948)	(100)	-
BMS	BMC	Affiliates	(Sales)	(861,864)	(90)	OA90	-	-	351,388	98	-
BMM	BMC	Affiliates	(Sales)	(257,518)	(62)	OA90	-	-	42,785	47	-
Simula	Simula Technology (ShenZhen) Co., Ltd.	Affiliates	Purchases	832,516	89	EOM60	(Note 4)	Third-party vendor: EOM 30-120	(87,840)	(58)	-
Simula Technology (ShenZhen) Co., Ltd.	Simula	Affiliates	(Sales)	(832,516)	(89)	EOM60	Equal to third-party customers	Non-related party: EOM 30-120	87,840	72	-
PTT	The Company	Parent/Subsidiary	Purchases	250,248	23	OA30	(Note 3)	-	(46,137)	(22)	-
PTT	PTE	Affiliates	(Sales)	(362,551)	(30)	OA90	(Note 3)	-	144,261	28	-

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)	
PTT	PTU	Affiliates	(Sales)	(275,324)	(23)	OA90	(Note 3)	-	112,778	22	-
PTT	PTME	Affiliates	(Sales)	(120,345)	(10)	OA90	(Note 3)	-	98,208	19	-
PTT	PTUK	Affiliates	(Sales)	(120,016)	(10)	OA90	(Note 3)	-	38,969	8	-
PTE	PTT	Affiliates	Purchases	362,551	53	OA90	(Note 3)	-	(144,261)	(71)	-
PTU	PTT	Affiliates	Purchases	275,324	90	OA90	(Note 3)	-	(112,778)	(99)	-
PTME	PTT	Affiliates	Purchases	120,345	50	OA90	(Note 3)	-	(98,208)	(98)	-
PTUK	PTT	Affiliates	Purchases	120,016	76	OA90	(Note 3)	-	(38,969)	(94)	-
Sysage	The Company	Parent/Subsidiary	(Sales)	(126,885)	(1)	EOM120	-	-	99,293	4	-

(Note 1) The selling prices of BMC to related parties are not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transaction, there were no significant differences between the sales for related parties and those for third-party customers.

(Note 2) The purchase prices to related parties are not comparable to the purchase prices for third-party vendors as the specifications of products were different, and it is conducted under the agreed purchase price and conditions.

(Note 3) The selling prices of PTT to related parties are not comparable to the sales prices for third-party customers as the specifications of products were different. For the other transaction, there were no significant differences between the sales for related parties and those for third-party customers.

(Note 4) Simula seldom purchases the same products from other vendors. Therefore, the purchase prices are not reasonably comparable.
(Note 5) AU and AUSZ were associates before May 2021. Since May 2021, AU and AUSZ has become the entity that has significant influence over the Group.

QISDA CORPORATION
Receivables from related parties which exceed NT$100 million or 20% of the paid-in capital
December 31, 2021
(Amounts in thousands of New Taiwan dollars, unless specified otherwise)

Table 8

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Company	BenQ	Parent/Subsidiary	2,524,742	2.25	321,092	-	968,970	-
The Company	QJTO	Parent/Subsidiary	991,853	3.17	12,911	-	31,569	-
The Company	QALA	Parent/Subsidiary	5,538,535	4.16	651,220	-	-	-
The Company	AU	(Note 3)	1,281,698	4.50	146	-	462,114	-
The Company	AUSZ	(Note 3)	707,652	2.57	-	-	141,532	-
The Company	QCSZ	Parent/Subsidiary	879,741	(Note 1)	9,557	-	438,817	-
The Company	QCOS	Parent/Subsidiary	447,470	(Note 1)	5,985	-	218,478	-
The Company	AUKS	(Note 3)	141,110	3.98	-	-	-	-
QCSZ	The Company	Parent/Subsidiary	18,224,092	4.44	4,193,746	-	4,193,746	-
QCOS	The Company	Parent/Subsidiary	3,567,730	4.07	-	-	794	-
QCES	The Company	Parent/Subsidiary	1,376,443	(Note 1)	-	-	1,376,443	-
QCPS	QCSZ	Affiliates	173,031	9.45	-	-	-	-
QVH	The Company	Parent/Subsidiary	155,155	8.53	-	-	-	-
BenQ	BQA	Affiliates	734,413	5.82	-	-	308,576	-
BenQ	BQE	Affiliates	2,005,350	3.01	506,285	-	537,852	-
BenQ	BQL	Affiliates	238,912	1.84	110,736	-	58,257	-
BenQ	BQP	Affiliates	1,998,702	3.44	504,031	-	532,386	-
BenQ	QCSZ	Affiliates	212,556	(Note 1)	30,540	-	148,768	-
BQA	BQCA	Affiliates	136,303	4.90	-	-	65,418	-
BQE	BQDE	Affiliates	109,112	6.59	-	-	109,112	-
BQE	BQFR	Affiliates	228,091	2.50	175,789	-	95,100	-
BQE	BQUK	Affiliates	184,932	8.90	71,835	-	260,949	-
BQL	MaxGen	Affiliates	440,640	0.26	416,861	-	-	-
BQP	BQAU	Affiliates	118,430	3.45	168,565	-	54,156	-
BQP	BQIN	Affiliates	663,687	1.28	416,353	-	70,512	-
BQP	BQJP	Affiliates	617,410	4.85	18,701	-	409,171	-
BQP	BQME	Affiliates	298,080	3.42	108,886	-	144,062	-
BQP	BQTH	Affiliates	106,705	1.84	70,020	-	5,550	-
K2	K2SH	Affiliates	112,266	2.68	-	-	-	-
Data Image (Suzhou) Corporation	DIC	Affiliates	199,422	11.22	-	-	-	-
AEWIN	Aewin Beijing Technologies Co., Ltd.	Affiliates	398,155	1.14	151,918	-	-	-

Company Name	Related Party	Nature of Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
ACE	Tianjin Ace Pillar Co., Ltd.	Affiliates	166,080	(Note 1)	-	-	-	-
Alpha	Alpha USA	Affiliates	852,899	4.79	-	-	603,794	-
Alpha	Alpha HK	Affiliates	305,125	(Note 1)	87,427	-	-	-
D-Link Asia	Alpha	Affiliates	349,133	3.59	-	-	349,133	-
Alpha Changshu	Alpha	Affiliates	372,631	8.96	3	-	372,631	-
Alpha Dongguan	D-Link Asia	Affiliates	377,082	3.54	593	-	353,585	-
Alpha Changshu	Mirac Networks (Dongguan) Co.,Ltd.	Affiliates	127,369	4.26	-	-	113,860	-
Alpha HK	Alpha Changshu	Affiliates	1,307,227	6.51	171,243	-	608,075	-
D-Link Asia	Alpha Dongguan	Affiliates	548,197	3.01	12,540	-	458,311	-
Hitron Technologies	Hitron Americas	Affiliates	1,360,832	2.79	-	-	523,845	-
Hitron Technologies	Hitron Europe	Affiliates	111,182	3.60	-	-	27,839	-
Hitron Technologies	Hitron Vietnam	Affiliates	1,270,467	(Note 1)	-	-	485,180	-
Hitron Vietnam	Hitron Technologies	Affiliates	634,323	7.06	-	-	634,323	-
BMC	AU	(Note 3)	419,854	3.33 (Note 2)	-	-	-	-
BMC	BBM	Affiliates	248,054	2.60 (Note 2)	-	-	-	-
BMC	SGM	Affiliates	150,948	2.74 (Note 2)	-	-	150,948	-
BMS	BMC	Affiliates	351,388	4.06 (Note 2)	-	-	78,969	-
PTT	PTE	Affiliates	144,261	3.47	-	-	96,615	-
PTT	PTU	Affiliates	112,778	3.98	-	-	42,308	-

(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) AU, AUSZ and AUKS were associates before May 2021. Since May 2021, AU, AUSZ and AUKS has become the entity that has significant influence over the Group.

QISDA CORPORATION

Information of Investees (Excluding Information on investments in Mainland China)

For the year ended December 31, 2021

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

Table 9

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
The Company	AU	Taiwan	R&D, manufacture and sale of TFT-LCD panels	-	8,085,543	-	-	-	18,268,182	1,255,866	(Note 2)
The Company	DFN	Taiwan	R&D, manufacture and sale of MLCC and keyboards	662,195	662,195	58,005	20.72%	2,040,465	1,146,533	237,533	Associate
The Company	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	507,883	507,883	43,659	13.61%	607,050	971,555	52,892	Parent/Subsidiary
The Company	BenQ	Taiwan	Manufacture and sales of brand-name electronic products	7,160,050	7,160,050	539,662	100.00%	10,449,666	1,787,920	1,783,670	Parent/Subsidiary
The Company	QALA	USA	Sales of electronic products	32,800	32,800	1,000	100.00%	50,892	8,524	8,524	Parent/Subsidiary
The Company	QJTO	Japan	Sales and maintenance of electronic products in Japanese market	2,701	2,701	-	100.00%	53,722	2,134	2,134	Parent/Subsidiary
The Company	QLPG	Malaysia	Leasing and management services	578,128	578,128	50,000	100.00%	314,820	433,546	433,546	Parent/Subsidiary
The Company	QLLB	Malaysia	Investment and holding activity	3,687,539	3,687,539	114,250	100.00%	14,568,130	1,515,430	1,568,923	Parent/Subsidiary
The Company	APV	Taiwan	Investment and holding activity	570,016	570,016	153,258	100.00%	3,908,565	332,537	332,537	Parent/Subsidiary
The Company	Darly	Malaysia	Investment and holding activity	165,000	165,000	6,000	100.00%	215,424	64,375	64,375	Parent/Subsidiary
The Company	BBHC	Cayman	Investment and holding activity	1,476,632	1,476,632	47,400	19.35%	985,390	1,207,221	233,624	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%	1,298,234	94,323	20,707	Parent/Subsidiary
The Company	BDT	Taiwan	Manufacture and sale of medical consumable and equipment	280,000	280,000	28,000	100.00%	73,276	(40,049)	(41,256)	Parent/Subsidiary
The Company	QTOS	Taiwan	Manufacture of computer peripheral products	1,000	1,000	100	100.00%	1,007	5	5	Parent/Subsidiary
The Company	Q.S.Control Corp.	Taiwan	Manufacture and sales of medical consumables and equipments	63,000	63,000	6,000	20.00%	59,062	12,526	2,505	Associate
The Company	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	3,154,750	3,154,750	51,610	45.08%	2,832,671	615,903	13,585	Parent/Subsidiary
The Company	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	8,135,810	8,114,943	295,797	54.60%	7,689,378	433,888	142,732	Parent/Subsidiary
The Company	K2	Taiwan	Sale of medical consumable and equipment	217,763	217,763	6,997	34.99%	229,224	76,860	25,191	Parent/Subsidiary
The Company	DIC	Taiwan	Manufacture and sales of marine display modules	260,000	260,000	20,000	28.82%	367,674	318,020	91,932	Parent/Subsidiary
The Company	EASC	Hong Kong	Sales of brand-name electronic products and smart services	78,338	78,338	1	54.00%	83,702	12,464	6,731	Parent/Subsidiary
The Company	Sysage	Taiwan	The agent sales and trading of network software and information and communication hardware and software	3,202,856	1,815,000	96,841	51.41%	2,662,718	577,591	252,082	Parent/Subsidiary
The Company	Topview	Taiwan	Manufacture and sales of video surveillance cameras	172,500	172,500	5,750	20.00%	213,758	128,224	26,066	Parent/Subsidiary
The Company	QVH	Vietnam	Manufacture of monitors	1,212,849	1,073,549	-	100.00%	716,693	(236,565)	(236,565)	Parent/Subsidiary
The Company	Simula	Taiwan	Manufacture and sales of electronic material	600,000	600,000	30,000	37.51%	633,324	111,216	26,079	Parent/Subsidiary
The Company	GSC	Taiwan	Sale of alcohol and medical disinfectant	254,000	254,000	10,000	50.00%	291,224	124,892	58,360	Parent/Subsidiary
BMC	BMLB	Malaysia	Investment and holding activity	1,141,340	1,141,340	35,082	100.00%	1,680,378	172,521	-	Affiliates
BMC	SGM	Taiwan	Manufacture andsales of medical consumables and equipment	231,727	560,000	2,000	100.00%	126,679	562	-	Affiliates
BMC	Visco Vision Inc.	Taiwan	Manufacture and sale of contact lenses	177,811	177,811	9,834	17.97%	133,952	444,303	-	Associate
BMC	Cenefom Corporation	Taiwan	R&D, manufacture and sale of medical consumable and equipment	92,262	29,127	4,418	34.83%	82,693	(11,594)	-	Affiliates
BMC	Genejet Biotech Co., Ltd.	Taiwan	R&D, manufacture and sale of medical consumable and equipment	43,316	-	3,767	70.00%	44,125	(2,670)	-	Affiliates
BMC	Taike Biotech Co., Ltd.	Taiwan	R&D, manufacture and sale of medical consumable and equipment	-	10,001	-	-	-	(1,921)	-	Associate
BMC	MLK Bioscience Co., Ltd.	Taiwan	R&D and sale of medical consumable and equipment	6,000	6,000	217	20.00%	4,546	(5,790)	-	Associate
BMC	Kangde Corp.	Taiwan	Sale of medical consumable and equipment	5,980	-	598	20.00%	4,071	(10,676)	-	Associate
APV	Darly C	Taiwan	Investment management consulting	77,933	77,933	12,105	45.11%	204,853	10,163	-	Affiliates
APV	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	221,786	221,786	15,182	4.73%	238,774	971,555	-	Affiliates
APV	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	42,584	42,584	3,549	7.96%	83,198	28,840	-	Affiliates
APV	BBHC	Cayman	Investment and holding activity	904,102	904,102	25,000	10.21%	519,235	1,207,221	-	Affiliates
APV	BES	Taiwan	Energy service	50,250	50,250	4,100	41.00%	8,190	962	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
APV	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	112,080	112,080	6,006	8.00%	160,527	94,323	-	Affiliates
APV	GST	Taiwan	R&D and sales of computer information system	12	12	1	0.02%	15	7,480	-	Affiliates
APV	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	149,096	149,096	2,294	2.00%	149,372	615,903	-	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%	249,299	433,888	-	Affiliates
APV	Topview	Taiwan	Manufacture and sales of video surveillance cameras	63,525	63,525	1,286	4.46%	65,973	128,224	-	Affiliates
APV	DIC	Taiwan	Manufacture and sales of marine display modules	88,222	88,222	3,607	5.20%	83,624	318,020	-	Affiliates
APV	Simula	Taiwan	Manufacture and sales of electronic material	201,673	205,920	5,390	6.74%	212,359	111,216	-	Affiliates
APV	GSC	Taiwan	Sale of alcohol and medical disinfectant	150,000	150,000	10,000	50.00%	196,377	124,892	-	Affiliates
Darly C	BES	Taiwan	Energy service	28,000	28,000	2,400	24.00%	4,794	962	-	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%	237,763	433,888	-	Affiliates
Darly	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	30,456	30,456	7,800	12.50%	18,238	(30,005)	-	Affiliates
Darly	BBHC	Cayman	Investment and holding activity	471,516	471,516	14,158	5.78%	293,027	1,207,221	-	Affiliates
BenQ	BQA	USA	Sales of brand-name electronic products in North America markets	114,553	114,553	200	100.00%	816,103	126,573	-	Affiliates
BenQ	BQL	USA	Sales of brand-name electronic products in Latin America markets	203,839	203,839	4,350	100.00%	(174,869)	(135,835)	-	Affiliates
BenQ	BQHK	Hong Kong	Investment and holding activity	859,037	859,037	466,200	100.00%	3,000,943	152,687	-	Affiliates
BenQ	BQE	The Netherlands	Sales of electronic products in European markets	960,568	960,568	5,009	100.00%	758,276	131,273	-	Affiliates
BenQ	BQP	Taiwan	Sales of brand-name electronic products in Asia markets	950,000	950,000	20,000	100.00%	406,424	271,292	-	Affiliates
BenQ	Darly 2	Taiwan	Investment and holding activity	2,361,132	2,361,132	189,000	100.00%	4,189,375	432,430	-	Affiliates
BenQ	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	74,021	74,021	23,400	37.50%	54,704	(30,005)	-	Affiliates
BenQ	DFN	Taiwan	R&D, manufacture and sale of MLCC and keyboards	233,491	233,491	14,017	5.01%	492,973	1,146,533	-	Associate
BenQ	BMC	Taiwan	R&D, manufacture and sale of optoelectronics film	946,731	946,731	80,848	25.21%	1,271,514	971,555	-	Affiliates
BenQ	BBHC	Cayman	Investment and holding activity	719,088	719,088	20,000	8.16%	415,387	1,207,221	-	Affiliates
BenQ	BMTC	Taiwan	Manufacture and sales of medical consumables and equipments	235,069	235,069	19,353	43.43%	442,423	28,840	-	Affiliates
BenQ	MQE	The Netherlands	Maintenance of brand-name electronic monitors and projectors in European markets	90,912	74,659	82	100.00%	68,290	3,077	-	Affiliates
BenQ	INF	Taiwan	Assembly and sales of gaming electronic products	117,987	117,987	6,947	100.00%	87,920	1,578	-	Affiliates
BenQ	BQHK_HLD	Hong Kong	Sales of brand-name electronic products in HK markets	118,282	118,282	4,000	100.00%	1,413,310	621,809	-	Affiliates
BenQ	PT BenQ Teknologi Indonesia	Indonesia	Sales of brand-name electronic products	21	21	-	0.31%	52	8,148	-	Affiliates
BenQ	Alpha	Taiwan	R & D, manufacture and sale of LAN/MAN, wireless, mobile & broadband, and digital multimedia products	342	342	18	0.00%	351	433,888	-	Affiliates
BQP	BenQ India Private Ltd.	India	Sales of brand-name electronic products	224,405	224,405	440,296	100.00%	59,698	31,735	-	Affiliates
BQP	BenQ (M.E.) FZE	United Arab Emirates	Sales of brand-name electronic products	8,891	8,891	-	100.00%	53,754	28,933	-	Affiliates
BQP	BenQ Japan Co., Ltd.	Japan	Sales of brand-name electronic products	4,518	4,518	-	100.00%	137,935	66,965	-	Affiliates
BQP	BenQ Singapore Pte Ltd.	Singapore	Sales of brand-name electronic products	1,837	1,837	500	100.00%	(6,552)	9,099	-	Affiliates
BQP	BenQ Australia Pte Ltd.	Australia	Sales of brand-name electronic products	132,590	132,590	2,191	100.00%	79,405	16,192	-	Affiliates
BQP	BenQ Service & Marketing (M) Sdn Bhd	Malaysia	Sales of brand-name electronic products	119,488	119,488	100	100.00%	7,501	96	-	Affiliates
BQP	BenQ (Thailand) Co., Ltd.	Thailand	Sales of brand-name electronic products	120,116	120,116	12,000	100.00%	(51,392)	(5,810)	-	Affiliates
BQP	BenQ Korea Co., Ltd.	Korea	Providing administration and management service to affiliates	1,713	1,713	10	100.00%	6,254	106	-	Affiliates
BQP	PT BenQ Teknologi Indonesia	Indonesia	Sales of brand-name electronic products	6,901	6,901	6	99.69%	16,707	8,148	-	Affiliates
BQP	BenQ Vietnam Co., Ltd.	Vietnam	Sales of brand-name electronic products	5,576	-	-	100.00%	6,625	-	-	Affiliates
BQA	BenQ Canada Corp.	Canada	Sales of brand-name electronic products	26	26	1	100.00%	39,074	33,802	-	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%	36,425	(215)	-	Affiliates
BQL	Joytech LLC	USA	Investment and holding activity	4,671	4,671	1	100.00%	(139,964)	(17,629)	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
BQL	Vividtech LLC	USA	Investment and holding activity	4,671	4,671	1	100.00%	(139,964)	(17,629)	-	Affiliates
Joytech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of brand-name electronic products	4,671	4,671	1	50.00%	(139,964)	(35,259)	-	Affiliates
Vividtech LLC	Maxgen Comércio Industrial imp E Exp Ltda.	Brazil	Sales of brand-name electronic products	4,671	4,671	1	50.00%	(139,964)	(35,259)	-	Affiliates
BQmx	BenQ Service de Mexico S. de R.L. de C.V.	Mexico	Providing administration and management services to affiliates	87	87	3	99.97%	3,207	(11)	-	Affiliates
GSH	GST	Taiwan	R&D and sales of computer information system	64,898	64,898	5,756	99.94%	79,024	7,480	-	Affiliates
Darly 2	Darly C	Taiwan	Investment management consulting	89,179	89,179	14,728	54.89%	249,253	10,163	-	Affiliates
Darly 2	BBHC	Cayman	Investment and holding activity	2,122,721	2,122,721	65,024	26.55%	1,350,646	1,207,221	-	Affiliates
Darly 2	BenQ Guru Holding Ltd. (GSH)	Hong Kong	Investment and holding activity	121,860	121,860	3,120	50.00%	72,938	(30,005)	-	Affiliates
Darly 2	BMTC	Taiwan	Manufacture and sales of medical consumables and equipment	27,337	27,337	1,590	3.57%	37,275	28,840	-	Affiliates
Darly 2	BES	Taiwan	Energy service	22,250	22,250	1,800	18.00%	3,596	962	-	Affiliates
Darly 2	PTT	Taiwan	Manufacture, sales, and import and export of POS terminals and peripherals	49,426	49,426	1,648	2.19%	44,048	94,323	-	Affiliates
Darly 2	DFI	Taiwan	Manufacture and sales of industrial motherboards and components	596,382	596,382	9,175	8.01%	597,810	615,903	-	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%	73,744	433,888	-	Affiliates
Darly 2	K2	Taiwan	Sale of medical consumable and equipment	44,997	44,997	1,003	5.01%	49,857	76,860	-	Affiliates
Darly 2	DIC	Taiwan	Manufacture and sales of marine display modules	48,093	48,093	3,005	4.33%	66,422	318,020	-	Affiliates
Darly 2	Topview	Taiwan	Manufacture and sales of video surveillance cameras	123,252	123,252	2,615	9.10%	132,686	128,224	-	Affiliates
Darly 2	Simula	Taiwan	Manufacture and sales of electronic material	205,920	205,920	5,500	6.88%	216,669	111,216	-	Affiliates
BQE	BenQ UK Limited	UK	Sales of brand-name electronic products	14,800	14,800	-	100.00%	60,603	14,331	-	Affiliates
BQE	BenQ Deutschland GmbH	Germany	Sales of brand-name electronic products	25,587	25,587	-	100.00%	141,115	11,340	-	Affiliates
BQE	BenQ Benelux B.V.	The Netherlands	Sales of brand-name electronic products	567	567	-	100.00%	(28,471)	3,072	-	Affiliates
BQE	BenQ Austria GmbH	Australia	Sales of brand-name electronic products	1,091	1,091	-	100.00%	61,628	9,694	-	Affiliates
BQE	BenQ Iberica S.L. Unipersonal	Spain	Sales of brand-name electronic products	4,677	4,677	-	100.00%	84,581	4,075	-	Affiliates
BQE	BenQ Italy S.R.L	Italy	Sales of brand-name electronic products	92,654	92,654	50	100.00%	34,694	5,867	-	Affiliates
BQE	BenQ France SAS	France	Sales of brand-name electronic products	2,045	2,045	-	100.00%	(105,754)	6,482	-	Affiliates
BQE	BenQ Nordic A.B.	Sweden	Sales of brand-name electronic products	445	445	-	100.00%	30,415	4,493	-	Affiliates
BQE	BenQ LLC.	Russia	Providing administration and management services to affiliates	52	52	-	100.00%	14,530	1,365	-	Affiliates
BMTC	Asiaconnect	Taiwan	Sales of medical consumables and equipment	21,984	21,984	1,995	99.75%	27,397	2,281	-	Affiliates
BMTC	Highview	Samoa	Investment and holding activity	36,211	36,211	1,062	100.00%	9,843	1,963	-	Affiliates
BMTC	LILY	Taiwan	Manufacture and sales of medical consumables and equipment	185,000	185,000	10,000	100.00%	241,114	16,087	-	Affiliates
BMTC	BABD	Taiwan	Manufacture and sales of medical consumables and equipment	88,000	88,000	8,800	88.00%	59,367	3,615	-	Affiliates
BMTC	BHS	Taiwan	Manufacture and sales of medical consumables and equipment	100,000	100,000	10,000	100.00%	140,676	33,882	-	Affiliates
BMTC	EASTECH	Taiwan	Manufacture and sales of medical consumables and equipment	20,300	20,300	700	70.00%	30,511	14,958	-	Affiliates
BHS	NBHIT	Taiwan	Manufacture and sales of medical consumables and equipment	59,280	59,280	1,092	52.00%	75,819	35,348	-	Affiliates
PTT	WEBEST	Taiwan	Sales, import and export of electronic products	21,843	21,843	2,500	100.00%	30,288	10,217	-	Affiliates
PTT	P&J Investment Holding Co., Ltd. (B.V.I.)	British Virgin Islands	Investment and holding activity	230,307	230,307	5,551	100.00%	152,295	16,954	-	Affiliates
PTT	Partner Tech UK Corp., Ltd.	UK	Sales, import and export of electronic products	43,834	43,834	886	88.60%	33,625	6,151	-	Affiliates
PTT	Partner-Tech Europe GmbH	Germany	Sales, import and export of electronic products	51,451	51,451	(Note 1)	50.02%	126,153	54,758	-	Affiliates
PTT	Partner Tech Middle East FZCO	United Arab Emirates	Sales, import and export of electronic products	137,387	137,387	-	99.00%	23,668	8,990	-	Affiliates
PTT	Epoint Systems Pte. Ltd.	Singapore	Software development and sales of product	57,449	27,449	222	69.88%	55,232	2,863	-	Affiliates
PTT	PTTN	Taiwan	Software development and sales of product	20,500	20,500	2,050	50.62%	31,052	7,319	-	Affiliates
PTT	PTMG	Taiwan	Software development and sales of product	11,000	-	1,100	52.38%	17,961	10,534	-	Affiliates

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
PTT	Partner Tech North Africa	Morocco	Sales, import and export of electronic products	4,075	4,075	13	58.18%	(138)	-	-	Affiliates
PTE	Partner Tech UK Corp., Ltd.	UK	Sales, import and export of electronic products	5,640	5,640	114	11.40%	5,410	6,151	-	Affiliates
PTE	Sloga team D.o.o.	Slovenia	Sales, import and export of electronic products	980	980	(Note 1)	90.00%	(14,472)	2,113	-	Affiliates
PTE	Retail Solution & System S.L.	Spain	Sales, import and export of electronic products	-	-	(Note 1)	68.00%	15,456	20,451	-	Affiliates
PTME	E-POS International LLC	United Arab Emirates	Sales, import and export of electronic products	2,485	2,485	-	100.00%	5,800	(517)	-	Affiliates
WEBEST	PTTN	Taiwan	Software development and sales of product	10	10	1	0.02%	12	7,319	-	Affiliates
WEBEST	Partner Tech North Africa	Morocco	Sales, import and export of electronic products	1	1	-	-	-	-	-	Affiliates
WEBEST	Partner Tech Middle East FZCO	United Arab Emirates	Sales, import and export of electronic products	1,560	1,560	-	1.00%	202	8,990	-	Affiliates
P&J	P&S Investment Holding Co., Ltd. (B.V.I.)	British Virgin Islands	Investment and holding activity	134,973	134,973	4,560	100.00%	151,817	16,946	-	Affiliates
P&S	Partner Tech USA Inc.	USA	Sales, import and export of electronic products	31,593	31,593	1,091	100.00%	71,591	15,884	-	Affiliates
DFI	DFI AMERICA, LLC.	USA	Sales of industrial motherboards	254,683	254,683	1,209	100.00%	363,409	4,624	-	Affiliates
DFI	Yan Tong Technology Ltd.	Mauritius	Investment and holding activity	187,260	187,260	6,000	100.00%	178,568	7,338	-	Affiliates
DFI	DFI Co., Ltd.	Japan	Sales of industrial motherboards	104,489	104,489	6	100.00%	287,699	10,481	-	Affiliates
DFI	Diamond Flower Information (NL) B.V.	The Netherlands	Sales of industrial motherboards	35,219	35,219	12	100.00%	67,927	13,955	-	Affiliates
DFI	AEWIN	Taiwan	Manufacture and sale of industrial motherboards and component	564,191	556,464	30,376	51.38%	596,523	44,617	-	Affiliates
DFI	ACE	Taiwan	Sales of automation mechanical transmission system and component	1,301,359	793,722	53,958	48.07%	1,095,684	147,895	-	Affiliates
DFI	Brainstorm	USA	Wholesale and retail of computers and peripherals product	501,582	-	233	35.09%	535,021	248,222	-	Affiliates
AEWIN	Wise Way	Anguilla	Investment and holding activity	46,129	46,129	1,500	100.00%	163,707	76,229	-	Affiliates
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer peripheral products and software	77,791	77,791	2,560	100.00%	(453)	(3,250)	-	Affiliates
Wise Way	Bright Profit	Hong Kong	Investment and holding activity	46,129	46,129	1,500	100.00%	190,941	76,229	-	Affiliates
ACE	Cyber South	Samoa	Investment and holding activity	107,041	107,041	4,669	100.00%	626,514	56,442	-	Affiliates
ACE	Hong Kong Ace Pillar Enterprise Company Limited	Hong Kong	Sales of automation mechanical transmission system and component	5,120	5,120	1,200	100.00%	39,722	(259)	-	Affiliates
Cyber South	Proton Inc.	Samoa	Investment and holding activity	527,665	527,665	17,744	100.00%	511,706	44,403	-	Affiliates
Cyber South	Ace Tek (HK) Holding Co., Ltd.	Hong Kong	Investment and holding activity	4,938	4,938	150	100.00%	(598)	3,661	-	Affiliates
K2	K2 Medical (Thailand) Co., Ltd.	Thailand	Sales of medical consumables	15,919	15,919	-	49.00%	22,908	13,852	-	Affiliates
K2	PT Frismed Hoslab Indonesia	Indonesia	Sales of medical consumables	257,728	257,728	-	67.00%	304,312	66,329	-	Affiliates
DIC	Data Image (Mauritius) Corporation	Mauritius	Investment and holding activity	518,381	518,381	20,215	100.00%	332,482	55,383	-	Affiliates
DIC	DIVA	Taiwan	Manufacture and sales of medical consumables and equipment	625,680	-	20,856	35.55%	617,569	21,855	-	Affiliates
DIC	DMC Components International, LLC	Orlando, USA	Agency sales	24,304	24,304	300	30.00%	4,812	6,348	-	Associate
DIVA	DIVA Laboratories GmbH	Germany	Sales of monitor	25,092	25,092	-	100.00%	1,433	(287)	-	Affiliates
DIVA	DIVA Laboratories U.S., LLC	USA	Sales of monitor	35,858	35,858	-	100.00%	7,928	3,421	-	Affiliates
DIVA	Panoramic Imaging Solutions Inc.	Taiwan	Sales of monitor	24,600	24,600	2,500	100.00%	35,511	2,709	-	Affiliates
DIVA	Diva Capital lnc.	Samoa	Investments in Mainland China	52,908	45,915	-	100.00%	13,394	(5,417)	-	Affiliates
DIVA	QUBYX Limited	UK	Sales and software development	17,815	17,815	2	60.00%	-	-	-	Associate
DIVA	The Linden Group Corp.	USA	Sales of monitor	30,015	30,015	-	19.00%	26,647	11,387	-	Associate
Diva Capital lnc.	Diva Holding lnc.	Samoa	Investments in Mainland China	52,598	45,605	-	100.00%	14,071	(5,395)	-	Affiliates
QUBYX Limited	QUBYX LTD	France	Sales and software development	38	38	1	100.00%	-	-	-	Associate
QUBYX Limited	QUBYX Software Technologies Inc	USA	Sales and software development	-	-	-	100.00%	-	-	-	Associate
EASC	Expert Alliance Smart Technology Co., Ltd.	Macao	Sales of brand-name electronic products and smart services	381	381	100	100.00%	5,483	(26,010)	-	Affiliates
Sysage	Global Intelligence Network Co., Ltd.	Taiwan	Sales of network and information and communication hardware and software	119,142	119,142	10,475	79.36%	205,502	54,169	-	Affiliates
Sysage	Unisage Digital Co., Ltd.	Taiwan	Manufacture of medical equipment	506	1,687	67	38.01%	580	(389)	-	Associate

Investor	Investee	Location	Main Businesses and Products	Original investment Amount		Balances as of December 31, 2021			Net Income (Loss) of the Investee	Investment Income (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	Percentage of Ownership	Carrying Value			
Sysage	Epic Cloud Information Integration Co	Taiwan	Software and data processing services	50,000	9,400	5,000	100.00%	27,428	(19,117)	-	Affiliates
Sysage	Grandsys Inc.	Taiwan	Data software processing service	94,547	94,547	5,643	21.84%	105,599	32,970	-	Associate
Sysage	AdvancedTEK International Corp	Taiwan	Applications implement services	30,091	30,091	1,153	34.09%	35,489	18,647	-	Affiliates
Sysage	Corex (Pty) Ltd.	South Africa	Sales, import and export of electronic products	251,872	-	1	100.00%	286,481	39,611	-	Affiliates
Sysage	Statinc Company	Taiwan	Market research, marketing consultant and data processing service	69,983	-	1,754	34.99%	86,493	(7,680)	-	Affiliates
Sysage	Everlasting Digital ESG Co., Ltd.	Taiwan	Sales and software development	5,000	-	500	29.41%	4,133	(2,948)	-	Associate
Epic Cloud	Global Intelligence Network Co., Ltd.	Taiwan	Sales of network and information and communication hardware and software	172	-	10	0.08%	172	54,169	-	Affiliates
Epic Cloud	Statinc Company	Taiwan	Market research, marketing consultant and data processing service	40	-	1	0.02%	40	(7,680)	-	Affiliates
AdvancedTEK	APEO Human Capital Services Corp.	Taiwan	Implementaion of application software services	2,060	-	200	100.00%	2,564	52	-	Affiliates
Statnic	Dataa	Taiwan	Market research, marketing consultant and data processing service	20,000	-	2,000	100.00%	18,912	(1,088)	-	Affiliates
Topview	Messoa	Taiwan	Sales, and import and export of video surveillance cameras	23,879	23,879	1,945	40.78%	2,892	3,221	-	Affiliates
Messoa	Messoa Technologies Inc. (USA)	USA	Sales, and import and export of video surveillance cameras and maintenance services	27,126	27,126	-	100.00%	22,458	4,725	-	Affiliates
Simula	Simula Technology Corp.	USA	Sales in North America	15,699	15,699	500	100.00%	30,231	6,988	-	Affiliates
Simula	Simula Company Limited	Hong Kong	Investment and holding activity	187,625	187,625	50,500	52.31%	150,145	(15,884)	-	Affiliates
Simula	Aspire Asia Inc.	British Virgin Islands	Investment and holding activity	286,764	286,764	9,403	100.00%	151,360	(9,803)	-	Affiliates
Simula	Mcurich Inc.	Taiwan	Sales of electronic products	15,029	15,029	645	23.33%	947	(8,429)	-	Associate
Simula	Action Star Technology Co.,Ltd.	Taiwan	Manufacture of computer and periherals products	983,858	-	32,001	59.35%	1,008,924	82,763	-	Affiliates
Aspire Asia Inc.	Aspire Electronics Corp.	Samoa	Investment and holding activity	95,099	95,099	2,188	95.10%	14,878	(2,343)	-	Affiliates
Aspire Asia Inc.	Simula Company Limited	Hong Kong	Investment and holding activity	181,726	181,726	46,033	47.69%	136,865	(15,884)	-	Affiliates
GSC	Bigmin Bio-Tech Company Ltd.	Taiwan	Sale of alcohol and medical disinfectant	20,250	20,450	1,500	100.00%	58,798	40,628	-	Affiliates
GSC	E-Strong Medical Technology Co., Ltd.	Taiwan	Manufacture of alcohol and dialysate	286,314	281,872	22,200	66.57%	244,259	73,294	-	Affiliates
Alpha	Alpha Holdings	Cayman	Investment and holding activity	203,372	203,372	6,464	100.00%	(21,344)	2,447	-	Affiliates
Alpha	Alpha Solutions	Japan	Sale of network equipment, components and technical services	5,543	5,543	1	100.00%	19,408	244	-	Affiliates
Alpha	Alpha USA	USA	Sale, marketing and procurement service in USA	51,092	51,092	1,500	100.00%	138,491	2,436	-	Affiliates
Alpha	Alpha HK	Hong Kong	Investment and holding activity	3,143,628	3,143,628	780,911	100.00%	2,257,173	63,150	-	Affiliates
Alpha	ATS	USA	Post-sale service	260,497	260,497	8,100	100.00%	167,336	1,544	-	Affiliates
Alpha	Enrich Investment	Taiwan	Investment and holding activity	320,000	240,000	32,000	100.00%	232,522	(113)	-	Affiliates
Alpha	Hitron Technologies	Taiwan	Marketing on system integration and production and sales of telecommunication products	4,811,000	4,811,000	200	62.24%	3,893,949	71,582	-	Affiliates
Alpha	D-Link Asia	Singapore	Investment in manufacturing business	1,692,805	1,692,805	86,946	100.00%	1,765,629	763	-	Affiliates
Enrich Investment	Interactive Digital	Taiwan	Telecommunication and broadband network system services	189,523	189,523	2,575	6.64%	115,599	260,654	-	Affiliates
Enrich Investment	Transnet Corporation	Taiwan	Operating in network communication products, provide system support services, integrated supply and import and export of network equipment	50,000	50,000	5,000	100.00%	24,244	(11,278)	-	Affiliates
Enrich Investment	Aespula Technologies Inc.	Taiwan	Sale of network equipment, components and technical services	80,000	-	8,000	98.92%	76,775	(3,225)	-	Affiliates
Hitron Technologies	Hitron Samoa	Samoa	International trade	642,697	669,031	21,350	100.00%	578,035	(136,704)	-	Affiliates
Hitron Technologies	Interactive Digital	Taiwan	Telecommunication and broadband network system services	126,091	126,091	16,703	43.10%	542,285	260,654	-	Affiliates
Hitron Technologies	Hitron Europe	The Netherlands	International trade	59,604	59,604	15	100.00%	19,110	38,383	-	Affiliates
Hitron Technologies	Hitron Americas	USA	International trade	90,082	90,082	300	100.00%	201,533	54,936	-	Affiliates
Hitron Technologies	Innoauto Technologies	Taiwan	Investment	20,000	50,000	2,000	100.00%	3,631	(13,451)	-	Affiliates
Hitron Technologies	Hitron Vietnam	Vietnam	Production and sale of broadband telecommunications products	1,511,735	550,355	-	100.00%	1,471,906	118,353	-	Affiliates

(Note 1) There was no shares as the company is a limited liability company.

(Note 2) The Company lost significant influence over AU in May 2021 and therefore reclassified the investment in AU from investments accounted for using the equity method to financial assets at fair value through other comprehensive income－non-current.

QISDA CORPORATION
Information on investments in Mainland China
For the year ended December 31, 2021
(Amounts in thousands of New Taiwan dollars and other currencies, unless specified otherwise)

Table 10
A. Qisda Corporation
1. Information on investments in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Qisda (Suzhou) Co., Ltd. (“QCSZ”)	Manufacture of monitors and communication devices	2,048,320 (USD 74,000)	(Note 1)	1,965,280 (USD 71,000)	-	-	1,965,280 (USD 71,000)	870,704	100.00%	870,704 (Note 5)	10,303,433	-
BenQ Medical (Shanghai) Co., Ltd. (“BMSH”)	Sale of medical consumable and equipment	37,645 (USD 1,360)	(Note 10)	-	-	-	-	(1,789)	100.00%	(1,789) (Note 4)	34,548	-
Qisda Electronics (Suzhou) Co., Ltd. (“QCES”)	Manufacture of monitors	326,624 (USD 11,800)	(Note 1)	326,624 (USD 11,800)	-	-	326,624 (USD 11,800)	210,556	100.00%	210,556 (Note 5)	1,707,495	-
Qisda Optronics (Suzhou) Co., Ltd. (“QCOS”)	Manufacture of projectors	344,893 (USD 12,460)	(Note 1)	344,893 (USD 12,460)	-	-	344,893 (USD 12,460)	431,135	100.00%	431,135 (Note 5)	4,088,528	404,211 (USD 14,603)
Qisda (Shanghai) Co., Ltd. (“QCSH”)	Manufacture of monitors	1,840,720 (USD 66,500)	(Note 1)	1,328,640 (USD 48,000)	-	-	1,328,640 (USD 48,000) (Note 8)	(17,943)	100.00%	(17,943) (Note 4)	(1,357,315)	-
Qisda Precision Industry (Suzhou) Co., Ltd. (“QCPS”)	Manufacture of plastic parts	138,400 (USD 5,000)	(Note 1)	131,480 (USD 4,750)	-	-	131,480 (USD 4,750)	30,975	100.00%	30,975 (Note 4)	413,234	-
BenQ Co., Ltd. (“BQC”)	Lease of real estate	2,214,400 (USD 80,000)	(Note 1)	2,214,400 (USD 80,000)	-	-	2,214,400 (USD 80,000)	152,643	100.00%	152,643 (Note 3)	3,007,414	-
BenQ Intelligent Technology (Shanghai) Co., Ltd. (“BQC_RO”)	Sales of brand name electronic products in China market	83,040 (USD 3,000)	(Note 1)	830,400 (USD 3,000)	-	-	83,040 (USD 3,000)	543,369	100.00%	543,369 (Note 3)	1,269,869	-
BenQ Technology (Shanghai) Co., Ltd. (“BQls”)	Sales of brand-name electronic products	27,680 (USD 1,000)	(Note 1)	5,536 (USD 200)	-	-	5,536 (USD 200) (Note 7)	30,978	100.00%	30,978 (Note 4)	72,849	-
ShengCheng Trading(Shanghai) Co., Ltd. (“BQsha EC2”)	Sales of brand-name electronic products	2,768 (USD 100)	(Note 11)	-	-	-	-	29,815	100.00%	29,815 (Note 4)	48,951	-
Nanjing BenQ Hospital Co., Ltd. (“NMH”)	Medical service	5,038,175 (USD 182,015)	(Note 1)	4,633,521 (USD 167,396)	553,600 (USD 20,000)	-	5,187,121 (USD 187,396)	253,123	70.05%	177,313 (Note 3)	2,318,208	-
Suzhou BenQ Hospital Co., Ltd. (“SMH”)	Medical service	2,615,822 (CNY 601,975)	(Note 1)	2,463,409 (USD 88,996)	-	-	2,463,409 (USD 88,996)	133,603	70.05%	93,589 (Note 3)	698,034	-
BenQ Hospital Management Consulting (Nanjing) Co., Ltd. (“NMHC”)	Medical management consulting	27,680 (USD 1,000)	(Note 1)	27,680 (USD 1,000)	-	-	27,680 (USD 1,000)	(485)	70.05%	(340) (Note 4)	16,559	-
Suzhou BenQ Investment Co., Ltd. (“BIC”)	Investment and holding activity	830,400 (USD 30,000)	(Note 9)	-	-	-	-	164	70.05%	115 (Note 4)	588,157	-
Nanjing Silvertown Health & Development Co., Ltd. (“NSHD”)	Medical services	434,540 (CNY 100,000)	(Note 12)	-	-	-	(Note 12)	(106,355)	11.03%	(11,731) (Note 4)	128,261 (Note 16)	-
Guru Systems (Suzhou) Co., Ltd. (“GSS”)	R&D and sales of computer information systems	365,376 (USD 13,200)	(Note 1)	268,496 (USD 9,700)	-	-	268,496 (USD 9,700) (Note 6)	(37,456)	100.00%	(37,456) (Note 4)	41,783	-

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
BenQ Biotech (Shanghai) Co., Ltd. (“BBC”)	Manufacture and sales of medical consumables and equipment	651,810 (CNY 150,000)	(Note 2)	738,718 (CNY 170,000)	152,089 (CNY 35,000)	-	890,807 (CNY 205,000)	(99,234)	70.00%	(69,464) (Note 4)	636,119	-
Guangxi Youshan Medical Technology Co., Ltd. (“Youshan”)	Medical services	26,072 (CNY 6,000)	(Note 14)	-	-	-	(Note 14)	11,883	38.50%	4,575 (Note 4)	14,927	-
Wangcheng Medical Technology （Chengdu）Co., Ltd (“Wangcheng”)	Medical services	8,691 (CNY 2,000)	(Note 14)	-	-	-	(Note 14)	1,032	49.00%	506 (Note 4)	4,767	-
Shanghai Filter Technology Co.,Ltd (“Filter”)	Medical services	198,368 (CNY 45,650)	(Note 14)	-	-	-	(Note 14)	(220)	70.00%	(154) (Note 4)	138,704	-
Guigang Donghui Medical Investment Co., Ltd.	Medical services	2,384,130 (CNY 548,656)	(Note 13)	-	-	-	(Note 13)	(40,546)	9.89%	(4,010) (Note 4)	307,138 (Note 16)	-
Shanghai Zhenglang Medical Equipment Co.,Ltd (“Zhenglang”)	Sales o f medical consumables and equipment	26,072 (CNY 6,000)	(Note 14)	-	-	-	(Note 14)	(140)	35.70%	(50) (Note 4)	9,258	-
Jiangsu Yudi Optical Co.,Ltd (“Yudi”)	Sales and Manufacture of Optical Lens	341,456 (CNY 80,880)	(Note 15)	-	-	-	(Note 15)	880	20.01%	176	536,646	-

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

(Note 2) Direct investment in Mainland China.

(Note 3) Investment income or loss was recognized based on the audited financial statements issued by International CPA firm that has a cooperative relationship with ROC CPA firm.

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

(Note 5) Investment income or loss was recognized based on the audited financial statements issued by the auditors of the company.

(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 were translated into New Taiwan dollars at the exchange rate of US$1＝NT$27.68 and CNY$1=NT$4.3454.

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
15,237,406 (USD 518,302 and CNY 205,000)	15,852,530 (USD 572,707)	(Note 18)

(Note 18) Since the Company has obtained the Certificate of Headquarter Operation, there is no upper limit on investment in Mainland China.

3. Significant transactions with investee companies in Mainland China:

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

B. BenQ Material Corporation

1. Information on investments in Mainland China:

Investee Company Name	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
BenQ Material (Suzhou) Co., Ltd. ("BMS")	Manufacture of optoelectronics	802,720 (USD29,000)	(Note 1)	802,720 (USD29,000)	-	-	802,720 (USD29,000)	39,145	100.00%	39,145 (Note 2)	1,938,681	-
Daxon Biomedical (Suzhou) Co., Ltd. ("DTB")	Service and sales of optoelectronics and medical consumables	47,799 (CNY11,000)	(Note 4)	-	-	-	-	10,152	100.00%	10,152 (Note 2)	1,862	-
BenQ Materials (Wuhu) Co., Ltd.	Manufacture and sales of optoelectronics and cosmetics	347,632 (CNY80,000)	(Note 1)	173,816 (CNY40,000)	-	-	173,816 (CNY40,000) (Note 5)	132,258	100.00%	127,500 (Note 2)	(283,235)	-
BenQ Materials Medical Supplies (Suzhou) Co., Ltd. ("BMM")	Manufacture and sales of medical consumables and equipment	65,181 (CNY15,000)	(Note 4)	-	-	-	-	(2,873)	100.00%	(2,873) (Note 2)	54,100	-
Suzhou Sigma Medical Supplies Co., Ltd. ("SGS")	Manufacture and sales of medical consumables and equipment	44,067 (USD1,592)	(Note 3)	44,067 (USD1,592)	-	-	44,067 (USD1,592)	(4,546)	100.00%	(4,546) (Note 2)	25,752	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMC	976,536 (USD29,000 and CNY40,000)	1,089,299 (USD29,000 and CNY65,950)	(Note 6)
SGM	44,067 (USD1,592)	44,067 (USD1,592)	80,000

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

(Note 2) Investment income or loss was recognized based on the audited financial statements issued by the auditors of BMC.

(Note 3) Direct investment in Mainland China.

(Note 4) The reinvestments were from the distribution of dividends of BMLB.

(Note 5) The amount of BMLB reinvestments CNY$10,950 thousand were excluded.

(Note 6) Since BenQ Material Corporation has obtained the Certificate of Headquarter Operation, there is no upper limit on investment in Mainland China.

(Note 7) The above amounts were translated into New Taiwan dollars at the exchange rate of US$1＝NT$27.68 and CNY$1=NT$4.3454.

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
BenQ Medical Technology (Shanghai) Ltd. (“BMTS”)	Agency of international and entrepot trade business	27,680 (USD 1,000)	(Note 1)	27,680 (USD 1,000)	-	-	27,680 (USD 1,000)	1,995	100.00%	1,995	12,893	-
LILY Medical (Suzhou) Co., Ltd. (“ALS”)	Sales of medical consumables and equipment	5,813 (USD 210)	(Note 2)	5,813 (USD 210)	-	-	5,813 (USD 210)	(518)	100.00%	(518)	2,280	-
TDX Medical Technology (Jiangsu) Co., Ltd.	Sales of medical consumables and equipment	86,900 (CNY 20,000)	(Note 2)	34,760 (CNY 8,000)	-	-	34,760 (CNY 8,000)	4,479	40.00%	1,792	31,116	-
Suzhou Trident Original Medical Technology Co., Ltd.	Sales of medical consumables and equipment	8,690 (CNY 2,000)	(Note 3)	-	-	-	-	3,987	22.00%	714	7,696	-

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

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US$1＝NT$27.68 and CNY$1=NT$4.3454.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
BMTC	62,440 (USD 1,000 and CNY 8,000)	78,251 (USD 2,827)	622,847
LILY	5,813 (USD 210)	5,813 (USD 210)	110,007

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Partner Tech (Shanghai) Co., Ltd. ("PTCM")	Sales, import and export of electronic products	96,880 (USD 3,500)	(Note 1)	96,880 (USD 3,500)	-	-	96,880 (USD 3,500)	1,040	100.00%	1,040 (Note 2)	76,620	-

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

(Note 2) Investment income or loss was recognized based on the audited financial statements issued by International CPA firm that has a cooperative relationship with ROC CPA firm.

(Note 3) The above amounts were translated into New Taiwan dollars at the exchange rate of US$1＝NT$27.68.

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
PTT	96,880 (USD 3,500)	191,158 (USD 6,906)	604,155

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Yan Tong Infotech (Dongguan) Co., Ltd. ("DYTI")	Manufacture and sales of industrial motherboards and component	69,200 (USD2,500)	(Note 1)	-	-	-	-	-	100.00%	(1,601) (Note 2)	51,498	33,306
Yan Ying Hao Trading (ShenZhen) Co., Ltd. ("DYTH")	Wholesale, import and export of industrial motherboards and component	13,840 (USD500)	(Note 1)	-	-	-	-	-	100.00%	11,090 (Note 2)	46,514	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
DFI	- (Note 3)	57,713 (USD 2,085) (Note 5 and 6)	3,302,288 (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 unaudited 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 were translated into New Taiwan dollars at the exchange rate of US$1＝NT$27.68.

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Aewin Beijing Technologies Co., Ltd.	Wholesale of computer peripheral products and software	46,129	(Note 1)	46,129	-	-	46,129	76,229	100.00%	76,229 (Note 3)	190,936	-
Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer peripheral products and software	13,062	(Note 2)	-	-	-	-	(5,311)	100.00%	(5,311) (Note 3)	(1,829)	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
AEWIN	46,129	55,360 (USD 2,000)	695,676 (Note 4)

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

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

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

(Note 4) Pursuant to “Principle of Investment or Technical Cooperation in Mainland China”, investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US$1＝NT$27.68.

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Tianjin Ace Pillar Co., Ltd.	Sales of automation mechanical transmission system and component	977,021 (USD 35,297)	(Note 1)	53,976 (USD 1,950)	-	-	53,976 (USD 1,950)	56,121	100.00%	56,121 (Note 2)	611,067	125,533
Grace Transmission (Tianjin) Co., Ltd.	Manufacture of automation mechanical transmission system and component	7,257 (RMB 1,670)	(Note 1)	4,429 (USD 160)	-	-	4,429 (USD 160)	(219)	100.00%	(219) (Note 2)	7,018	-
Advancedtek Ace (TJ) Inc.	Electronic system integration	8,304 (USD 300)	(Note 1)	4,152 (USD 150)	-	-	4,152 (USD 150)	3,662	100.00%	3,662 (Note 2)	(622)	-
Suzhou Super Pillar Automation Equipment Co., Ltd.	Manufacture of automation mechanical transmission system and component	40,136 (USD 1,450)	(Note 1)	- (Note 3)	-	-	- (Note 3)	10,511	100.00%	10,511 (Note 2)	98,569	-
Xuchang Ace AI Equipment Co., Ltd.	Wholesale of industrial robot and component	8,304 (USD 300)	(Note 1)	- (Note 3)	-	-	- (Note 3)	(711)	100.00%	(711) (Note 2)	2,156	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
ACE	141,694 (USD 5,119)	141,694 (USD 5,119)	1,231,856 (Note 4)

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

(Note 2) Investment income or loss was recognized based on the audited financial statements by the auditors of ACE.

(Note 3) Established by Cyber South's reinvestment.

(Note 4) Pursuant to “Principle of Investment or Technical Cooperation in Mainland China”, investment amounts in Mainland China shall not exceed the 60% net worth of the company.

(Note 5) The above amounts were translated into New Taiwan dollars at the exchange rate of US$1＝NT$27.68 and CNY$1=NT$4.3454.

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

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Data Image (Suzhou) Corporation	Manufacture and sales of LCD	451,184 (USD16,300)	(Note 1)	433,303 (USD15,654)	-	-	433,303 (USD15,654)	55,677	100.00%	55,677	332,482	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
USD 15,654	USD 16,952	802,867 (Note 3)

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

(Note 2) Investment income or loss was recognized based on the audited financial statements issued by the auditors of DIC.

(Note 3) Investment amounts in Mainland China shall not exceed the 60% net worth of DIC according to MOEA letter No. 09704604680.

(Note 4) The above amounts were translated into New Taiwan dollars at the exchange rate of US$1＝NT$27.68.

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Suzhou Diva Lab. Inc.	Wholesale and import and export of medical equipment	47,748 (USD1,725)	(Note 1)	40,828 (USD1,475)	6,920 (USD250)	-	47,748 (USD1,725)	(5,368)	100.00%	(5,368)	14,009	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
52,643	USD 2,000 (Note 2)	591,853

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

(Note 2) The accumulated investments is US$1,725 thousand and the investment not yet executed is US$275 thousand as of December 31,2021.

(Note 3) The above amounts were translated into New Taiwan dollars at the exchange rate of US$1＝NT$27.68.

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
K2 (Shanghai) International Medical Inc.	Sales of medical consumables	34,600 (USD 1,250)	(Note 1)	22,144 (USD 800)	31,361 (USD 1,133)	-	53,505 (USD 1,933)	7,157	100.00%	5,211	69,254	-

2. Limits on investments in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
53,505 (USD 1,933)	22,144 (USD 800)	346,669 (Note 3)

(Note 1) Direct investment in Mainland China.

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

(Note 3) Investment amounts in Mainland China shall not exceed the 60% net worth of K2 according to MOEA letter No. 09704604680.

(Note 4) The above amounts were translated into New Taiwan dollars at the exchange rate of US$1＝NT$27.68.

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Simula Technology (ShenZhen) Co., Ltd.	Manufacture of electronic connector, socket and plastic hardware	191,437	(Note 1)	141,375	-	-	141,375	31,991	100.00%	31,991 (Note 2)	194,272	-
Opti Cloud Technologies, Inc.	Development of High-speed optical transmission cable and module product technology	137,336	(Note 1)	95,099	-	-	95,099	(4,354)	51.18%	(2,228) (Note 2)	14,873	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Simula	257,755	307,817	1,338,171

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

(Note 2) Investment income or loss was recognized based on the audited financial statements by the auditors of Simula.

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Alpha Networks (Chengdu) Co.,Ltd.	Research and development of network products	420,426	(Note 1)	420,426	-	-	420,426	12,581	100.00%	12,581	574,686	-
Alpha Networks (Dongguan) Co., Ltd.	Production and sale of network products	787,496	(Note 1)	741,084	-	-	741,084 (Note 6)	(15,378)	100.00%	(15,378)	1,034,891	-
Mirac Networks (Dongguan) Co.,Ltd.	Production and sale of network products	307,326	(Note 1)	307,326	-	-	307,326	5,173	100.00%	5,173	303,307	-
Alpha Networks (Changshu) Co., Ltd.	Production and sale of network products	1,925,920	(Note 1)	1,925,920	-	-	1,925,920	111,028	100.00%	111,028	1,347,371	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2021	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 audited financial statements by the auditors of Alpha.

(Note 3) Accumulated investments in Alpha Dongguan did not include the previously invested by D-Link Corporation HKD69,387 thousand (equivalent to approximately $303,055 thousand).

(Note 4) Alpha indirectly investment the subsidiary Tongying Trading (Shenzhen) Co., Ltd., has liquidated all rights and obligations in March 2008 and cancelled the registration.Accumulated outflow of $9,828 thousand in Tongying Trading (Shenzhen) Co., Ltd., less the remittance amount of $4,367 thousand equals $5,461 thousand. It is still necessary to include in the accumulated investment amount by the principle of Investment Commission, MOEA.

(Note 5) As Alpha has obtained the certificate No. 10820415320 of being qualified for operating headquarters issued by Ministry of Economic Affairs on June, 11 2019, the upper limit on investment in mainland China pursuant to "Principle of investment or Technical Cooperation in Mainland China"issued by Investment Commission, MOEA on August, 29, 2008 is not applicable.

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

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

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss) (Note 2)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
Hitron Suzhou	Production and sale of broadband telecommunications products	641,763	(Note 1)	641,763	-	-	641,763	(136,281)	100.00% (Note 4)	(136,281)	587,235	-
Jietech Suzhou	Sale of broadband network products and related services	31,139	(Note 1)	57,473	-	26,334	31,139	(422)	100.00% (Note 4)	(422)	3,713	-
Hwa Chi Technologies	Technical consultation on electronic communication, technology research and	5,814	(Note 1)	12,048	-	-	12,048	1,771	43.10% (Note 3 and 4)	763	6,532	21,314

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Hitron Technologies	684,950	684,950	2,817,973

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

(Note 2) Investment income or loss was recognized based on the audited financial statements by the auditors of Hitron Technologies.

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

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

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, 2021	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee	% of Ownership of Direct or Indirect Investment	Investment Income (Loss)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
					Outflow	Inflow						
-	-	-	-	-	-	-	-	-	-	-	-	-

2. Limits on investments in Mainland China:

Investee Company Name	Accumulated Investment in Mainland China as of December 31, 2021 (Note 1)	Investment Amounts Authorized by Investment Commission, MOEA (Note1)	Upper Limit on Investment (Note 2)
Topview	5,038 (USD 182)	5,038 (USD 182)	672,941

(Note 1) The amount USD $182 thousands is the authorized amount for the liquidated investee in the previous year, which the cacellation 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$27.68.

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.

Qisda Corporation

Statement of Cash and Cash Equivalents

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Items	Description	Amount
Demand deposits and checking accounts		$ 235,425
Foreign currency deposits (note)	USD：18,709 thousand	517,865
	AUD：821 thousand	16,488
	Others	24,816
		$ 794,594

(note) Foreign currency deposits were translated at the spot exchange rate on December 31, 2021 as follows:
USD: NTD=1：27.68
AUD: NTD=1：20.085

(Continued)

Qisda Corporation

Statement of Notes and Accounts Receivable

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Client Name	Amount
Customer A	$ 1,322,072
Customer B	1,604,811
Customer C	783,145
Customer D	484,542
Customer E	369,245
Others (Note)	2,814,451
	7,378,266
Less: loss allowance	(42,731)
	$ 7,335,535

Note: The amount of each item in others does not exceed 5% of the account balance.

(Continued)

Qisda Corporation

Statement of Inventories

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount		Note
	Carrying amount (Note)	Net realizable value	
Raw materials	$ 293,553	360,590	Net realizable value
Work in progress	62,979	67,765	Net realizable value
Finished goods	5,108,205	5,127,394	Net realizable value
Inventories in transit	407,644	411,168	Net realizable value
	$ 5,872,381	**5,966,917**	

Note: Provision of inventory obsolescence has been deducted.

Statement of Other Current Assets

Item	Amount
Prepaid income tax	$ 67,829
Excess business tax paid	27,336
Prepayment for purchase	21,954
Others	39,638
	$ 156,757

(Continued)

Qisda Corporation

Statement of Changes in Financial Assets at Fair Value through Other Comprehensive Income – Non-current

For the year ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars/Shares)

Name	Balance as of January 1, 2021		Addition		Decrease		Unrealized Gain (Loss)	Balance as of December 31, 2021		Collateral
	Share	Amount	Share	Amount	Share	Amount		Share	Amount	
Listed stocks－AU Optronics Corp. (“AU”)	-	$ -	663,599(Note)	16,059,086	-	-	(862,678)	663,599	15,196,408	-
Over-the-counter (OTC) stocks－APLEX Technology, Inc.	1,388	37,438	-	-	-	-	19,866	1,388	57,304	-
		$ 37,438		16,059,086		-	(842,812)		15,253,712	

Note: The investment was reclassified from the investments accounted for using the equity method.

(Continued)

Qisda Corporation

Statement of Other Financial Assets—Non-current

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount
Refundable Deposits	$ 39,994
Restricted Bank Deposits of Repatriated Offshore Funds	236,906
Total	**$ 276,900**

Statement of Other Non-current Assets

Item	Amount
Deferred cost-issuance cost from syndicated loan	**$ 27,333**

Qisda Corporation

Statement of Changes in Investments Accounted for Using the Equity Method

For the year ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars / Shares)

Name of Investee	Balance as of January 1, 2021		Addition (Note 1)		Decrease (Note 2)		Investment Income (Loss)	Other adjustments (Note 3)	Balance as of December 31, 2021			Market Value or Net Assets Value		Collateral
	Share	Amount	Share	Amount	Share	Amount			Share	Percentage of Ownership	Amount	Unit Price (in dollars)	Total Amount	
AU	663,599	$ 12,701,500	-	-	-	-	1,255,866	(13,957,366)	-	-	-	-	-	-
BenQ	539,662	9,321,301	-	-	-	(1,249,688)	1,783,670	594,383	539,662	100.00	10,449,666	19.36	10,449,666	-
QLLB	114,250	13,209,029	-	-	-	-	1,568,923	(209,822)	114,250	100.00	14,568,130	127.51	14,568,130	-
DFN	58,005	1,904,389	-	-	-	(145,012)	237,533	43,555	58,005	20.72	2,040,465	50.70	2,940,854	-
APV	153,258	2,560,268	-	-	-	(106,788)	332,537	1,122,547	153,258	100.00	3,908,564	25.50	3,908,564	-
BBHC	47,400	749,927	-	-	-	-	233,624	1,839	47,400	19.35	985,390	20.79	985,390	-
QLPG	50,000	296,858	-	-	-	(390,545)	433,546	(25,039)	50,000	100.00	314,820	6.30	314,820	-
Darly	6,000	148,326	-	-	-	-	64,375	2,723	6,000	100.00	215,424	35.90	215,424	-
BMC	43,659	588,330	-	-	-	(30,562)	52,892	(3,610)	43,659	13.61	607,050	37.95	1,656,859	-
QJTO	-	52,610	-	-	-	-	2,134	(1,022)	-	100.00	53,722	-	53,722	-
QALA	1,000	43,515	-	-	-	-	8,524	(1,147)	1,000	100.00	50,892	50.89	50,892	-
PTT	43,577	1,276,354	-	-	-	(17,431)	20,707	18,604	43,577	58.04	1,298,234	25.60	1,115,571	-
DFI	51,610	3,059,763	-	-	-	(154,829)	13,585	(85,848)	51,610	45.08	2,832,671	61.10	3,153,371	-
BDT	28,000	114,532	-	-	-	-	(41,256)	-	28,000	100.00	73,276	2.62	73,276	-
QTOS	100	1,011	-	-	-	(9)	5	-	100	100.00	1,007	-	1,007	-
Q.S.Control Corp.	6,000	56,557	-	-	-	-	2,505	-	6,000	20.00	59,062	9.84	59,062	-
Alpha	295,163	7,828,382	634	20,867	-	(295,797)	142,732	(6,806)	295,797	54.60	7,689,378	33.55	9,923,989	-
K2	6,997	222,880	-	-	-	(13,994)	25,191	(4,853)	6,997	34.99	229,224	32.76	229,224	-
DIC	20,000	306,763	-	-	-	(30,000)	91,932	(1,021)	20,000	28.82	367,674	40.07	801,400	-
EASC	1	78,905	-	-	-	-	6,731	(1,934)	1	54.00	83,702	83,702.00	83,702	-
Sysage	66,000	1,856,785	30,841	1,387,856	-	(242,103)	252,082	(591,902)	96,841	51.41	2,662,718	39.75	3,849,430	-
Topview	5,750	199,172	-	-	-	(11,500)	26,066	20	5,750	20.00	213,758	73.90	424,925	-
QVH	-	832,065	-	139,300	-	-	(236,565)	(18,107)	-	100.00	716,693	-	716,693	-
BBC	-	682,207	-	151,371	-	-	(68,042)	3,593	-	70.00	769,129	-	769,129	-
SIMULA	30,000	619,479	-	-	-	(15,000)	26,079	2,766	30,000	37.51	633,324	41.00	1,230,000	-
GSC	10,000	236,864	-	-	-	(4,000)	58,360	-	10,000	50.00	291,224	29.12	291,224	-
		58,947,772		1,699,394		(2,707,258)	6,293,736	(13,118,447)			51,115,197			-
Less: Adjustments of unrealized profits and losses resulting from transactions with subsidiaries and associates		(195,488)		-		-	303,439	-			107,951			
		$ 58,752,284		1,699,394		(2,707,258)	6,597,175	(13,118,447)			51,223,148			

(Note 1) Additions is the increase in investment by cash.
(Note 2) Decrease is due to the cash dividend from the investee.
(Note 3) Other adjustments

Foreign currency translation differences	$ (309,370)
Unrealized gain (loss) from investments in equity instruments measured at FVOCI	1,962,954
Change in capital surplus	(35,191)
Difference between consideration and carrying amount arising from acquisition or disposal of shares of subsidiaries (retained earnings)	(635,587)
Remeasurements of defined benefit plans	(21,908)
Gain on disposal of investment	1,979,741
Reclassification to financial assests measured at FVOCI	(16,059,086)
	$ (13,118,447)

(Continued)

Qisda Corporation

Statement of Notes and Accounts Payable

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Vendor Name	Amount
Vendor A	$ 904,444
Vendor B	166,073
Vendor C	111,436
Others (Note)	326,373
	$ 1,508,326

Note: The amount of each item in others does not exceed 5% of the account balance.

(Continued)

Qisda Corporation

Statement of Short-Term Borrowings

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Type of Loan	Creditor	Ending Balance	Contract Period	Interest Rates	Credit facilities	Collateral
Unsecured loan	Bank of China	$ 1,107,200	2021/03~2022/03		1,107,200	-
Unsecured loan	Entie Commerical Taiwan	500,000	2021/06~2022/06		500,000	-
Unsecured loan	E.SUN Commercial Bank	500,000	2021/07~2022/07		584,800	-
Unsecured loan	Taipei Fubon Bank	500,000	2021/02~2022/02		2,214,400	-
Unsecured loan	DBS Bank	810,000	2021/03~2022/03		830,400	-
		$ 3,417,200		0.48%~0.8%		

Statement of Other Payables

Item	Amount
Salaries and bonus payables	$ 1,167,984
Others (Note)	979,468
	$ 2,147,452

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of Other Current Liabilities

Item	Amount
Government grants received in advance	$ 30,241
Others (Note)	49,307
	$ 79,548

Note: The amount of each item in others does not exceed 5% of the account balance.

(Continued)

Qisda Corporation

Statement of Lease Liabilities (including current and non-current)

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Lease Term	Disconot Rate (%)	Balance at December 31, 2021
Buildings	2017/08～2027/07	1.80%	$ 763,108
Current:			$ 125,831
Non-current:			$ 637,277

Statement of Other Non-current Liabilities

Item	Amount
Defined benefit liabilities	$ 412,383
Guarantee deposits	30,648
Others (Note)	55
	$ 443,086

Note: The amount of each item in others does not exceed 5% of the account balance.

(Continued)

Qisda Corporation

Statement of Long-term Debt

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Creditor	Description	Loan Amount	Contract Period	Interest Rates	Collateral
Bank of Taiwan and other banks	5 yeas syndicated loan	1,700,000	2021.12~2026.12		-
Bank of Taiwan and other banks	5 years syndicated loan	1,500,000	2019.10~2024.10		(Note 8)
Bank of Taiwan and other banks	5 years syndicated loan	5,940,000	2019.10~2024.10		-
Bank of Taiwan and other banks	5 years syndicated loan	6,720,000	2020.12~2025.12		-
MUFG Bank	3 years loan	1,370,000	2021.09~2024.09		-
Yuanta Commercial Bank	3 years loan	500,000	2021.09~2024.09		-
E.SUN Commercial Bank	4 years loan	415,200	2020.07~2024.07		-
Taishin International Bank	5 years loan	436,882	2019.10~2024.10		-
Taiwan Business Bank	2 years loan	1,107,200	2021.09~2023.09		-
The Export-Import Bank of the Republic of China	5 years loan	623,894	2019.12~2024.12		-
Bank of Taiwan	7 years loan	739,426	2019.10~2026.10		
		21,052,602		0.63%~1.797%	
Less：Current portion of long-term debt		(495,733)			
		$ **20,556,869**			

(Continued)

Qisda Corporation

Statement of Operating Revenue

For the year ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount
IT products	$ 91,581,252
Digital media products	7,352,484
Others	6,305,835
Less: Sales returns and allowance	(604,988)
	$ 104,634,583

(Continued)

Qisda Corporation

Statement of Operating Cost

For the year ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Items	Amount
Raw materials	
Raw materials, beginning of year	$ 333,925
Add: Purchase of raw materials	3,037,518
Less: Raw materials, end of year	(328,643)
Transferred to other expenses	(10,826)
Scrapped of raw materials	(15,575)
Sales of raw materials	(169,820)
Raw materials used	2,846,579
Direct labor	244,650
Manufacturing overhead	536,786
Manufacturing cost	3,628,015
Add: Work in process, beginning of year	49,046
Less: Work in process, end of year	(62,979)
Transferred to other expenses	(10,322)
Sales of work in process	(258,759)
Scrapped of work in process	(746)
Cost of goods manufactured	3,344,255
Add: Finished goods, beginning of year	3,932,582
Inventories in transit, beginning of year	157,752
Purchase of finished goods	98,176,906
Transferred from other expenses	9,191
Less: Finished goods, end of year	(5,109,188)
Inventories in transit, end of year	(407,644)
Scrapped of finished goods	(590)
Cost of goods sold	100,103,264
Write-down of inventories	12,872
Royalty cost	149,511
Sales of raw materials and work in process	428,579
Warranty cost	29,499
Other costs	(276,796)
Cost of revenue	**$ 100,446,929**

(Continued)

Qisda Corporation

Statement of Selling Expenses

For the year ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Item	Amount
Salaries	$ 668,322
Warehouse rental expense	141,556
Others (Note)	368,577
	$ 1,178,455

Note: The amount of each item in others does not exceed 5% of the account balance.

Statement of Administrative Expenses

Item	Amount
Salaries	$ 417,394
Professional service fees	137,931
Depreciation expense	134,737
Others (Note)	269,493
	$ 959,555

Note: The amount of each item in others does not exceed 5% of the account balance.

(Continued)

Qisda Corporation

Statement of Research and Development Expenses

For the year ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars)

Items	Amount
Salaries	$ 1,550,494
Inspection and test fees	219,175
Modeling expense	121,197
Others (Note)	384,032
	$ 2,274,898

Note: The amount of each item in others does not exceed 5% of the account balance.

For details on the statement of Financial Assests/Liabilities measured at FVOCI, please refers to note 6(b)

For details on statement of Accounts Receivable (Payables) from related parties and Other Receivable (Payables) from related parties, please refer to note 7

For details on statement of Other Receivable, please refer to note 6(e)

For details on statement of Changes in Property, Plant and Equipment, please refer to note 6(h)

For details on statement of Changes in accumulated depreciation of property, plant and equipment, please refer to note 6(h)

For details on statement of Changes in Right-of-Use Assets, please refer to note 6(i)

For details on statement of Changes in Investment Property, please refer to note 6(j)

For details on statement of Changes in Intangible Assets, please refer to note 6(k)

For details on statement of Changes in Deferred Tax Assets/Liabilities, please refer to note 6(r)

For details on statement of Contract Liabilities, please refer to note 6(u)

For details on statement of Provisions－current/non-current, please refer to note 6(o)

For details on statement of Other Income, please refer to note 6(w)

For details on statement of Other Gains and Losses, please refer to note 6(w)

For details on statement of Finance Costs, please refer to note 6(w)