

**DFI Inc. and its subsidiaries**

**Consolidated Financial Statements and  
Independent Auditors' Review Report**

**For the nine months ended September 30, 2024 and 2023**

This is the translation of the financial statements. CPAs do not review on this translation.

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The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. The translation is not prepared by the independent auditor. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

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## **Independent Auditors' Review Report**

The Board of Directors and Shareholders DFI Inc.:

### **Foreword**

We have reviewed the accompanying consolidated balance sheet as of September 30, 2024 and 2023 of DFI Inc. and its subsidiaries (hereinafter collectively the "Group"), the consolidated statements of comprehensive income for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes to the consolidated financial report (including the summary of significant accounting policies) for the nine months ended September 30, 2024 and 2023. It is the responsibility of the management to prepare fair presentation consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. The responsibility of the CPAs is to draw conclusions on the consolidated financial report based on the results of their review.

### **Scope**

We conducted our reviews in accordance with SRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." Except for the effects of the matter(s) described in the Basis for Qualified Conclusion paragraph. A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As stated in Note IV (II) to the consolidated financial statements, its insignificant subsidiaries of DFI Inc. have been included in the aforesaid consolidated financial statements based on the financial statements of these invested companies were not reviewed by the independent auditors for the same period. As of September 30, 2024, and September 30, 2023, the total assets of NTD (the same below) 756,652 thousand and NTD872,424 thousand respectively, representing 6.33% and 7.45% of total consolidated assets respectively; and total liabilities of NTD73,353 thousand and NTD181,646 thousand respectively, representing 1.12% and 2.99% of total consolidated liabilities respectively; and its total comprehensive income (loss) of NTD14,321 thousand, NTD18,140 thousand, NTD40,379 thousand, and NTD60,773 thousand respectively for the three months ended September 30, 2024, for the three months ended September 30, 2023, for the nine months ended September 30, 2024, and for the nine months ended September 30, 2023, representing 9.55%, 22.29%, 12.70%, and 18.34% of total consolidated comprehensive income (loss) respectively.

## Qualified Conclusion

Based on our reviews, except for possible effects from financial statements of these insignificant subsidiaries mentioned in the paragraph titled "Basis for Qualified Conclusion" if they were reviewed by independent auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2024 and 2023, and of its consolidated financial performance for the three months ended September 30, 2024, for the three months ended September 30, 2023, for the nine months ended September 30, 2024, and for the nine months ended September 30, 2023, and its consolidated cash flows for the nine months ended September 30, 2024, and for the nine months ended September 30, 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 "Interim Financial Reporting", which have been endorsed by the Financial Supervisory Commission and put into effect.

KPMG Taiwan

CPA:

Assurance Document Number Approved by Securities Authority	Financial-Supervisory-Securities- Audit-1060005191 (88) Taiwan-Finance-Securities- VI-18311
November 4, 2024	

## Notes to Reader

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

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

**DFI Inc. and its subsidiaries**

**Consolidated Balance Sheet**

**September 30, 2024, December 31, 2023, and September 30, 2023**

**Unit: In Thousands of New Taiwan Dollars**

		<b>2024.9.30</b>		<b>2023.12.31</b>		<b>2023.9.30</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>							
<b>Current assets:</b>							
1100	Cash and cash equivalents (Note VI (I))	\$ 2,469,074	21	1,490,285	16	1,558,624	13
1110	Financial assets at fair value through profit or loss - current (Note VI (II))	35,752	-	45,465	-	26,356	-
1136	Financial assets at amortized cost - current (Note VI (IV) and VIII)	2,726	-	2,709	-	2,709	-
1141	Contract assets - current (Note VI (XXII))	12,070	-	812	-	16,453	-
1170	Net of notes receivable and accounts receivable (Notes VI (V), (XXII) and VIII)	1,967,844	17	1,867,543	21	2,374,314	21
1180	Accounts receivable - related parties (Notes VI (V), (XXII) and VII)	143,283	1	71,753	1	112,175	1
1200	Other receivables (Notes VI (V) and VII)	30,986	-	12,071	-	23,125	-
130X	Inventories (Note VI (VI))	2,111,401	18	1,893,457	21	3,096,572	26
1410	Prepayments	87,277	1	80,260	1	106,707	1
1470	Other current assets	<u>18,730</u>	<u>-</u>	<u>5,903</u>	<u>-</u>	<u>21,587</u>	<u>-</u>
	<b>Total current assets</b>	<u>6,879,143</u>	<u>58</u>	<u>5,470,258</u>	<u>60</u>	<u>7,338,622</u>	<u>62</u>
<b>Non-current assets:</b>							
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI (III))	166,400	1	86,714	1	88,940	1
1535	Financial assets at amortized cost - non-current (Note VI (IV))	3,327	-	3,211	-	3,396	-
1600	Property, plant and equipment (Notes VI (VIII) & VIII)	2,304,026	19	2,548,819	28	2,593,482	22
1755	Right-of-use assets (Notes VI (IX) & VII)	326,758	3	276,658	3	317,367	3
1760	Net of investment properties (Note VI (X))	289,780	3	115,735	1	116,163	1
1780	Intangible assets (Notes VI (VII), (XI) & VII)	1,825,501	15	445,502	5	1,054,844	9
1840	Deferred income tax assets	111,911	1	110,681	1	156,112	2
1990	Other non-current assets	<u>41,996</u>	<u>-</u>	<u>44,027</u>	<u>1</u>	<u>46,858</u>	<u>-</u>
	<b>Total non-current assets</b>	<u>5,069,699</u>	<u>42</u>	<u>3,631,347</u>	<u>40</u>	<u>4,377,162</u>	<u>38</u>
	<b>Total assets</b>	<u><u>\$ 11,948,842</u></u>	<u><u>100</u></u>	<u><u>9,101,605</u></u>	<u><u>100</u></u>	<u><u>11,715,784</u></u>	<u><u>100</u></u>

**(Continued on the next page)**

**(Please refer to notes to consolidated financial statements)**

**Chairman: Chi-Hong, Chen**

**President: Chia-Hung, Su**

**Accounting Supervisor: Li-Min, Huang**

**DFI Inc. and its subsidiaries**  
**Consolidated Balance Sheets (Continued)**

**September 30, 2024, December 31, 2023, and September 30, 2023**

**Unit: In Thousands of New Taiwan Dollars**

		<b>2024.9.30</b>		<b>2023.12.31</b>		<b>2023.9.30</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Liabilities and equity</b>							
<b>Current liabilities:</b>							
2100	Short-term borrowings (Notes VI (XII) & VIII)	\$ 1,905,356	16	1,079,645	12	1,550,825	13
2120	Financial liabilities at fair value through profit or loss						
	- current (Note VI (II))	3,892	-	3,365	-	14,708	-
2130	Contract liabilities - current (Note VI (XXII))	105,409	1	115,375	1	161,486	2
2170	Notes and accounts payable	1,512,680	13	952,772	10	1,991,153	17
2180	Accounts payable - related parties (Note VII)	51,127	-	20,891	-	30,928	-
2200	Other payables (Note VII)	494,167	4	433,562	5	440,059	4
2230	Current income tax liabilities	83,057	1	160,348	2	151,532	1
2250	Provisions - current (Note VI (XVII))	30,296	-	41,764	1	42,148	-
2280	Lease liabilities - current (Note VI (XVI) & VII)	98,525	1	69,614	1	91,337	1
2322	Long-term borrowings - current portion (Notes VI (XIV) & VIII)	110,000	1	-	-	505	-
2325	Preferred share liabilities - current (Note VI (XV))	197,197	2	-	-	-	-
2399	Other current liabilities	26,409	-	32,162	-	40,394	-
	<b>Total current liabilities</b>	<u>4,618,115</u>	<u>39</u>	<u>2,909,498</u>	<u>32</u>	<u>4,515,075</u>	<u>38</u>
<b>Non-current liabilities:</b>							
2530	Corporate bonds payable (Note VI (XIII))	466,265	4	-	-	-	-
2540	Long-term borrowings (Notes VI (XIV) & VIII)	890,000	7	800,000	9	1,000,000	9
2570	Deferred income tax liabilities	377,469	3	211,603	2	325,604	3
2580	Lease liabilities - non-current (Note VI (XVI) & VII)	200,339	2	178,493	2	199,145	2
2640	Net defined benefit liabilities - non-current	17,516	-	19,129	-	29,763	-
2670	Other non-current liabilities	278	-	-	-	-	-
	<b>Total non-current liabilities</b>	<u>1,951,867</u>	<u>16</u>	<u>1,209,225</u>	<u>13</u>	<u>1,554,512</u>	<u>14</u>
	<b>Total liabilities</b>	<u>6,569,982</u>	<u>55</u>	<u>4,118,723</u>	<u>45</u>	<u>6,069,587</u>	<u>52</u>
<b>Equity attributable to the owners of the parent company (Note VI (VII) and (XX)):</b>							
3110	Share capital - ordinary shares	1,144,889	10	1,144,889	13	1,144,889	10
3200	Capital surplus	723,107	6	629,767	7	608,716	5
3300	Retained earnings	1,316,571	11	1,443,171	16	1,350,788	11
3400	Other equity	(11,264)	-	(55,791)	(1)	96	-
	<b>Total equity attributable to owners of parent company</b>	<u>3,173,303</u>	<u>27</u>	<u>3,162,036</u>	<u>35</u>	<u>3,104,489</u>	<u>26</u>
36XX	<b>Non-controlling interests (Note VI (VII) and (XX))</b>	<u>2,205,557</u>	<u>18</u>	<u>1,820,846</u>	<u>20</u>	<u>2,541,708</u>	<u>22</u>
	<b>Total equity</b>	<u>5,378,860</u>	<u>45</u>	<u>4,982,882</u>	<u>55</u>	<u>5,646,197</u>	<u>48</u>
	<b>Total liabilities and equity</b>	<u>\$ 11,948,842</u>	<u>100</u>	<u>9,101,605</u>	<u>100</u>	<u>11,715,784</u>	<u>100</u>

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hong, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang

**DFI Inc. and its subsidiaries**  
**Consolidated Statements of Comprehensive Income**

**July 1 to September 30, 2024 and 2023 and January 1 to September 30, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

		<b>July to September 2024</b>		<b>July to September 2023</b>		<b>January to September 2024</b>		<b>January to September 2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Net operating revenue (Notes VI (XXII), VII and XIV)</b>	\$ 2,524,804	100	2,089,081	100	6,598,766	100	7,001,426	100
5000	<b>Operating costs (Note VI (VI), (VIII), (IX), (XI), (XVI), (XVIII), (XXIII), VII &amp; XII)</b>	<u>(1,828,360)</u>	<u>(73)</u>	<u>(1,574,783)</u>	<u>(75)</u>	<u>(4,788,913)</u>	<u>(73)</u>	<u>(5,180,435)</u>	<u>(74)</u>
	<b>Gross profit</b>	<u>696,444</u>	<u>27</u>	<u>514,298</u>	<u>25</u>	<u>1,809,853</u>	<u>27</u>	<u>1,820,991</u>	<u>26</u>
	<b>Operating expenses (Note VI (V), (VIII), (IX), (X), (XI), (XVI), (XVIII), (XXIII), VII &amp; XII):</b>								
6100	Selling and marketing expenses	(260,811)	(10)	(221,564)	(11)	(720,222)	(11)	(707,634)	(10)
6200	General and administrative expenses	(125,510)	(5)	(121,776)	(6)	(359,243)	(5)	(366,812)	(5)
6300	Research and development expenses	(128,298)	(5)	(112,966)	(5)	(357,502)	(5)	(337,817)	(5)
6450	Expected credit impairment loss (gain on reversal)	2,057	-	21,205	(1)	5,201	-	3,278	-
6000	<b>Total operating expenses</b>	<u>(512,562)</u>	<u>(20)</u>	<u>(435,101)</u>	<u>(21)</u>	<u>(1,431,766)</u>	<u>(21)</u>	<u>(1,408,985)</u>	<u>(20)</u>
	<b>Net operating income</b>	<u>183,882</u>	<u>7</u>	<u>79,197</u>	<u>4</u>	<u>378,087</u>	<u>6</u>	<u>412,006</u>	<u>6</u>
	<b>Non-operating income and expenses (Notes VI (XVI), (XXIV) &amp; VII)</b>								
7100	Interest income	3,790	-	1,757	-	12,631	-	8,422	-
7010	Other income	5,261	-	6,424	-	25,974	1	36,282	1
7020	Other gain and loss	(19,169)	(1)	(5,777)	-	(32,907)	(1)	(24,430)	-
7050	Finance costs	<u>(15,872)</u>	<u>-</u>	<u>(14,885)</u>	<u>(1)</u>	<u>(38,041)</u>	<u>(1)</u>	<u>(46,929)</u>	<u>(1)</u>
	<b>Total non-operating income and expenses</b>	<u>(25,990)</u>	<u>(1)</u>	<u>(12,481)</u>	<u>(1)</u>	<u>(32,343)</u>	<u>(1)</u>	<u>(26,655)</u>	<u>-</u>
7900	<b>Profit before tax</b>	<u>157,892</u>	<u>6</u>	<u>66,716</u>	<u>3</u>	<u>345,744</u>	<u>5</u>	<u>385,351</u>	<u>6</u>
7950	<b>Less: Income tax expense (Note VI (XIX))</b>	<u>(38,262)</u>	<u>(1)</u>	<u>(27,123)</u>	<u>(1)</u>	<u>(90,098)</u>	<u>(1)</u>	<u>(107,706)</u>	<u>(2)</u>
8000	<b>Net profit for the period from continued operating units</b>	<u>119,630</u>	<u>5</u>	<u>39,593</u>	<u>2</u>	<u>255,646</u>	<u>4</u>	<u>277,645</u>	<u>4</u>
8100	<b>Net loss from discontinued operations (Note XII (III))</b>	<u>-</u>	<u>-</u>	<u>(3,968)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,494)</u>	<u>-</u>
8200	<b>Net profit for the period</b>	<u>119,630</u>	<u>5</u>	<u>35,625</u>	<u>2</u>	<u>255,646</u>	<u>4</u>	<u>261,151</u>	<u>4</u>
	<b>Other comprehensive income (Note VI (XIX) and (XX)):</b>								
8310	<b>Items that will not be reclassified to profit or loss</b>								
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	9,033	-	(22,748)	(1)	9,099	-	17,876	-
8349	Income tax relating to items that will not be reclassified	<u>(84)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,385)</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>8,949</u>	<u>-</u>	<u>(22,748)</u>	<u>(1)</u>	<u>7,714</u>	<u>-</u>	<u>17,876</u>	<u>-</u>
8360	<b>Items that may be reclassified subsequently to profit or loss</b>								
8361	Exchange differences on translating the financial statements of foreign operations	21,454	1	68,493	3	54,667	1	52,335	1
8399	Income tax relating to items that may be reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>21,454</u>	<u>1</u>	<u>68,493</u>	<u>3</u>	<u>54,667</u>	<u>1</u>	<u>52,335</u>	<u>1</u>
	<b>Other comprehensive income for the period</b>	<u>30,403</u>	<u>1</u>	<u>45,745</u>	<u>2</u>	<u>62,381</u>	<u>1</u>	<u>70,211</u>	<u>1</u>
8500	<b>Total comprehensive income for the period</b>	<u>\$ 150,033</u>	<u>6</u>	<u>81,370</u>	<u>4</u>	<u>318,027</u>	<u>5</u>	<u>331,362</u>	<u>5</u>
	<b>Net profit in current period attributable to:</b>								
8610	Owners of the parent company	\$ 92,033	4	53,688	3	216,867	3	276,746	4
8620	Non-controlling interests	<u>27,597</u>	<u>1</u>	<u>(18,063)</u>	<u>(1)</u>	<u>38,779</u>	<u>1</u>	<u>(15,595)</u>	<u>-</u>
		<u>\$ 119,630</u>	<u>5</u>	<u>35,625</u>	<u>2</u>	<u>255,646</u>	<u>4</u>	<u>261,151</u>	<u>4</u>
	<b>Total comprehensive income (loss) attributable to:</b>								
8710	Owners of the parent company	\$ 116,812	5	66,780	3	261,358	4	314,883	5
8720	Non-controlling interests	<u>33,221</u>	<u>1</u>	<u>14,590</u>	<u>1</u>	<u>56,669</u>	<u>1</u>	<u>16,479</u>	<u>-</u>
		<u>\$ 150,033</u>	<u>6</u>	<u>81,370</u>	<u>4</u>	<u>318,027</u>	<u>5</u>	<u>331,362</u>	<u>5</u>
	<b>Earnings per share (Unit: In New Taiwan Dollars, Note VI (XXI)):</b>								
9750	<b>Basic earnings per share</b>								
	Net profit from continuing operations	\$ 0.80		0.48		1.89		2.47	
	Net loss from discontinued operations	-		(0.01)		-		(0.05)	
		<u>\$ 0.80</u>		<u>0.47</u>		<u>1.89</u>		<u>2.42</u>	
9850	<b>Diluted earnings per share</b>								
	Net profit from continuing operations	\$ 0.80		0.48		1.89		2.46	
	Net loss from discontinued operations	-		(0.01)		-		(0.05)	
		<u>\$ 0.80</u>		<u>0.47</u>		<u>1.89</u>		<u>2.41</u>	

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hong, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang

**DFI Inc. and its subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**January 1 to September 30, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

	Equity attributable to owners of parent company											
	Retained earnings						Other equity items					
	Share capital - ordinary shares	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total	Total equity attributable to owners of the parent company	Non-controlling interests	Total equity
<b>Balance as of January 1, 2023</b>	\$ 1,144,889	608,586	887,332	114,822	529,843	1,531,997	(69,315)	31,274	(38,041)	3,247,431	2,577,359	5,824,790
Net profit for the period	-	-	-	-	276,746	276,746	-	-	-	276,746	(15,595)	261,151
Other comprehensive income (loss) for the period	-	-	-	-	-	-	24,422	13,715	38,137	38,137	32,074	70,211
Total comprehensive income (loss) for the period	-	-	-	-	276,746	276,746	24,422	13,715	38,137	314,883	16,479	331,362
Amend 2022 legal reserve provision	-	-	(15,964)	-	15,964	-	-	-	-	-	-	-
Profit distribution:												
Legal reserve	-	-	52,689	-	(52,689)	-	-	-	-	-	-	-
Special reserve reversal	-	-	-	(76,782)	76,782	-	-	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(457,955)	(457,955)	-	-	-	(457,955)	-	(457,955)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(52,145)	(52,145)
Disposition of employee stock ownership trust inflows	-	123	-	-	-	-	-	-	-	123	-	123
Changes in ownership interests in subsidiaries	-	7	-	-	-	-	-	-	-	7	15	22
<b>Balance as of September 30, 2023</b>	<b>\$ 1,144,889</b>	<b>608,716</b>	<b>924,057</b>	<b>38,040</b>	<b>388,691</b>	<b>1,350,788</b>	<b>(44,893)</b>	<b>44,989</b>	<b>96</b>	<b>3,104,489</b>	<b>2,541,708</b>	<b>5,646,197</b>
<b>Balance as of January 1, 2024</b>	\$ 1,144,889	629,767	924,057	38,040	481,074	1,443,171	(97,599)	41,808	(55,791)	3,162,036	1,820,846	4,982,882
Net profit for the period	-	-	-	-	216,867	216,867	-	-	-	216,867	38,779	255,646
Other comprehensive income (loss) for the period	-	-	-	-	-	-	35,577	8,914	44,491	44,491	17,890	62,381
Total comprehensive income (loss) for the period	-	-	-	-	216,867	216,867	35,577	8,914	44,491	261,358	56,669	318,027
Profit distribution:												
Legal reserve	-	-	36,913	-	(36,913)	-	-	-	-	-	-	-
Special reserve	-	-	-	17,750	(17,750)	-	-	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(343,467)	(343,467)	-	-	-	(343,467)	-	(343,467)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	(31,619)	(31,619)
Disposition of employee stock ownership trust inflows	-	303	-	-	-	-	-	-	-	303	-	303
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	-	40,061	-	-	-	-	47	(11)	36	40,097	7,736	47,833
Changes in ownership interests in subsidiaries	-	52,976	-	-	-	-	-	-	-	52,976	50,157	103,133
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	301,768	301,768
<b>Balance as of September 30, 2024</b>	<b>\$ 1,144,889</b>	<b>723,107</b>	<b>960,970</b>	<b>55,790</b>	<b>299,811</b>	<b>1,316,571</b>	<b>(61,975)</b>	<b>50,711</b>	<b>(11,264)</b>	<b>3,173,303</b>	<b>2,205,557</b>	<b>5,378,860</b>

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hong, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang



**DFI Inc. and its subsidiaries**  
**Consolidated Statements of Cash Flows**  
**January 1 to September 30, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

	<b>January to September 2024</b>	<b>January to September 2023</b>
<b>Cash flows from operating activities:</b>		
Net profit before tax from continued operating units	\$ 345,744	385,351
Net loss before tax from discontinued operations	-	(17,333)
Net profit before tax for the period	<u>345,744</u>	<u>368,018</u>
<b>Adjustment item:</b>		
Adjustments for		
Depreciation expenses	165,320	175,930
Amortization expenses	33,713	74,778
Gain on reversal of expected credit impairment	(5,201)	(2,670)
Net loss on financial assets and liabilities measured at fair value through profit or loss	1,755	331
Interest expense	38,041	48,825
Interest income	(12,631)	(8,422)
Dividend income	(5,589)	(6,845)
Loss (gain) on disposal of property, plant and equipment	(901)	263
Gain on liquidation of subsidiary	(4,360)	-
Loss (Gain) on lease amendment	13	(58)
Total revenue, expense and loss items	<u>210,160</u>	<u>282,132</u>
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets mandatorily classified as at fair value through profit or loss	10,208	771
Contract assets	(11,258)	(16,453)
Notes and accounts receivable	(94,293)	258,759
Accounts receivable - related parties	(71,530)	160,131
Other receivables	6,172	15,273
Inventories	113,799	718,053
Prepayments	(5,183)	18,606
Other current assets	(6,837)	(5,876)
Other operating assets	725	2,286
Total net changes in assets related to operating activities	<u>(58,197)</u>	<u>1,151,550</u>
Net changes in liabilities related to operating activities:		
Financial liabilities held for trading	527	9,688
Contract liabilities	(39,335)	(43,755)
Notes and accounts payable	392,877	(5,517)
Accounts payable - related parties	30,236	(86,257)
Other payables	43,447	(136,594)
Provision for liabilities	(11,468)	(9,088)
Other current liabilities	(6,135)	9,258
Net defined benefit liabilities	(1,911)	(1,702)
Total net changes in liabilities related to operating activities	<u>408,238</u>	<u>(263,967)</u>
Total net changes in assets and liabilities related to operating activities	<u>350,041</u>	<u>887,583</u>
Total adjustment items	<u>560,201</u>	<u>1,169,715</u>
Cash inflows from operations	905,945	1,537,733
Interest received	12,498	8,286
Interest paid	(36,183)	(49,032)
Income tax paid	<u>(200,355)</u>	<u>(214,503)</u>
Net cash inflows from operating activities	<u>681,905</u>	<u>1,282,484</u>

(Continued on the next page)

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hong, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang

**DFI Inc. and its subsidiaries**  
**Consolidated Statements of Cash Flows (Continued from the previous page)**  
**January 1 to September 30, 2024 and 2023**

**Unit: In Thousands of New Taiwan Dollars**

	<u>January to September 2024</u>	<u>January to September 2023</u>
<b>Cash flows from investing activities:</b>		
Purchase of financial assets at amortized cost	(17)	-
Proceeds from disposal of financial assets at amortized cost	-	6,848
Purchase of financial assets at fair value through other comprehensive income	(70,587)	-
Acquisition of subsidiaries (less cash obtained)	(864,695)	-
Purchase of property, plant and equipment	(19,427)	(21,374)
Proceeds from disposal of property, plant and equipment	1,181	179
Decrease in refundable deposits	568	1,131
Purchase of intangible assets	(4,983)	(7,092)
Decrease (increase) in other non-current assets	69	(426)
Dividends received	5,589	6,845
<b>Net cash outflows from investing activities</b>	<u>(952,302)</u>	<u>(13,889)</u>
<b>Cash flows from financing activities:</b>		
Increase in short-term borrowings	4,955,829	4,229,785
Decrease in short-term borrowings	(4,140,262)	(4,564,134)
Issuance of convertible bonds	566,323	-
Long-term borrowings	450,000	1,100,000
Repayments of long-term borrowings	(250,000)	(1,650,166)
Repayment of lease principal	(61,621)	(69,960)
Cash dividends distributed	(343,467)	(457,955)
Disposal of subsidiary shares (without loss of control)	47,833	-
Changes in non-controlling interests	(31,619)	(52,145)
Disposition of employee stock ownership trust inflows	694	145
<b>Net cash inflows (outflows) from financing activities</b>	<u>1,193,710</u>	<u>(1,464,430)</u>
<b>Effect of changes in exchange rate</b>	<u>55,476</u>	<u>63,985</u>
<b>Increase (decrease) in cash and cash equivalents for the current period</b>	978,789	(131,850)
<b>Cash and cash equivalents at the beginning of the period</b>	<u>1,490,285</u>	<u>1,690,474</u>
<b>Cash and cash equivalents at the end of the period</b>	<u><b>\$ 2,469,074</b></u>	<u><b>1,558,624</b></u>

(Please refer to notes to consolidated financial statements)

Chairman: Chi-Hong, Chen

President: Chia-Hung, Su

Accounting Supervisor: Li-Min, Huang

**DFI Inc. and its subsidiaries**  
**Notes to Consolidated Financial Statements**  
**For the nine months ended September 30, 2024 and 2023**  
**(The amount shall be dominated in thousands of NTD, unless otherwise specified)**

**I. Company History**

On July 14, 1981, DFI Inc. (the “Company”) was established and registered under the approval from the Ministry of Economic Affairs, having the registered address of 10F, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City. The Company and its subsidiaries (hereafter collectively referred to as the “Group”) are principally engaged in the manufacturing and sales of board cards and computer components for industrial computers, services for intelligent products of industrial automation.

**II. Date and Procedures for Approval of Financial Statements**

The consolidated financial statements were approved and issued by the Board of Directors on November 4, 2024.

**III. Application of Newly Issued and Revised Standards and Interpretations**

- (I) Effect of adopting new and amended standards and interpretations endorsed by the Financial Supervisory Commission (FSC)

As of January 1, 2024, the Group began to apply the following newly revised International Financial Reporting Standards (IFRS), which has not had a significant impact on the consolidated financial statements.

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

- (II) Impact of not yet adopting IFRSs endorsed by the FSC

The Group assessed that the application of the following newly revised IFRSs, effective January 1, 2025, would not have a material impact on the consolidated financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

- (III) New and amended standards and interpretations not yet endorsed by the FSC  
The standards and interpretations issued and amended by the IASB but not yet endorsed by the FSC that may be related to the Group are as follows:

New issued or amended standards	Main amendments	Effective date of issuance by IASB
IFRS 18 “Presentation and Disclosure of Financial Statements”	The new guidelines introduce three categories of income and expenses, two subtotals on the income statement, and a single footnote regarding management performance measurement. These three amendments and enhancements to the guidance on segmenting information in financial statements lay the foundation for providing users with improved and consistent information, and will have an impact on all companies.	January 1, 2027
IFRS 18 “Presentation and Disclosure of Financial Statements”	<ul style="list-style-type: none"> <li data-bbox="722 862 1236 1332">• A more structured income statement: The company currently uses various formats to express its financial performance, which makes it challenging for investors to compare the financial performance of different companies. The new guidelines have implemented a more structured income statement. They have introduced a new subtotal called 'operating profit' and require that all revenues and expenses be classified into three new categories based on the company's main business activities.</li> <li data-bbox="722 1332 1236 1758">• Management Performance Measurement (MPM): The new criteria introduce the concept of management performance measurement. Companies are now required to provide an explanation, in a single footnote in the financial statements, regarding the usefulness of each measurement indicator, its calculation method, and how it is adjusted for amounts recognized in accordance with international financial reporting standards accounting principles.</li> <li data-bbox="722 1758 1236 2056">• More detailed information: The new guidelines provide instructions on how companies can improve the organization of information in financial statements. This guidance includes determining whether the information should be included in the primary financial statements or further disaggregated in the notes.</li> </ul>	January 1, 2027

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

The Group is now continuously assessing the impact of the above standards and interpretations on the financial position and operating results of the Group, and will disclose the related impact after completing the assessment.

The Group expects that the following newly issued and amended standards that have not been endorsed will not deliver a material impact on the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- Amendments to IFRS 17 "Insurance Contracts" and IFRS 17
- Amendments to IFRS 17 "Comparative Information on Initial Application of IFRS 17 and IFRS 9"
- IFRS 19 "Subsidiaries without Public Accountability: Disclosures"
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRSs

### IV. Summary of Significant Accounting Policies

#### (I) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers ("Guidelines") and International Accounting Standards 34, "Interim Financial Reporting", which have been endorsed by the FSC and put into effect. The consolidated financial statements do not include all the necessary information that should be disclosed in the entire annual consolidated financial statements prepared in accordance with the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretative Bulletins, which have been endorsed by the FSC and put into effect.

Besides the descriptions mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to Note IV of the consolidated financial statements for the year ended December 31, 2023.

#### (II) Basis of Consolidation

##### 1. Subsidiaries included in the consolidated financial statements

Name of investor company	Name of subsidiary	Nature of business	Comprehensive shareholding %			Description
			2024.9.30	2023.12.31	2023.9.30	
The Company	DFI AMERICA, LLC	Sales of industrial computer cards	100.00%	100.00%	100.00%	Note 1
The Company	DFI Co., Ltd.	Sales of industrial computer cards	100.00%	100.00%	100.00%	Note 1
The Company	Yan Tong Technology Ltd. (Yan Tong)	Investment business	100.00%	100.00%	100.00%	Note 1

# Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

Name of investor company	Name of subsidiary	Nature of business	Comprehensive shareholding %			Description
			2024.9.30	2023.12.31	2023.9.30	
The Company	Diamond Flower Information (NL) B.V.	Sales of industrial computer cards	100.00%	100.00%	100.00%	Note 1
The Company	Brainstorm Corporation (Brainstorm)	Wholesale and retail of computer and peripheral devices	-	-	35.09%	Note 2
Yan Tong	Yan Tong Infotech (Dongguan) Co., Ltd.	Manufacturing and sales of computer motherboards, board cards, host computer, electronic parts and components	-	-	100.00%	Notes 1, 3
Yan Tong	Yan Ying Hao Trading (Shenzhen) Co., Ltd. (Yan Ying Hao)	Wholesale, import and export of computer motherboard, board cards, host computer, electronic parts and components	100.00%	100.00%	100.00%	Note 1
The Company	AEWIN Technologies Co., Ltd. (AEWIN)	Design, manufacture and sale of industrial computer motherboards and related products	51.38%	51.38%	51.38%	-
AEWIN	Wise Way	Investment business	51.38%	51.38%	51.38%	-
AEWIN	Aewin Tech Inc.	Wholesale of computer and peripheral equipment and software	51.38%	51.38%	51.38%	-
Wise Way	Bright Profit	Investment business	51.38%	51.38%	51.38%	-
Bright Profit	Aewin Beijing Technologies Co., Ltd. (Beijing AEWIN)	Wholesale of computer and peripheral equipment and software	51.38%	51.38%	51.38%	-
Beijing AEWIN	Aewin (Shenzhen) Technologies Co., Ltd.	Wholesale of computer and peripheral equipment and software	-	51.38%	51.38%	Note 7
The Company	Ace Pillar Co., Ltd. (Ace Pillar)	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	47.71%	48.07%	48.07%	-
Ace Pillar	Cyber South Management Ltd. (Cyber South)	Holding Company	47.71%	48.07%	48.07%	-
Ace Pillar	Hong Kong Ace Pillar Enterprise Company Limited (Hong Kong ACE Pillar)	Trade of transmission mechanical components	-	48.07%	48.07%	Note 5
Ace Pillar/Proton/Cyber South	Tianjin Ace Pillar Co., Ltd. (Tianjin Ace Pillar)	Trade of transmission mechanical components	47.71%	48.07%	48.07%	-
Cyber South	Proton Inc. (Proton)	Holding Company	47.71%	48.07%	48.07%	-
Cyber South	Ace Tek (HK) Holding Co., Ltd. (Ace Tek)	Holding Company	47.71%	48.07%	48.07%	-
Ace Tek	ADVANCEDTEK ACE (TJ) INC. (ACEAD)	Electronic system integration	47.71%	48.07%	48.07%	-
The Company/Ace Pillar	Tekpak Corporation (Tekpak)	Production, manufacturing, and trading of bundling equipment	50.26%	-	-	Note 4

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

Name of investor company	Name of subsidiary	Nature of business	Comprehensive shareholding %			Description
			2024.9.30	2023.12.31	2023.9.30	
Cyber South	Suzhou Super Pillar Automation Equipment Co., Ltd. (Suzhou Super Pillar)	Processing and technical services of mechanical transmission and control products	47.71%	48.07%	48.07%	-
Cyber South	Grace Transmission (Tianjin) Co., Ltd. (Tianjin Jinhao)	Manufacturing and processing of mechanical transmission products	-	48.07%	48.07%	Note 6
Ace Pillar	ACE Energy Co., Ltd. (ACE Energy)	Energy technical services	47.64%	48.00%	48.00%	-
ACE Energy	BlueWalker GmbH (BWA)	Trading and services of energy management products	47.64%	48.00%	48.00%	-
Ace Pillar	Standard Technology Corp. (Standard Co.)	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	28.63%	28.84%	28.84%	-
Standard Co.	Standard Technology Corp. (STCBVI)	Holding Company	28.63%	28.84%	28.84%	-
STCBVI	Standard International Trading (Shanghai) Co., Ltd. (Shanghai Standard)	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	28.63%	28.84%	28.84%	-

Note 1: It is a subsidiary of minor significance. Apart from the audited financial report for the third quarter of 2024, the remaining financial reports have not been reviewed by a CPA.

Note 2: As stated in Note VI (VII), on October 2, 2023, the Company divested its 35.09% equity stake in Brainstorm to Metaage Corporation, a subsidiary of Qisda Corporation, resulting in the loss of control over Brainstorm.

Note 3: Yan Tong has been fully liquidated in August, 2023 and deregistration has been completed in November, 2023.

Note 4: The Company and Ace Pillar acquired 31.65% and 39% equity in Tekpak on August 12, 2024, respectively, thereby gaining control over it.

Note 5: The cancellation procedures for Hong Kong Ace Pillar were completed in February 2024.

Note 6: Grace Transmission Co., Ltd. completed its liquidation in January 2024.

Note 7: Aewin (Shenzhen) has been fully liquidated in June, 2024 and deregistration has been completed in July, 2024.

### 2. Subsidiaries not included in the consolidated financial statements: None.

### (III) Criteria for classifying assets and liabilities as current or non-current

The Group classifies assets meeting one of the following conditions as current assets, while all other assets that are not current assets are classified as non-current assets:

1. The asset is expected to be realized in the normal course of business or is intended to be sold or consumed;
2. The asset is held primarily for trading purposes;
3. The asset is realized within twelve months after the reporting period; or
4. The asset is cash or cash equivalents (as defined by IAS 7) unless the asset is restricted from being exchanged or used to settle a liability at least twelve months after the reporting period.

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

The Group classifies liabilities as current liabilities if one of the following conditions is met, and all other liabilities that are not current liabilities are classified as non-current liabilities:

1. The liability is expected to be settled in the normal course of business;
2. The liability is held primarily for trading purposes;
3. The liability is expected to be due for settlement within twelve months after the reporting period; or
4. The entity does not have the right to defer settlement of the liability beyond twelve months after the end of the reporting period.

### (IV) Financial liabilities and equity instruments

#### 1. Preferred stocks

The rights associated with preferred stocks issued by the Group include dividends, and because the dividends are non-discretionary, the Group has a contractual obligation to deliver the dividends. Therefore, these preferred stocks are classified as preferred stock liabilities.

#### 2. Compound financial instruments

The Group has issued compound financial instruments in the form of convertible bonds denominated in New Taiwan Dollars. These bonds give holders the option to convert them into ordinary shares. The number of shares to be issued will remain fixed, regardless of any changes in their fair value.

The initial recognition amount of the liability component of compound financial instruments is determined based on fair value, excluding the value of the equity conversion option. The initial recognition amount of the equity component is determined by calculating the difference between the fair value of the entire compound financial instrument and the fair value of the liability component. Any transaction costs that can be directly attributed are allocated to the liability and equity components based on their relative carrying amounts in the original financial instrument.

Upon initial recognition, the liability component of the compound financial instrument is subsequently measured at amortized cost using the effective interest method. The equity component of the compound financial instrument is not remeasured after initial recognition.

Interest related to financial liabilities is recognized as profit or loss. Financial liabilities are reclassified as equity upon conversion, and the conversion is not recognized as profit or loss.



## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

(V) Employee benefits

Pensions to defined benefit plans in the interim period are calculated based on the actuarially determined pension cost rate on the reporting date of the previous year. The calculation basis is from the beginning of the year to the end of the period, and it is adjusted for any significant market volatility, significant curtailment, settlement or other significant one-off events after the reporting date.

(VI) Income taxes

The income tax expenses have been prepared and disclosed by the Group in accordance with paragraph B12 of International Accounting Standards 34 "Interim Financial Reporting".

Income tax expenses are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecast by the management and are all recognized as the current income tax expenses.

Income tax expenses recognized directly in equity or other comprehensive income are measured at the tax rates that are expected to apply when the related assets and liabilities are realized or settled, based on the temporary differences between their carrying amounts for financial reporting purposes and their tax bases.

### V. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates and Assumptions

When preparing the consolidated financial statements in conformity with the Guidelines and the IAS 34 "Interim Financial Reporting" endorsed by the FSC and put into effect, the management shall make judgments, estimates, and assumptions, which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, incomes, and expenses. Actual results may differ from estimates.

Except for the uncertainties associated with the assumptions and estimates outlined below, which carry the risk of causing significant adjustments to the carrying amounts of assets and liabilities in the next financial year. In preparing the consolidated financial statements, the significant judgements and the major sources of estimation uncertainty made by the management in applying the accounting policies of the Group are consistent with Note V to the consolidated financial statements for the year ended December 31, 2023.

#### Acquisition of subsidiaries

The fair value of the identifiable net assets acquired by the Group in the acquisition of its subsidiary is a provisional amount, as these assets are still subject to final evaluation. During the measurement period, the Group will continue to review the final valuation of the aforementioned assets. If any new information related to the facts and circumstances existing at the acquisition date is obtained within one year from the acquisition date, which could lead to adjustments to the provisional amount or the identification of any additional liabilities or provisions existing at the

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

acquisition date, the accounting treatment of the acquisition will be adjusted accordingly. Please refer to Note VI (VII) for further details.

### VI. Description of Significant Accounting Items

Besides the descriptions mentioned below, the description of significant accounting items in the consolidated financial statements has no major differences from that in the consolidated financial statement for the year ended December 31, 2023. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2023.

#### (I) Cash and cash equivalents

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Cash on hand and petty cash	\$ 571	489	468
Demand deposits and check deposits	2,379,008	1,418,296	1,496,524
Time deposits with original maturity date within three months	89,495	71,500	61,632
	<b><u>\$ 2,469,074</u></b>	<b><u>1,490,285</u></b>	<b><u>1,558,624</u></b>

#### (II) Financial instruments at fair value through profit or loss - current

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Financial assets mandatory measured at fair value through profit or loss:			
Non-hedging derivative instruments:			
Forward foreign exchange contracts	\$ 1,572	706	616
Foreign exchange swap contracts	8,600	20,274	-
Redemption option of convertible bonds	2,450	-	-
	12,622	20,980	616
Non-derivative financial assets:			
Fund beneficiary certificates	23,130	24,485	25,740
	<b><u>\$ 35,752</u></b>	<b><u>45,465</u></b>	<b><u>26,356</u></b>
	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Financial liabilities held for trading:			
Derivative financial instruments:			
Forward foreign exchange contracts	\$ 3,892	3,365	1,204
Foreign exchange swap contracts	-	-	13,504
	<b><u>\$ 3,892</u></b>	<b><u>3,365</u></b>	<b><u>14,708</u></b>

Please refer to Note VI (XXIV) Non-operating income and expenses for the amount recognized in profit or loss measured at fair value.

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

The Group engages in derivative financial instruments to hedge the exposure to exchange rate risk arising from operating activities, which are reported as financial assets or liabilities at fair value through profit or loss because hedge accounting is not applied. The details of the derivative financial instruments not yet matured as of the reporting date are as follows:

### 1. Forward foreign exchange contracts

<b>2024.9.30</b>		
<b>Currency</b>	<b>Contract amount (in thousands of NTD)</b>	<b>Maturity period</b>
Buy JPY/Sell USD	USD 600	2024.10
Buy USD/Sell RMB	USD 355	2024.10
Buy USD/Sell RMB	RMB 85,276	2024.10
Buy RMB/Sell USD	USD 2,230	2024.10
Buy USD/Sell EUR	USD 1,900	2024.10
Buy EUR/Sell USD	USD 2,270	2024.10
<b>2023.12.31</b>		
<b>Currency</b>	<b>Contract amount (in thousands of NTD)</b>	<b>Maturity period</b>
Buy JPY/Sell USD	USD 1,020	2024.01
Buy USD/Sell RMB	RMB 110,526	2024.01
Buy USD/Sell RMB	USD 1,616	2024.01
Buy RMB/Sell USD	USD 2,780	2024.01
Buy NTD/Sell USD	USD 500	2024.01
Buy USD/Sell EUR	USD 310	2024.01
Buy EUR/Sell USD	USD 1,322	2024.01
<b>2023.9.30</b>		
<b>Currency</b>	<b>Contract amount (in thousands of NTD)</b>	<b>Maturity period</b>
Buy JPY/Sell USD	USD 1,816	2023.10
Buy USD/Sell RMB	RMB 101,243	2023.10
Buy USD/Sell RMB	USD 720	2023.10
Buy RMB/Sell USD	USD 2,050	2023.10
Buy USD/Sell EUR	USD 1,250	2023.10
Buy EUR/Sell USD	USD 1,381	2023.10

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### 2. Foreign exchange SWAP contracts

<b>2024.9.30</b>		
<b>Currency</b>	<b>Contract amount (in thousands of NTD)</b>	<b>Maturity period</b>
Swap in NTD/swap out USD	USD 30,450	2024.10
<b>2023.12.31</b>		
<b>Currency</b>	<b>Contract amount (in thousands of NTD)</b>	<b>Maturity period</b>
Swap in NTD/swap out USD	USD 33,590	2024.01
Swap in NTD/swap out RMB	RMB 42,000	2024.01
<b>2023.9.30</b>		
<b>Currency</b>	<b>Contract amount (in thousands of NTD)</b>	<b>Maturity period</b>
Swap in NTD/swap out USD	USD 33,630	2023.10
Swap in NTD/swap out RMB	RMB 47,000	2023.10

### (III) Financial assets at fair value through other comprehensive income - non-current

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Equity instruments measured at fair value through other comprehensive income:			
Stocks of domestic over-the-counter (OTC) companies	\$ 107,302	77,314	80,883
Foreign unlisted (OTC) stocks	59,098	9,400	8,057
	<b>\$ 166,400</b>	<b>86,714</b>	<b>88,940</b>

The Group holds such equity instrument investments for the strategic investment purpose, instead of trading purpose. Therefore, they have been designated as measured at fair value through other comprehensive income.

The Group did not dispose of the above-mentioned strategic investments for the nine months ended September 30, 2024 and 2023, and the gain or loss accumulated during those periods were not transferred to equity.

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

(IV) Financial assets measured at amortized cost

	2024.9.30	2023.12.31	2023.9.30
Financial assets measured at amortized cost - current:			
Pledged certificate of deposit	\$ <u>2,726</u>	<u>2,709</u>	<u>2,709</u>
	2024.9.30	2023.12.31	2023.9.30
Financial assets measured at amortized cost - non-current:			
Corporate bonds	\$ <u>3,327</u>	<u>3,211</u>	<u>3,396</u>

The Group assesses that the above assets are held for the purpose of collecting contractual cash flows and that the cash flows of these financial assets are solely payments of principal and interest on the principal amount outstanding, and, therefore, they are recorded as financial assets measured at amortized cost.

Please refer to Note VIII for details of the aforesaid financial assets pledged as collateral by the Group.

(V) Notes and accounts receivable and other receivables

	2024.9.30	2023.12.31	2023.9.30
Notes receivable	\$ 240,778	293,881	263,456
Accounts receivable	1,749,793	1,600,109	2,155,955
Accounts receivable - related parties	143,283	71,753	112,175
Less: loss allowance	(22,727)	(26,447)	(45,097)
	<u>\$ 2,111,127</u>	<u>1,939,296</u>	<u>2,486,489</u>
Other receivables	\$ 30,600	11,888	22,517
Other receivables - related parties	386	183	608
	<u>\$ 30,986</u>	<u>12,071</u>	<u>23,125</u>

The Group uses a simplified approach to estimate expected credit losses for all accounts receivable, which is measured using the lifetime expected credit losses and includes forward-looking information. The expected credit losses of the Group's accounts receivable are analyzed as follows:

2024.9.30			
	Carrying amount of accounts receivable	Expected credit loss rate	Allowance for expected credit losses for the duration of the period
Not overdue	\$ 1,572,597	0~0.91%	1,919
1-30 days overdue	138,934	0~17.52%	3,133
31-60 days overdue	10,023	0~34.76%	772
61-90 days overdue	10,697	0~56.59%	378
Overdue for more than 90 days	17,542	0~100%	16,525
	<u>\$ 1,749,793</u>		<u>22,727</u>

# Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

	<b>2023.12.31</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Expected credit loss rate</b>	<b>Allowance for expected credit losses for the duration of the period</b>
Not overdue	\$ 1,370,161	0~1.01%	2,241
1-30 days overdue	183,563	0~17.06%	2,572
31-60 days overdue	20,303	0~35.53%	2,478
61-90 days overdue	4,828	0~62.76%	821
Overdue for more than 90 days	<u>21,254</u>	0~100%	<u>18,335</u>
	<b><u>\$ 1,600,109</u></b>		<b><u>26,447</u></b>
	<b>2023.9.30</b>		
	<b>Carrying amount of accounts receivable</b>	<b>Expected credit loss rate</b>	<b>Allowance for expected credit losses for the duration of the period</b>
Not overdue	\$ 1,938,154	0~1.88%	2,352
1-30 days overdue	157,809	0~12.56%	2,968
31-60 days overdue	8,860	0~34.7%	710
61-90 days overdue	11,454	0~64.47%	2,959
Overdue for more than 90 days	<u>39,678</u>	0~100%	<u>36,108</u>
	<b><u>\$ 2,155,955</u></b>		<b><u>45,097</u></b>

As of September 30, 2024, December 31, 2023 and September 30, 2023, notes receivable - non-related parties and accounts receivable - related parties have been assessed by the Group that there was no expected credit loss, and the analysis is as follows:

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Not overdue	\$ 379,647	361,316	353,506
1-30 days overdue	4,409	1,136	10,377
31-60 days overdue	-	3,182	8,576
61-90 days overdue	-	-	3,167
Overdue for more than 90 days	<u>5</u>	<u>-</u>	<u>5</u>
	<b><u>\$ 384,061</u></b>	<b><u>365,634</u></b>	<b><u>375,631</u></b>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

The statements of changes in the allowance for losses of the Group's notes and accounts receivable (including related parties) are listed as follows:

	<b>January to September 2024</b>	<b>January to September 2023</b>
Beginning balance	\$ 26,447	67,816
Recognition of impairment losses for discontinued operations	-	608
Reversal of impairment loss for the period	(5,201)	(3,278)
Unrecoverable amount written off for current year	(18)	-
Estimated (reversal of) insurance claims on accounts receivable	508	(19,772)
Foreign exchange gains or losses	991	(277)
Ending balance	<u><u>\$ 22,727</u></u>	<u><u>45,097</u></u>

Please refer to Note VIII for details of the notes receivable used by the Group to provide pledge guarantees.

### (VI) Inventories

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Raw materials	\$ 759,348	574,377	1,414,326
Work in progress	244,311	136,807	161,131
Finished goods and commodities	1,030,874	1,019,874	1,377,373
Goods in transit	76,633	77,510	52,823
Outsourced processed goods	235	84,889	90,919
	<u><u>\$ 2,111,401</u></u>	<u><u>1,893,457</u></u>	<u><u>3,096,572</u></u>

The inventory-related expenses and losses recognized as the operating cost in the current period are detailed as follows:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Cost of inventory sold	\$ 1,842,289	3,090,679	4,808,181	9,006,626
Loss on decline in value of inventories (recovery benefit)	(11,276)	55,740	(10,809)	113,056
Inventory scrap loss	2,939	442	3,004	13,499
Inventory loss (gain)	5	(5)	5	(10,446)
Subtotal	1,833,957	3,146,856	4,800,381	9,122,735
Less: Cost of inventories of discontinued operations (Note XII (III))	-	(1,634,399)	-	(3,995,648)
	<u><u>\$ 1,833,957</u></u>	<u><u>1,512,457</u></u>	<u><u>4,800,381</u></u>	<u><u>5,127,087</u></u>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

The above inventory price loss was due to the write-down of inventories to net realizable value at the end of the period, thus recognized as loss on inventories. The gain on reversal of inventory valuation arises from obsolete inventory sold or scrapped, and the gain on reversal is recognized within the scope of inventory price loss.

### (VII) Subsidiaries and non-controlling interests

#### 1. Disposal of subsidiary Brainstorm Corporation (Brainstorm)

In October 2023, the Company sold its entire equity stake in Brainstorm to Metaage Corporation (Metaage), a subsidiary of Qisda Corporation (Qisda), resulting in the loss of control over Brainstorm. As both the Company and Metaage are subsidiaries of Qisda, the transaction was an organizational restructuring under joint control. The difference between the consideration received by the Company and the book value of the net assets of Brainstorm, amounting to NTD20,999 thousand, was recorded as capital surplus and was not recognized as profit or loss. Relevant details are as follows:

Consideration received:

Cash	\$ 530,075
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The carrying amount of identifiable net assets of

Brainstorm upon disposal:

Cash and cash equivalents	\$ 160,990	
Net accounts receivable (including related parties)	518,925	
Inventories	957,328	
Prepayments and other current assets	24,918	
Property, plant and equipment	17,569	
Right-of-use assets	24,815	
Intangible assets	603,387	
Other non-current assets	27,676	
Short-term borrowings	(29)	
Accounts payable	(935,363)	
Other payables and other current liabilities	(19,382)	
Lease liabilities - current	(20,650)	
Lease liabilities - non-current	(5,317)	
Deferred income tax liabilities	(98,265)	
	1,256,602	
Non-controlling interests	(716,362)	
Exchange differences on translations by foreign operations	(36,637)	
Income tax on disposal of equity	5,473	509,076
Credit to capital surplus		<u>\$ 20,999</u>



## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### 2. Acquisition of subsidiary - Tekpak Corporation

#### (1) Consideration transferred for acquisition of the subsidiary

On August 12, 2024 (the acquisition date), the Company and its consolidated subsidiary, Ace Pillar, acquired 833 thousand ordinary shares of Tekpak Corporation (Tekpak) for a cash consideration of NTD1,250,000 thousand, representing a 70.65% equity interest, thereby obtaining control over this company and has included it in the consolidated financial statements since the acquisition date. Tekpak is primarily engaged in the production, manufacturing, and trading of bundling equipment. The acquisition of Tekpak by the Group is aimed at supporting the company's long-term operational development and business expansion. This acquisition will enable the Group to offer a more diverse range of products and services to its customers, thereby enhancing its competitiveness.

#### (2) Identifiable net assets acquired and goodwill recognized

The fair values of the identifiable assets acquired and liabilities assumed of Tekpak Corporation on August 12, 2024 (acquisition date) and the goodwill recognized as a result of the acquisition are as follows:

Transfer consideration:

Cash		\$	1,250,000
Add: Non-controlling interests (measured by the proportion of non-controlling interests in the fair value of net identifiable assets)			301,768
Less: fair value of net identifiable assets acquired:			
Cash and cash equivalents	\$	385,305	
Notes and accounts receivable, net		774	
Other receivables		25,084	
Inventories		331,743	
Prepayments and other current assets		1,844	
Property, plant and equipment		2,035	
Right-of-use assets		66,327	
Intangible assets - trademark		185,911	
Intangible assets - patents		69,054	
Intangible assets - client relationship		630,208	
Deferred income tax assets		3,812	
Refundable deposits		1,547	
Contract liabilities		(29,369)	
Notes and accounts payables		(167,031)	
Other payables		(21,100)	
Current income tax liabilities		(24,974)	
Preferred share liabilities - current		(196,797)	
Other current liabilities		(382)	
Lease liabilities (including current and non-current)		(66,327)	
Deferred income tax liabilities		(169,135)	
Other non-current liabilities		(278)	1,028,251
Goodwill			<u>\$ 523,517</u>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

The fair value measurement of the assets and liabilities acquired by the Group, as mentioned above, is provisional, and these items will be continuously reviewed during the measurement period. If any new information related to the facts and circumstances existing at the acquisition date is obtained within one year from the acquisition date, which could lead to adjustments to the provisional amount or the identification of any additional liabilities or provisions existing at the acquisition date, the accounting treatment of the acquisition will be adjusted accordingly.

(3) Intangible assets

The trademark rights, patent rights and customer relationships are amortized on a straight-line basis over their respective projected future economic benefit period of 10 years, 6 years, and 15.39 years, respectively.

Goodwill mainly comes from Tekpak Corporation's profitability, the synergy of the merger, future development in market and value of its human resource team. It is expected to have no income tax effect.

(4) Proposed information on operating results

The operating results of Tekpak from the acquisition date to September 30, 2024 have been consolidated into the consolidated comprehensive income statements of the Consolidated Company, and they contributed a net operating revenue and a net after-tax profit (including amortization of intangible assets obtained by acquisition) of NTD206,943 thousand and NTD25,984 thousand, respectively. If the acquisition had occurred on January 1, 2024, the pro-forma net operating revenue and net after-tax profit (including amortization of intangible assets obtained by acquisition) of the Consolidated Company for 2024 would have been NTD7,283,599 thousand and NTD288,165 thousand respectively.

3. Changes in ownership interests of subsidiaries have not resulted in loss of control.

During July and August 2024, the Group sold a portion of its shares in Ace Pillar for NTD47,833 thousand in cash. For the changes in the shareholding ratio, please refer to Note IV (II).

4. Subsidiaries with material non-controlling interests

The non-controlling interests of subsidiaries that are material to the Group are as follows:

Name of subsidiary	Primary business premises/country of incorporation	Proportion of non-controlling interests in ownership interests		
		2024.9.30	2023.12.31	2023.9.30
Ace Pillar	Taiwan	52.29%	51.93%	51.93%
AEWIN	Taiwan	48.62%	48.62%	48.62%
Brainstorm	USA	-	-	64.91%

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

The summarized financial information of the above subsidiaries is stated as follows, prepared in accordance with IFRS accounting standards endorsed by the FSC and reflecting adjustments made by the Group to the fair value and differences in accounting policies on the acquisition date, and the financial information is the amount before elimination of intercompany transactions within the Group:

(1) Summarized financial information of Ace Pillar:

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Current assets	\$ 2,970,947	2,018,389	2,143,138
Non-current assets	2,641,958	1,138,904	1,148,762
Current liabilities	(1,835,914)	(734,736)	(831,184)
Non-current liabilities	(642,022)	(168,605)	(184,894)
Net assets	<b><u>\$ 3,134,969</u></b>	<b><u>2,253,952</u></b>	<b><u>2,275,822</u></b>
Carrying amount of non-controlling interests at end of period	<b><u>\$ 1,535,536</u></b>	<b><u>1,212,476</u></b>	<b><u>1,224,015</u></b>

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Net operating revenue	<b><u>\$ 995,798</u></b>	<b><u>780,090</u></b>	<b><u>2,464,770</u></b>	<b><u>2,375,661</u></b>
Net profit (loss) for the period	\$ 30,858	(18,683)	34,801	(18,969)
Other comprehensive income	10,082	22,815	28,370	12,817
Total comprehensive income	<b><u>\$ 40,940</u></b>	<b><u>4,132</u></b>	<b><u>63,171</u></b>	<b><u>(6,152)</u></b>
Net profit (loss) for the period attributable to non-controlling interests	<b><u>\$ 16,084</u></b>	<b><u>(9,004)</u></b>	<b><u>19,763</u></b>	<b><u>(7,972)</u></b>
Total comprehensive income attributable to non-controlling interests	<b><u>\$ 21,553</u></b>	<b><u>3,452</u></b>	<b><u>34,949</u></b>	<b><u>(110)</u></b>

	<b>January to September 2024</b>	<b>January to September 2023</b>
Cash flows from operating activities	\$ 281,457	162,816
Cash flows from investing activities	(353,157)	(2,832)
Cash flows from financing activities	644,933	(197,905)
Effect of changes in exchange rate	30,992	4,267
Increase in cash and cash equivalents	<b><u>\$ 604,225</u></b>	<b><u>(33,654)</u></b>
Dividends paid to non-controlling interests	<b><u>\$ (21,558)</u></b>	<b><u>(29,147)</u></b>

# Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

## (2) Summarized financial information of AEWIN

	2024.9.30	2023.12.31	2023.9.30
Current assets	\$ 1,888,418	1,412,560	1,366,492
Non-current assets	983,510	1,016,617	1,049,341
Current liabilities	(845,399)	(748,210)	(732,260)
Non-current liabilities	(643,729)	(424,971)	(442,055)
Net assets	<u>\$ 1,382,800</u>	<u>1,255,996</u>	<u>1,241,518</u>
Ending balance of non-controlling interests at book value	<u>\$ 670,021</u>	<u>608,370</u>	<u>601,331</u>

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Operating revenue	<u>\$ 628,121</u>	<u>421,004</u>	<u>1,581,069</u>	<u>1,393,685</u>
Net profit for the period	\$ 23,678	(13,335)	39,111	6,346
Other comprehensive income	320	5,056	5,562	1,673
Total comprehensive income	<u>\$ 23,998</u>	<u>(8,279)</u>	<u>44,673</u>	<u>8,019</u>
Net profit (loss) for the period attributable to non-controlling interests	<u>\$ 11,513</u>	<u>(6,483)</u>	<u>19,016</u>	<u>3,084</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ 11,668</u>	<u>(4,048)</u>	<u>21,720</u>	<u>3,875</u>

	January to September 2024	January to September 2023
Cash flows from operating activities	\$ 73,839	143,931
Cash flows from investing activities	(13,718)	(14,424)
Cash flows from financing activities	270,916	(289,889)
Effect of changes in exchange rate	8,308	1,812
Increase (decrease) in cash and cash equivalents	<u>\$ 339,345</u>	<u>(158,570)</u>
Dividends paid to non-controlling interests	<u>\$ (10,061)</u>	<u>(22,998)</u>

## (3) Summarized financial information of Brainstorm:

	2023.9.30
Current assets	\$ 1,662,162
Non-current assets	673,447
Current liabilities	(975,425)
Non-current liabilities	(103,582)
Net assets	<u>\$ 1,256,602</u>
Carrying amount of non-controlling interests at end of period	<u>\$ 716,362</u>

# Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

	July to September 2023	January to September 2023
Net operating revenue	<u>\$ 1,832,343</u>	<u>4,501,191</u>
Net loss for the period	<u>\$ (3,968)</u>	<u>(16,494)</u>
Net loss for the period attributable to non-controlling interests	<u>\$ (2,575)</u>	<u>(10,707)</u>

Please refer to Note XII (III) for cash flow information.

## (VIII) Property, plant and equipment

	Land	Buildings	Machinery equipment	Office equipment	Other equipment	Unfinished construction	Total
Costs:							
Balance as of January 1, 2024 \$	871,226	1,671,113	404,584	72,173	353,925	-	3,373,021
Acquisition through business combination (Note VI (VII))	-	-	-	3,406	44,217	-	47,623
Addition	-	146	1,593	2,723	9,235	764	14,461
Disposal	-	(535)	(2,218)	(1,771)	(3,679)	-	(8,203)
Reclassification	(149,795)	(36,263)	962	-	2,316	(764)	(183,544)
Effect of changes in exchange rate	-	15,022	2	1,276	4,147	-	20,467
Balance as of September 30, 2024	<u>\$ 721,431</u>	<u>1,649,483</u>	<u>404,943</u>	<u>77,807</u>	<u>410,161</u>	<u>-</u>	<u>3,263,825</u>
Balance as of January 1, 2023 \$	962,980	1,715,650	507,204	82,012	466,706	816	3,735,368
Addition	-	3,036	3,926	4,183	4,601	2,431	18,177
Disposal	-	-	(41,402)	(9,304)	(105,891)	-	(156,597)
Reclassification	(91,754)	(42,001)	588	-	1,971	(1,898)	(133,094)
Effect of changes in exchange rate	-	2,329	387	576	1,987	-	5,279
Balance as of September 30, 2023	<u>\$ 871,226</u>	<u>1,679,014</u>	<u>470,703</u>	<u>77,467</u>	<u>369,374</u>	<u>1,349</u>	<u>3,469,133</u>
Accumulated depreciation and impairment loss:							
Balance as of January 1, 2024 \$	-	331,074	271,669	54,854	166,605	-	824,202
Acquisition through business combination (Note VI (VIII))	-	-	-	3,406	42,182	-	45,588
Depreciation	-	35,281	27,427	5,012	30,962	-	98,682
Disposal	-	(407)	(2,218)	(1,765)	(3,533)	-	(7,923)
Reclassification	-	(9,385)	-	-	-	-	(9,385)
Effect of changes in exchange rate	-	4,880	-	1,153	2,593	-	8,635
Balance as of September 30, 2024	<u>\$ -</u>	<u>361,443</u>	<u>296,887</u>	<u>62,660</u>	<u>238,809</u>	<u>-</u>	<u>959,799</u>
Balance as of January 1, 2023 \$	-	300,796	337,443	59,729	244,304	-	942,272
Depreciation	-	36,938	30,911	5,413	30,239	-	103,501
Disposal	-	-	(41,402)	(9,190)	(105,563)	-	(156,155)
Reclassification	-	(17,233)	-	-	-	-	(17,233)
Effect of changes in exchange rate	-	1,335	199	363	1,369	-	3,266
Balance as of September 30, 2023	<u>\$ -</u>	<u>321,836</u>	<u>327,151</u>	<u>56,315</u>	<u>170,349</u>	<u>-</u>	<u>875,651</u>
Book value:							
September 30, 2024	<u>\$ 721,431</u>	<u>1,288,040</u>	<u>108,056</u>	<u>15,147</u>	<u>171,352</u>	<u>-</u>	<u>2,304,026</u>
January 1, 2024	<u>\$ 871,226</u>	<u>1,340,039</u>	<u>132,915</u>	<u>17,319</u>	<u>187,320</u>	<u>-</u>	<u>2,548,819</u>
September 30, 2023	<u>\$ 871,226</u>	<u>1,357,178</u>	<u>143,552</u>	<u>21,152</u>	<u>199,025</u>	<u>1,349</u>	<u>2,593,482</u>

Please refer to Note VIII for property, plant and equipment pledged as collaterals for long-term borrowings.

# Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

## (IX) Right-of-use assets

	Land	Buildings	Transportation equipment	Total
Cost of right-of-use assets:				
Balance as of January 1, 2024	\$ 48,739	366,624	2,593	417,956
Addition	-	42,671	738	43,409
Decrease and lease amendment	-	(21,234)	(1,186)	(22,420)
Acquisition through business combination (Note VI (VII))	-	64,366	1,961	66,327
Effect of changes in exchange rate	707	6,844	10	7,561
Balance as of September 30, 2024	<u><u>\$ 49,446</u></u>	<u><u>459,271</u></u>	<u><u>4,116</u></u>	<u><u>512,833</u></u>
Balance as of January 1, 2023	\$ 49,689	440,544	9,495	499,728
Addition	-	29,228	2,755	31,983
Decrease and lease amendment	-	(39,484)	(2,028)	(41,512)
Effect of changes in exchange rate	(408)	3,962	351	3,905
Balance as of September 30, 2023	<u><u>\$ 49,281</u></u>	<u><u>434,250</u></u>	<u><u>10,573</u></u>	<u><u>494,104</u></u>
Accumulated depreciation of right-of-use assets:				
Balance as of January 1, 2024	\$ 6,029	134,015	1,254	141,298
Depreciation	917	62,178	915	64,010
Decrease and lease amendment	-	(21,028)	(985)	(22,013)
Effect of changes in exchange rate	100	2,673	7	2,780
Balance as of September 30, 2024	<u><u>\$ 7,046</u></u>	<u><u>177,838</u></u>	<u><u>1,191</u></u>	<u><u>186,075</u></u>
Balance as of January 1, 2023	\$ 5,282	132,773	6,056	144,111
Depreciation	1,207	67,290	2,863	71,360
Decrease and lease amendment	-	(39,043)	(2,028)	(41,071)
Effect of changes in exchange rate	(668)	2,715	290	2,337
Balance as of September 30, 2023	<u><u>\$ 5,821</u></u>	<u><u>163,735</u></u>	<u><u>7,181</u></u>	<u><u>176,737</u></u>
Book value:				
September 30, 2024	<u><u>\$ 42,400</u></u>	<u><u>281,433</u></u>	<u><u>2,925</u></u>	<u><u>326,758</u></u>
January 1, 2024	<u><u>\$ 42,710</u></u>	<u><u>232,609</u></u>	<u><u>1,339</u></u>	<u><u>276,658</u></u>
September 30, 2023	<u><u>\$ 43,460</u></u>	<u><u>270,515</u></u>	<u><u>3,392</u></u>	<u><u>317,367</u></u>

## (X) Investment property

	Land	Buildings	Total
Costs:			
Balance as of January 1, 2024	\$ 91,754	42,711	134,465
Transfer from property, plant and equipment	149,795	36,263	186,058
Balance as of September 30, 2024	<u><u>\$ 241,549</u></u>	<u><u>78,974</u></u>	<u><u>320,523</u></u>
Balance as of January 1, 2023	\$ -	-	-
Transfer from property, plant and equipment	91,754	42,711	134,465
Balance as of September 30, 2023	<u><u>\$ 91,754</u></u>	<u><u>42,711</u></u>	<u><u>134,465</u></u>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Accumulated depreciation and impairment loss:			
Balance as of January 1, 2024	\$ -	18,730	18,730
Depreciation for the current period	-	2,628	2,628
Transfer from property, plant and equipment	-	9,385	9,385
Balance as of September 30, 2024	<u>\$ -</u>	<u>30,743</u>	<u>30,743</u>
Balance as of January 1, 2023	\$ -	-	-
Transfer from property, plant and equipment	-	17,233	17,233
Depreciation for the current period	-	1,069	1,069
Balance as of September 30, 2023	<u>\$ -</u>	<u>18,302</u>	<u>18,302</u>
Carrying amount:			
September 30, 2024	<u>\$ 241,549</u>	<u>48,231</u>	<u>289,780</u>
January 1, 2024	<u>\$ 91,754</u>	<u>23,981</u>	<u>115,735</u>
September 30, 2023	<u>\$ 91,754</u>	<u>24,409</u>	<u>116,163</u>
Fair value:			
September 30, 2024			<u>\$ 406,470</u>
January 1, 2024			<u>\$ 169,348</u>
September 30, 2023			<u>\$ 164,892</u>

Investment property is a commercial office building that is subleased to others. The fair value of investment property is evaluated based on the market evidence of similar property transaction prices in the same region by the management, and the input value used in the fair value evaluation technology belongs to level 3.

### (XI) Intangible assets

	<u>Goodwill</u>	<u>Patent</u>	<u>Trademark</u>	<u>Client relationship</u>	<u>Computer software</u>	<u>Total</u>
Costs:						
Balance as of January 1, 2024	\$ 293,293	-	12,823	211,435	119,248	636,799
Acquisition through business combination (Note VI (VII))	523,517	69,054	185,911	630,208	95	1,408,785
Separate acquisition	-	-	-	-	4,983	4,983
Write-off for the current period	-	-	-	-	(5,904)	(5,904)
Effects of changes in exchange rate	-	-	-	-	83	83
Balance as of September 30, 2024	<u>\$ 816,810</u>	<u>69,054</u>	<u>198,734</u>	<u>841,643</u>	<u>118,505</u>	<u>2,044,746</u>
Balance as of January 1, 2023	\$ 446,272	-	582,091	211,435	141,019	1,380,817
Separate acquisition	-	-	-	-	7,092	7,092
Write-off for the current period	-	-	-	-	(1,341)	(1,341)
Reclassification for the period	-	-	-	-	600	600
Effects of changes in exchange rate	-	-	-	-	1,522	1,522
Balance as of September 30, 2023	<u>\$ 446,272</u>	<u>-</u>	<u>582,091</u>	<u>211,435</u>	<u>148,892</u>	<u>1,388,690</u>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

	Goodwill	Patent	Trademark	Client relationship	Computer software	Total
Accumulated amortization:						
Balance as of January 1, 2024	\$ -	-	2,245	94,828	94,224	191,297
Acquisition through business combination (Note VI (VII))	-	-	-	-	95	95
Amortization	-	1,918	4,060	17,958	9,777	33,713
Write-off for the current period	-	-	-	-	(5,904)	(5,904)
Effects of changes in exchange rate	-	-	-	-	44	44
Balance as of September 30, 2024	<u>\$ -</u>	<u>1,918</u>	<u>6,305</u>	<u>112,786</u>	<u>98,236</u>	<u>219,245</u>
Balance as of January 1, 2023	\$ -	-	95,840	77,892	86,058	259,790
Amortization	-	-	43,657	13,226	17,895	74,778
Write-off for the current period	-	-	-	-	(1,341)	(1,341)
Effects of changes in exchange rate	-	-	-	-	619	619
Balance as of September 30, 2023	<u>\$ -</u>	<u>-</u>	<u>139,497</u>	<u>91,118</u>	<u>103,231</u>	<u>333,846</u>
Book value:						
Balance as of September 30, 2024	<u>\$ 816,810</u>	<u>67,136</u>	<u>192,429</u>	<u>728,857</u>	<u>20,269</u>	<u>1,825,501</u>
Balance as of January 1, 2024	<u>\$ 293,293</u>	<u>-</u>	<u>10,578</u>	<u>116,607</u>	<u>25,024</u>	<u>445,502</u>
Balance as of September 30, 2023	<u>\$ 446,272</u>	<u>-</u>	<u>442,594</u>	<u>120,317</u>	<u>45,661</u>	<u>1,054,844</u>

According to International Accounting Standards 36, the goodwill acquired by a business combination shall be tested for impairment at least every year. There is no goodwill loss according to the impairment test result of the Group on December 31, 2023, please refer to Note VI (XII) of the Consolidated Financial Statements of 2023. On September 30, 2024, the Group evaluated the achievement of operating revenue and net operating income of the relevant cash-generating unit in the third quarter of 2024, and the budget assessment of future operating revenue and profit, and there was no impairment.

### (XII) Short-term borrowings

	2024.9.30	2023.12.31	2023.9.30
Unsecured bank loans	\$ 1,827,928	998,741	1,490,822
Secured bank loans	77,428	80,904	60,003
	<u>\$ 1,905,356</u>	<u>1,079,645</u>	<u>1,550,825</u>
Unused lines of credit	<u>\$ 5,109,562</u>	<u>5,834,216</u>	<u>5,612,835</u>
Range of interest rate	<u>0.50%~3.90%</u>	<u>0.95%~3.90%</u>	<u>1.53%~7.25%</u>

Please refer to Note VIII for details of the situation where the Group pledged assets as collaterals for bank loan line.

### (XIII) Corporate bonds payable

The information regarding the issuance of unsecured convertible bonds by the consolidated subsidiary AEWIN is as follows:



## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

	<u>2024.9.30</u>
Total amount of convertible bonds issued	\$ 500,000
Unamortized balance of discount on corporate bonds payable	<u>(33,735)</u>
Outstanding balance of corporate bonds payable as of the end of the period	<u><u>\$ 466,265</u></u>

The consolidated subsidiary, AEWIN, on July 16, 2024, pursuant to a resolution of its board of directors, decided to issue its second domestic unsecured convertible bonds in Taiwan to repay bank loans and strengthen operational capital. The issuance was approved by the Financial Supervisory Commission (FSC) on August 13, 2024, and the bonds were issued on September 3, 2024. The bonds have a term of three years and will mature on September 3, 2027. The total face value of the bonds is NTD500,000 thousand, with a coupon rate of 0%. The initial effective interest rate is 2.4%. The convertible corporate bonds were publicly underwritten through a competitive auction. The actual issue price per bond was 114.32% of the face value, resulting in a total raised amount of NTD566,323 thousand (after deducting issuance costs of NTD5,277 thousand).

The other issuance conditions of AEWIN's bonds are as follows:

### 1. Repayment Method

Except in cases where the bonds are converted into AEWIN's ordinary shares in accordance with the issuance regulations, or AEWIN redeems the bonds early in accordance with the issuance regulations, or AEWIN repurchases and cancels the bonds through a securities firm's business office, AEWIN shall repay the bonds in cash at their face value within ten business days following the day after the maturity date of the convertible bonds.

### 2. Redemption Method

- (1) From the day after three months following the issuance until forty days before the expiration of the issuance period, if the closing price of AEWIN's ordinary shares exceeds 30% of the conversion price for thirty consecutive business days, AEWIN has the option to redeem the outstanding bonds in cash at face value within the following thirty business days.
- (2) From the day after three months following the issuance until forty days before the expiration of the issuance period, if the outstanding balance of the circulating bonds falls below NTD50,000 thousand, AEWIN may redeem the outstanding bonds in cash at face value at any time thereafter.

### 3. Conversion Period

From the day after three months following the issuance until the maturity date, bondholders may, except during any legally required suspension of transfer periods, request at any time to convert their bonds into ordinary shares in accordance with the conversion terms. This conversion can be done through AEWIN's designated stock transfer agent.

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### 4. Conversion Price

The conversion price per share at the time of issuance is set at NTD85.0. If any events occur involving AEWIN's ordinary shares that require an adjustment to the conversion price in accordance with the issuance terms, the conversion price will be adjusted according to the formula specified in the conversion terms. This bond does not have any reset provisions.

### (XIV) Long-term borrowings

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Unsecured bank loans	\$ 1,000,000	600,000	800,000
Secured bank loans	-	200,000	200,505
Less: portion due within one year	(110,000)	-	(505)
	<b><u>\$ 890,000</u></b>	<b><u>800,000</u></b>	<b><u>1,000,000</u></b>
Unused lines of credit	<b><u>\$ 2,050,000</u></b>	<b><u>1,800,000</u></b>	<b><u>1,200,000</u></b>
Year of maturity	<b><u>2026~2027</u></b>	<b><u>2025~2026</u></b>	<b><u>2023~2026</u></b>
Range of interest rate	<b><u>1.86%~2.00%</u></b>	<b><u>1.79%~2.05%</u></b>	<b><u>1.79%~5.83%</u></b>

Please refer to Note VIII for details of the situation where the Group pledged assets as collaterals for bank loan line.

### (XV) Preferred share liabilities

On July 10, 2024, the board of directors of the consolidated subsidiary, Tekpak, resolved to issue 1,000 Class A preferred shares at an issue price of NTD10 per share, for a total issuance amount of NTD10 thousand. The key terms of the issuance of the Class A preferred shares are as follows:

1. In addition to the right to dividend distribution of the Class A preferred shares specified in the company's Articles of Association, Class A preferred shareholders have no rights to any surplus asset distributions, voting rights, the right to be elected as directors or supervisors, the right to receive dividends or bonuses, or any other rights or interests.
2. Class A preferred shares cannot be converted to ordinary shares.
3. The Class A preferred shares are non-transferable.
4. If there is a surplus in 2024, Tekpak should pay taxes in accordance with the law, cover any losses, and allocate 10% of the statutory surplus to the legal reserve. The remaining surplus should then be distributed to Class A preferred shareholders as dividends, based on Tekpak's profitability.
5. Tekpak is required to pay the aforementioned preferred share dividends by April 30, 2025. Upon payment, the Class A preferred shares will be unconditionally redeemed. The fair value of the preferred share liabilities of the Group, based on estimated future cash flows, was NTD197,197 thousand as of September 30, 2024.

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### (XVI) Lease liabilities

The carrying amount of the lease liabilities of the Group is as follows:

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Current	<b><u>\$ 98,525</u></b>	<b><u>69,614</u></b>	<b><u>91,337</u></b>
Non-current	<b><u>\$ 200,339</u></b>	<b><u>178,493</u></b>	<b><u>199,145</u></b>

Please refer to Note VI (XXV) Liquidity Risk for the maturity analysis of lease liabilities.

The amounts recognized in profit or loss are as follows:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Interest expense on lease liabilities	<b><u>\$ 1,839</u></b>	<b><u>1,646</u></b>	<b><u>4,957</u></b>	<b><u>5,149</u></b>
Interest expense on lease liabilities for discontinued operations	<b><u>\$ -</u></b>	<b><u>84</u></b>	<b><u>-</u></b>	<b><u>289</u></b>
Short-term leases expenses and lease expenses of low-value assets	<b><u>\$ 3,365</u></b>	<b><u>6,916</u></b>	<b><u>12,759</u></b>	<b><u>19,210</u></b>
Short-term leases expenses and lease expenses of low-value assets for discontinued operations	<b><u>\$ -</u></b>	<b><u>1,799</u></b>	<b><u>-</u></b>	<b><u>5,284</u></b>
COVID-19-related rent concessions (recognized as a decrease in lease expense)	<b><u>\$ -</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(3,450)</u></b>

The amounts recognized in the cash flow statement are as follows:

	<b>January to September 2024</b>	<b>January to September 2023</b>
Total cash outflow for leases	<b><u>\$ 79,337</u></b>	<b><u>96,442</u></b>

Important lease terms:

#### 1. Lease of land, buildings and structures

The Group has leased land, buildings and structures as the office premise, warehouse and plant. The lease period of the land use right is 50 years, and the lease periods of the office premise, warehouse and plant are usually 2 to 10 years. Some leases include the options to extend the original lease contract by the same period when the lease period expires.

#### 2. Other leases

The Group has leased the transport equipment with a lease period of 1 to 3 years. In addition, certain of the Group's leases for offices and office equipment and other assets are short-term leases or leases of low-value assets, and the Group has selected to apply the provision of exemption from recognition and not recognized them as relevant right-of-use assets and lease liabilities.

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### (XVII) Provisions - product warranty

	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Provision for warranty	<b>\$ 30,296</b>	<b>41,764</b>	<b>42,148</b>

The warranty provisions for products of the Group are mainly related to the industrial computer board cards and systems, and the warranty provision is estimated based on the historical warranty data of similar products.

### (XVIII) Employee benefits

#### 1. Defined benefit plans

Since there were no significant market fluctuations, significant curtailments, settlements, or other significant one-off events after the reporting date of the prior fiscal year, the Group adopted the actuarial determined pension cost on December 31, 2023 and 2022 to measure and disclose pension costs for interim periods.

The reported expenses of the Group are detailed as follows:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Operating costs	\$ 51	94	152	284
Operating expenses	24	47	71	139
	<b>\$ 75</b>	<b>141</b>	<b>223</b>	<b>423</b>

#### 2. Defined contribution plans

The reported expenses of the Group are detailed as follows:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Operating costs	\$ 3,346	3,069	9,486	9,375
Operating expenses	13,684	13,575	40,527	40,453
	<b>\$ 17,030</b>	<b>16,644</b>	<b>50,013</b>	<b>49,828</b>

### (XIX) Income taxes

#### 1. The income tax expenses of the Group are detailed as follows:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Current income tax expense	\$ 37,687	35,105	91,877	116,280
Deferred income tax benefits	575	(7,725)	(1,779)	(9,413)
	\$ 38,262	27,380	90,098	106,867
Less: Income tax expenses (benefits) for discontinued operations	-	257	-	(839)
Income tax expense for continuing operations	<b>\$ 38,262</b>	<b>27,123</b>	<b>90,098</b>	<b>107,706</b>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

2. The details of income tax expenses recognized by the Group under other comprehensive income are as follows:

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Items that will not be reclassified to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	\$ <u>84</u>	<u>-</u>	<u>1,385</u>	<u>-</u>

3. Circumstances of income tax approval

The Company's profit-seeking enterprise income tax has been approved by the tax authority for the year 2022.

(XX) Capital and other equities

Besides the descriptions mentioned below, there were no significant changes in capital and other equities in the consolidated financial statements for the nine months ended September 30, 2024 and 2023. For the related information, please refer to Note VI (XIX) of the consolidated financial statements for the year ended December 31, 2023.

1. Share capital - Ordinary shares

As of September 30, 2024, December 31 and September 30, 2023, the total authorized capital of the Company was NTD1,772,000 thousand, which was divided into 177,200 thousand shares at NTD10 per share. The number of issued shares were both 114,489 thousand shares. The reserved capital for issuance of stock options to employees in the authorized share capital is 20,000 thousand shares.

2. Capital surplus

The Company's capital surplus balance is analyzed as follows:

	2024.9.30	2023.12.31	2023.9.30
Share premium	\$ 599,203	599,203	578,204
Differences between the actual price for disposal of the subsidiaries and their carrying amount	40,061	-	-
Recognized changes in percentage of ownership interests in subsidiaries	58,982	6,006	5,974
Gain on asset disposal	808	808	808
Others	24,053	23,750	23,730
	<u>\$ 723,107</u>	<u>629,767</u>	<u>608,716</u>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

Pursuant to the provisions of the Company Act, the capital surplus shall be first used to recover the loss before it is distributed as the realized capital surplus to the shareholders based on their respective shareholding ratios in the form of new shares or cash. If the aforementioned is done in cash, is authorized to be resolved by the Board of Directors and reported to the Shareholders' Meeting. The realized capital surplus as termed in the preceding sentence includes the proceeds from the shares issued at a premium over the face value and the income from the acceptance of donations. Pursuant to the provision of Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the capital surplus shall be accrued out of the capital, and the total amount accrued every year shall be no higher than ten percent of the paid-in capital.

### 3. Retained earnings and dividend policy

Under the provision of the Articles of Association of the Company, if there are any earnings in the final settlement, it shall first accrue the tax, make up the accumulated loss, and then set aside 10% as the legal surplus reserve, except when the legal surplus reserve has reached the paid-in capital of the Company. If there are any earnings after the special surplus reserve is set aside or reversed in accordance with the law, the Board of Directors shall formulate the earnings distribution proposal together with the accumulated unappropriated earnings and submit them to the Shareholders' Meeting for dividend distribution. The Board of Directors is authorized to make a resolution to distribute and report to the Shareholders' Meeting if the earnings distribution shall be in the form of cash dividends.

According to the Articles of Association of the Company, due to the fierce competition in the industry, the volatile environment, and the stable growth stage of the Company's life cycle, to effectively master the Company's future investment opportunities, working capital needs, and long-term financial planning, and to meet shareholders' cash inflow needs, the Board of Directors formulates the earnings distribution proposal should take into account the general distribution level of the relevant industry and adopt a balanced dividend policy, and distribute according to the principle of prudence. If the Company's annual final settlement has earnings of 2% of the capital, the dividend distribution should not be less than 10% of the distributable earnings for the year, and the proportion of cash dividends paid each year should not be less than 10% of the total of cash and stock dividends paid for the year.

#### (1) Legal reserve

Pursuant to the provision of the Company Act, when the Company makes no loss, it may, by resolution of the Shareholders' Meeting, distribute the legal

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

surplus reserve in the form of new shares or in cash to the extent that such legal reserve exceeds 25% of the total paid-in capital. If the aforementioned is done in cash, is authorized to be resolved by the Board of Directors and reported to the Shareholders' Meeting.

(2) Special reserve

Under the regulations issued by the Financial Supervisory Commission, when distributing the distributable earnings, for the net deductibles of other shareholders' equity incurred in the current year, the Company shall accrue the special surplus reserve in the same amount out of the amount of current after-tax net income added to the current unappropriated earnings, including items other than current after-tax net income and the unappropriated earnings in the previous period, and for the deductibles of other shareholders' equity accumulated in the previous period, the Company shall not distribute the special surplus reserve in the same amount accrued out of the unappropriated earnings in the previous period. If deductibles of other shareholders' equity are reversed in future, the reversed portion may be distributed as earnings.

4. Distribution of earnings

On March 4, 2024, and March 2, 2023, the Board of Directors of the Company resolved the amount of cash dividends and distribution amounts for the years ended December 31, 2023 and 2022, respectively. On May 30, 2024, and May 31, 2023, the annual shareholders' meeting resolved the other earnings distribution proposal for the years ended December 31, 2023 and 2022, respectively. The relevant distribution amounts were as follows:

	<b>2023</b>		<b>2022</b>	
	<b>Dividend per share (NTD)</b>	<b>Amount</b>	<b>Dividend per share (NTD)</b>	<b>Amount</b>
Legal reserve		<u>\$ 36,913</u>		<u>52,689</u>
Special reserve (reversal)		<u>\$ 17,750</u>		<u>(76,782)</u>
Dividends distributed to owners of common stock:				
Cash dividends	<b>3.0</b>	<u>343,467</u>	<b>4.0</b>	<u>457,955</u>

In addition, on May 31, 2023, the annual shareholders' meeting resolved to amend the amount of the legal reserve in the earnings distribution proposal for the year ended in 2021, reversing the legal reserve of NTD15,964 thousand.

The information regarding the earnings distribution can be found on the MOPS (Market Observation Post System).

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### 5. Other equities (net amount after tax)

	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total
Balance as of January 1, 2024	\$ (97,599)	41,808	(55,791)
Exchange difference from conversion of net assets of foreign operating organizations	35,577	-	35,577
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	8,914	8,914
Disposal of partial ownership interests in subsidiaries	47	(11)	36
Balance as of September 30, 2024	<u><u>\$ (61,975)</u></u>	<u><u>50,711</u></u>	<u><u>(11,264)</u></u>
Balance as of January 1, 2023	\$ (69,315)	31,274	(38,041)
Exchange difference from conversion of net assets of foreign operating organizations	24,422	-	24,422
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	13,715	13,715
Balance as of September 30, 2023	<u><u>\$ (44,893)</u></u>	<u><u>44,989</u></u>	<u><u>96</u></u>

### 6. Non-controlling interests (net amount after tax)

	January to September 2024	January to September 2023
Beginning balance	\$ 1,820,846	2,577,359
Shares attributable to non-controlling interests:		
Net profit for the period	38,779	(15,595)
Exchange differences on translating the financial statements of foreign operations	19,090	27,913
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	(214)	4,161
Income taxes related to other comprehensive income	(986)	-
Disposal of partial ownership interests in subsidiaries	7,736	-
Cash dividends distributed by subsidiaries to non-controlling interests	(31,619)	(52,145)
Changes in ownership interests in subsidiaries	50,157	15
Acquisition of subsidiaries	301,768	-
Ending balance	<u><u>\$ 2,205,557</u></u>	<u><u>2,541,708</u></u>



# Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

## (XXI) Earnings per share

### 1. Basic earnings per share

	July to September 2024			July to September 2023		
	Continued operating unit	Discontinued operations	Total	Continued operating unit	Discontinued operations	Total
Net profit attributable to ordinary shareholders of the Company	<u>\$ 92,033</u>	<u>-</u>	<u>92,033</u>	<u>55,081</u>	<u>(1,393)</u>	<u>53,688</u>
Weighted average number of outstanding ordinary shares (in thousands of shares)	<u>114,489</u>	<u>-</u>		<u>114,489</u>	<u>114,489</u>	
Basic earnings (loss) per share (NTD)	<u>\$ 0.80</u>	<u>-</u>	<u>0.80</u>	<u>0.48</u>	<u>(0.01)</u>	<u>0.47</u>
	January to September 2024			January to September 2023		
	Continued operating unit	Discontinued operations	Total	Continued operating unit	Discontinued operations	Total
Net profit attributable to ordinary shareholders of the Company	<u>216,867</u>	<u>-</u>	<u>216,867</u>	<u>282,533</u>	<u>(5,787)</u>	<u>276,746</u>
Weighted average number of outstanding ordinary shares (in thousands of shares)	<u>114,489</u>	<u>-</u>		<u>114,489</u>	<u>114,489</u>	
Basic earnings (loss) per share (NTD)	<u>1.89</u>	<u>-</u>	<u>1.89</u>	<u>2.47</u>	<u>(0.05)</u>	<u>2.42</u>

### 2. Diluted earnings (loss) per share

	July to September 2024			July to September 2023		
	Continued operating unit	Discontinued operations	Total	Continued operating unit	Discontinued operations	Total
Net profit attributable to ordinary shareholders of the Company	<u>\$ 92,033</u>	<u>-</u>	<u>92,033</u>	<u>55,081</u>	<u>(1,393)</u>	<u>53,688</u>
Weighted average number of outstanding ordinary shares (in thousands of shares)	114,489	-		114,489	114,489	
Effects of potential ordinary shares with dilution effect (in thousands of shares):						

# Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

	July to September 2024			July to September 2023		
	Continued operating unit	Discontinued operations	Total	Continued operating unit	Discontinued operations	Total
Effects of employee stock compensation	263	-		392	392	
Weighted average number of outstanding ordinary shares (after adjusting for the dilutive effect of potential ordinary shares) (in thousands of shares)	<u>114,752</u>	<u>-</u>		<u>114,881</u>	<u>114,881</u>	
Diluted earnings (loss) per share (NTD)	<u>\$ 0.80</u>	<u>-</u>	<u>0.80</u>	<u>0.48</u>	<u>(0.01)</u>	<u>0.47</u>
	January to September 2024			January to September 2023		
	Continued operating unit	Discontinued operations	Total	Continued operating unit	Discontinued operations	Total
Net profit attributable to ordinary shareholders of the Company	<u>216,867</u>	<u>-</u>	<u>216,867</u>	<u>282,533</u>	<u>(5,787)</u>	<u>276,746</u>
Weighted average number of outstanding ordinary shares (in thousands of shares)	114,489	-		114,489	114,489	
Effects of potential ordinary shares with dilution effect (in thousands of shares):						
Effects of employee stock compensation	390	-		553	553	
Weighted average number of outstanding ordinary shares (after adjusting for the dilutive effect of potential ordinary shares) (in thousands of shares)	<u>114,879</u>	<u>-</u>		<u>115,042</u>	<u>115,042</u>	
Diluted earnings (loss) per share (NTD)	<u>\$ 1.89</u>	<u>-</u>	<u>1.89</u>	<u>2.46</u>	<u>(0.05)</u>	<u>2.41</u>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### (XXII) Revenue from customer contracts

#### 1. Breakdown of revenue

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Main products and services:				
Industrial computer board cards and systems	\$ 1,398,279	1,220,102	3,853,936	4,312,953
Industrial automation intelligence	530,817	523,166	1,495,124	1,600,658
Others	595,708	345,813	1,249,706	1,087,815
	<u>\$ 2,524,804</u>	<u>2,089,081</u>	<u>6,598,766</u>	<u>7,001,426</u>

#### 2. Balance of contracts

	2024.9.30	2023.12.31	2023.9.30
Notes and accounts receivable (including related parties)	\$ 2,133,854	1,965,743	2,531,586
Less: loss allowance	(22,727)	(26,447)	(45,097)
	<u>\$ 2,111,127</u>	<u>1,939,296</u>	<u>2,486,489</u>
Contract assets	<u>\$ 12,070</u>	<u>812</u>	<u>16,453</u>
Contract liabilities	<u>\$ 105,409</u>	<u>115,375</u>	<u>161,486</u>

For the disclosure of notes receivable, accounts receivable (including related parties) and their impairments, please see Note VI (V) for details.

The contract assets and liabilities mainly come from the difference between the time point of satisfying the performance obligation when the Group transfers goods to a customer and the time point of the customer's payment. The beginning balances of contract liabilities as of January 1, 2024 and 2023 were recognized as income of NTD95,859 thousand and NTD123,036 thousand, respectively, for the nine months ended September 30, 2024 and 2023.

### (XXIII) Compensation of employees and directors

In accordance with the Articles of Association, the Company shall set aside at least 5-20% of the earnings, if any, in the year as compensation to the employees and no greater than 1% as compensation to directors. But if the Company still has an accumulated loss, a certain amount should be reserved in advance for offsetting. The beneficiaries of the aforesaid employees' compensation, if distributed in stock or in cash, shall include the employees of the controlled companies or affiliates of the Company who meet certain conditions.

For the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023, the estimated employee compensations of the Company were NTD8,266 thousand, NTD5,513 thousand, NTD20,255 thousand, and NTD26,762

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

thousand respectively; and the estimated director compensations were NTD886 thousand, NTD586 thousand, NTD2,168 thousand and NTD2,847 thousand respectively, which were estimated based on the Company's pre-tax net income before deducting the compensations of employees and directors multiplied by the Company's proposed distribution rate of compensations of employees and directors for each period, and were reported as operating costs or operating expenses for each such period. If the actually distributed amount of next year is different from the estimate, the difference will be treated as an accounting estimate change and listed in the profit and loss of next year.

The estimated amount of compensation for employees in 2023 and 2022 were NTD35,191 thousand and NTD47,852 thousand respectively, while for directors were NTD3,744 thousand and NTD5,091 thousand respectively. There is no difference from the actual distribution amount, and further information can be found on MOPS.

### (XXIV) Non-operating income and expenses

#### 1. Interest income

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Interest on bank deposit	\$ 3,744	1,613	11,743	7,591
Interest income from financial assets measured at amortized cost	37	126	280	183
Interest on deposits	-	3	5	8
Others	9	15	33	66
Interest on financial assets at fair value through profit or loss	-	-	570	574
	<u>\$ 3,790</u>	<u>1,757</u>	<u>12,631</u>	<u>8,422</u>

#### 2. Other income

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Rental income	\$ 2,208	2,066	6,626	5,918
Dividend income	-	(98)	5,589	6,845
Others	3,053	4,456	13,759	23,519
	<u>\$ 5,261</u>	<u>6,424</u>	<u>25,974</u>	<u>36,282</u>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### 3. Other gain and loss

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Gain (loss) on disposal of property, plant and equipment	\$ -	(78)	901	(263)
Gain on liquidation of subsidiary	-	-	4,360	-
Net gains (losses) on foreign currency exchange	(19,458)	52,381	38,947	48,402
Loss on financial instruments at fair value through profit or loss	(1,300)	(58,458)	(79,246)	(75,351)
Other gains (expenses)	1,589	(947)	2,131	(545)
Subtotal	(19,169)	(7,102)	(32,907)	(27,757)
Less: Other gains (losses) of discontinued operations	-	(1,325)	-	(3,327)
Other losses from continuing operations	<u>\$ (19,169)</u>	<u>(5,777)</u>	<u>(32,907)</u>	<u>(24,430)</u>

### 4. Finance costs

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Bank interest expenses	\$ 13,199	13,272	32,250	43,387
Interest expense on corporate bonds	834	-	834	-
Financial expenses on lease liabilities	1,839	1,730	4,957	5,438
Subtotal	15,872	15,002	38,041	48,825
Less: Finance costs of discontinued operations	-	(117)	-	(1,896)
Finance costs of continuing operations	<u>\$ 15,872</u>	<u>14,885</u>	<u>38,041</u>	<u>46,929</u>

### (XXV) Financial instruments

Besides the descriptions mentioned below, there are no significant changes in the fair value of financial instruments, and credit risk, liquidity risk, and market risk due to the exposure of financial instruments of the Group. For the related information, please refer to the consolidated financial statements for the year ended December 31, 2023.

# Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

## 1. Types of financial instruments

### (1) Financial assets

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Financial assets at fair value through profit or loss - current	\$ 35,752	45,465	26,356
Financial assets at fair value through other comprehensive income - non-current	166,400	86,714	88,940
Financial assets measured at amortized cost:			
Cash and cash equivalents	2,469,074	1,490,285	1,558,624
Financial assets at amortized cost - current	2,726	2,709	2,709
Notes receivable, accounts receivable, and other receivables (including related parties)	2,142,113	1,951,367	2,509,614
Financial assets measured at amortized cost - non-current	3,327	3,211	3,396
Refundable deposits (reported in other non-current assets)	31,827	30,848	31,510
Subtotal	4,649,067	3,478,420	4,105,853
Total	<u>\$ 4,851,219</u>	<u>3,610,599</u>	<u>4,221,149</u>

### (2) Financial liabilities

	<u>2024.9.30</u>	<u>2023.12.31</u>	<u>2023.9.30</u>
Financial liabilities at fair value through profit or loss - current:			
Held for trading	\$ 3,892	3,365	14,708
Preferred share liabilities - current	197,197	-	-
Subtotal	201,089	3,365	14,708
Financial liabilities measured at amortized cost:			
Notes payable, accounts payable and other payables (including related parties)	2,057,974	1,407,225	2,462,140
Short-term borrowings	1,905,356	1,079,645	1,550,825

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

	2024.9.30	2023.12.31	2023.9.30
Corporate bonds payable	466,265	-	-
Long-term borrowings (including the part due within one year)	1,000,000	800,000	1,000,505
Lease liabilities (including current and non-current)	298,864	248,107	290,482
Subtotal	5,728,459	3,534,977	5,303,952
Total	<u>\$ 5,929,548</u>	<u>3,538,342</u>	<u>5,318,660</u>

### 2. Liquidity risk

The following table shows the contractual maturity date of financial liabilities, including the impact of estimated interest, and prepared at the undiscounted cash flow.

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	5 years and above
<b>September 30, 2024</b>					
Non-derivative financial liabilities:					
Short-term borrowings (floating rates)	\$ 1,910,153	1,910,153	-	-	-
Preferred share liabilities	197,197	197,197	-	-	-
Corporate bonds payable	500,000	-	-	500,000	-
Long-term borrowings (floating rates)	1,031,534	129,282	902,252	-	-
Notes payable, accounts payable and other payables (including related parties)	2,057,974	2,057,974	-	-	-
Lease liabilities (including current and non-current)	311,921	104,872	97,020	90,243	19,786
Subtotal	<u>6,008,779</u>	<u>4,399,478</u>	<u>999,272</u>	<u>590,243</u>	<u>19,786</u>
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	618,751	618,751	-	-	-
Inflow	(616,431)	(616,431)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	962,770	962,770	-	-	-
Inflow	(971,370)	(971,370)	-	-	-
Subtotal	<u>(6,280)</u>	<u>(6,280)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 6,002,499</u>	<u>4,393,198</u>	<u>999,272</u>	<u>590,243</u>	<u>19,786</u>
<b>December 31, 2023</b>					
Non-derivative financial liabilities:					
Short-term borrowings (floating rates)	\$ 1,082,748	1,082,748	-	-	-

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	5 years and above
Long-term borrowings (floating rates)	836,271	15,016	44,855	776,400	-
Notes payable, accounts payable and other payables (including related parties, with no interest)	1,407,225	1,407,225	-	-	-
Lease liabilities	<u>259,553</u>	<u>74,745</u>	<u>92,617</u>	<u>61,275</u>	<u>30,916</u>
Subtotal	<u>3,585,797</u>	<u>2,579,734</u>	<u>137,472</u>	<u>837,675</u>	<u>30,916</u>
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	711,685	711,685	-	-	-
Inflow	(709,026)	(709,026)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	1,211,632	1,211,632	-	-	-
Inflow	(1,231,906)	(1,231,906)	-	-	-
Subtotal	<u>(17,615)</u>	<u>(17,615)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 3,568,182</b></u>	<u><b>2,562,119</b></u>	<u><b>137,472</b></u>	<u><b>837,675</b></u>	<u><b>30,916</b></u>
<b>September 30, 2023</b>					
Non-derivative financial liabilities:					
Short-term borrowings (floating rates)	\$ 1,553,795	1,553,795	-	-	-
Long-term borrowings (floating rates)	1,044,098	18,994	245,061	780,043	-
Notes payable, accounts payable and other payables (including related parties)	2,462,140	2,462,140	-	-	-
Lease liabilities (including current and non-current)	<u>303,543</u>	<u>97,034</u>	<u>100,453</u>	<u>71,431</u>	<u>34,625</u>
Subtotal	<u>5,363,576</u>	<u>4,131,963</u>	<u>345,514</u>	<u>851,474</u>	<u>34,625</u>
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	680,447	680,447	-	-	-
Inflow	(679,859)	(679,859)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	1,290,660	1,290,660	-	-	-
Inflow	(1,277,156)	(1,277,156)	-	-	-
Subtotal	<u>14,092</u>	<u>14,092</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u><b>\$ 5,377,668</b></u>	<u><b>4,146,055</b></u>	<u><b>345,514</b></u>	<u><b>851,474</b></u>	<u><b>34,625</b></u>

The Group doesn't expect the time point of the cash flow under the maturity date analysis will come much earlier or the actual amount will be substantially different.



## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### 3. Exchange rate risk

The carrying value of monetary assets and liabilities not denominated in functional currency (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements) of the Group at the reporting date and their sensitivity to changes in foreign currencies are analyzed as follows (monetary unit: In thousands of NTD):

2024.9.30					
	Foreign currency	Exchange rate	NTD	Exchange rate fluctuation	Profit and loss influence (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD (Note 1) \$	56,985	31.6500	1,803,585	1%	18,036
USD (Note 2)	3,427	7.0126	108,463	1%	1,085
RMB	31	4.5133	142	1%	1
JPY	11,512	0.2223	2,559	1%	26
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD (Note 1)	21,845	31.6500	691,384	1%	6,914
USD (Note 2)	14,294	7.0126	452,408	1%	4,524
JPY	7,847	0.2223	1,744	1%	17
2023.12.31					
	Foreign currency	Exchange rate	NTD	Exchange rate fluctuation	Profit and loss influence (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD (Note 1) \$	51,794	30.7500	1,592,652	1%	15,927
USD (Note 2)	3,399	7.0912	104,534	1%	1,045
RMB	42,033	4.3364	182,270	1%	1,823
JPY	10,085	0.2175	2,193	1%	22
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD (Note 1)	13,898	30.7500	427,373	1%	4,274
USD (Note 2)	17,986	7.0912	553,055	1%	5,531
JPY	15,554	0.2175	3,383	1%	34

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

2023.9.30					
	Foreign currency	Exchange rate	NTD	Exchange rate fluctuation	Profit and loss influence (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD (Note 1) \$	54,714	32.2700	1,765,618	1%	17,656
USD (Note 2)	3,054	7.3039	98,542	1%	985
RMB	47,030	4.4182	207,788	1%	2,078
JPY	14,748	0.2161	3,187	1%	32
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD (Note 1)	18,233	32.2700	588,392	1%	5,884
USD (Note 2)	15,560	7.3039	502,124	1%	5,021
JPY	5,195	0.2161	1,123	1%	11

Note1: Exchange rate between USD and NTD.

Note2: Exchange rate between USD and RMB.

Due to the wide variety of functional currencies of the Group, the exchange gain or loss of monetary items are disclosed through consolidation. Please refer to Note VI (XXIV) for details of foreign currency exchange (loss) gain (including realized and unrealized) for the three months ended September 30, 2024 and 2023, and for the nine months ended September 30, 2024 and 2023.

#### 4. Fair value

##### (1) Financial instruments not measured at fair value

The management of the Group believes that the carrying amounts of the financial assets and liabilities of the Group classified as amortized cost in the consolidated financial statements are close to their fair value.

##### (2) Financial instruments measured at fair value

The Group's financial assets/liabilities measured at fair value through profit and loss and the financial assets measured at fair value through other comprehensive income are measured at fair value on the basis of repeatability. The following table provides relevant analysis of the financial instruments measured at fair value after initial recognition and classifies these assets into levels 1 to 3 based on the observable extent of fair value. Different fair value levels are defined as follows:

# Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

- A. Level 1: Open quotation of the same asset or liability in the active market (without adjustment).
- B. Level 2: The input parameter of the asset or liability is directly observable (namely price) or indirectly observable (namely, inferred from price), except for the open quotations included in level 1.
- C. Level 3: The input parameters of assets or liabilities are not based on observable market data (non-observable parameters).

<b>2024.9.30</b>				
<b>Fair value</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	\$ -	1,572	-	1,572
Derivative financial instruments - foreign exchange swaps contracts	-	8,600	-	8,600
Fund beneficial interest certificates	23,130	-	-	23,130
Call option of convertible bonds	-	-	2,450	2,450
	<b>\$ 23,130</b>	<b>10,172</b>	<b>2,450</b>	<b>35,752</b>
Financial assets at fair value through other comprehensive income:				
Domestic Over-the-Counter stocks	\$ 107,302	-	-	107,302
Foreign unlisted stocks	-	-	59,098	59,098
	<b>\$ 107,302</b>	<b>-</b>	<b>59,098</b>	<b>166,400</b>
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	\$ -	3,892	-	3,892
Preferred share liabilities	-	-	197,197	197,197
	<b>\$ -</b>	<b>3,892</b>	<b>197,197</b>	<b>201,089</b>

<b>2023.12.31</b>				
<b>Fair value</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Financial assets at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	\$ -	706	-	706
Derivative financial instruments - Foreign exchange swaps contracts	-	20,274	-	20,274
Fund beneficial interest certificates	24,485	-	-	24,485
	<b>\$ 24,485</b>	<b>20,980</b>	<b>-</b>	<b>45,465</b>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

2023.12.31				
Fair value				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income:				
Domestic Over-the-Counter stocks	\$ 77,314	-	-	77,314
Foreign unlisted stocks	-	-	9,400	9,400
	<u>\$ 77,314</u>	<u>-</u>	<u>9,400</u>	<u>86,714</u>
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	\$ -	3,365	-	3,365
	<u>\$ -</u>	<u>3,365</u>	<u>-</u>	<u>3,365</u>
2023.9.30				
Fair value				
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	\$ -	616	-	616
Fund beneficial interest certificates	25,740	-	-	25,740
	<u>\$ 25,740</u>	<u>616</u>	<u>-</u>	<u>26,356</u>
Financial assets at fair value through other comprehensive income:				
Domestic Over-the-Counter stocks	\$ 80,883	-	-	80,883
Foreign unlisted stocks	-	-	8,057	8,057
	<u>\$ 80,883</u>	<u>-</u>	<u>8,057</u>	<u>88,940</u>
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	\$ -	1,204	-	1,204
Derivative financial instruments - Foreign exchange swaps contracts	-	13,504	-	13,504
	<u>\$ -</u>	<u>14,708</u>	<u>-</u>	<u>14,708</u>

- (3) Fair value measurement techniques for financial instruments measured at fair value

### A. Non-derivative financial instruments

If there is an open quotation for the financial instrument in the active market, the open quotation in the active market shall be the fair value.

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

Except for financial instruments with active markets, fair values of the other financial instruments are obtained with valuation techniques or counterparty quotations. Evaluation technique-based fair value may be calculated by referring to the current fair value of other financial instruments with similar substantial conditions and characteristics, or discounted cash flow or other evaluation techniques, including market information application mode available on the reporting date.

The fair values of the financial instruments held by the Group are presented in terms of type and attribute as follows:

TWSE/TPEX listed stocks and fund beneficiary certificates have standard terms and conditions and are traded in active markets, and their fair values are determined in accordance with market quotations.

For financial instruments held by the Group, such as unlisted stocks with no active market, the fair value is primarily estimated using the market approach, based on factors such as the net worth, operational status, and the total market value of the individual assets and liabilities of the evaluated company. In addition, the main unobservable input is the liquidity discount. However, since potential fluctuations in the liquidity discount would not have a significant financial impact, its quantitative information will not be disclosed. The fair value of financial liabilities measured at fair value through profit or loss (preferred share liabilities) is determined based on a discounted cash flow analysis.

### B. Derivative financial instruments

They are valued with the valuation model generally accepted by market participants. Forward foreign exchange contracts and foreign exchange swap contracts are usually valued in line with the current forward exchange rate. The call option on convertible bonds is valued using an appropriate option pricing model.

#### (4) Transfer between fair value levels

There were no transfers of fair value levels of any financial asset and financial liability for the nine months ended September 30, 2024 and 2023.

#### (5) Detailed statement on changes in level 3

Financial assets at fair value through profit or loss:

	<b>January to September 2024</b>
Beginning balance	\$ -
Addition in current period	1,850
Changes recognized in profit or loss in current period	600
Ending balance	<u><u>\$ 2,450</u></u>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

Financial assets at fair value through other comprehensive income:

	<b>January to September 2024</b>	<b>January to September 2023</b>
Beginning balance	\$ 9,400	2,224
Addition in current period	50,000	-
Changes recognized in other comprehensive incomes in current period	<u>(302)</u>	<u>5,833</u>
Ending balance	<b><u>\$ 59,098</u></b>	<b><u>8,057</u></b>

Financial liabilities at fair value through profit or loss:

	<b>January to September 2024</b>
Beginning balance	\$ -
Impact from initial consolidation of subsidiary	196,797
Changes recognized in profit or loss in current period	<u>400</u>
Ending balance	<b><u>\$ 197,197</u></b>

(XXVI) Financial risk management

There were no significant changes in the objectives and policies of the Group's financial risk management compared to those disclosed in the consolidated financial statements for the year ended December 31, 2023.

(XXVII) Capital management

There were no significant changes in the objectives, policies and procedures of the Group's financial risk management compared to those disclosed in the consolidated financial statements for the year ended December 31, 2023.

(XXVIII) Non-cash transactions in investing and financing activities

1. Please refer to Note VI (IX) for the right-of-use assets acquired by the Group through lease.
2. The liabilities from financing activities are reconciled in the following table:

			Non-cash change			
			Impact from initial consolidation of subsidiary	Increase or decrease in lease liabilities	Exchange rate changes and others	
	<b>2024.1.1</b>	<b>Cash flows</b>				<b>2024.9.30</b>
Short-term borrowings	\$ 1,079,645	815,567	-	-	10,144	1,905,356
Long-term borrowings (including the part due within one year)	800,000	200,000	-	-	-	1,000,000
Preferred share liabilities	-	-	196,797	-	400	197,197
Corporate bonds payable	-	566,323	-	-	(100,058)	466,265
Lease liabilities	<u>248,107</u>	<u>(61,621)</u>	<u>66,327</u>	<u>43,015</u>	<u>3,036</u>	<u>298,864</u>
Total liabilities from financing activities	<b><u>\$ 2,127,752</u></b>	<b><u>1,520,269</u></b>	<b><u>263,124</u></b>	<b><u>43,015</u></b>	<b><u>(86,478)</u></b>	<b><u>3,867,682</u></b>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

	2023.1.1	Cash flows	Non-cash change			2023.9.30
			Impact from initial consolidation of subsidiary	Increase or decrease in lease liabilities	Exchange rate changes and others	
Short-term borrowings	\$ 1,886,020	(334,349)	-	-	(846)	1,550,825
Long-term borrowings (including the part due within one year)	1,550,653	(550,166)	-	-	18	1,000,505
Lease liabilities	328,144	(69,960)	-	31,484	814	290,482
Total liabilities from financing activities	<u>\$ 3,764,817</u>	<u>(954,475)</u>	<u>-</u>	<u>31,484</u>	<u>(14)</u>	<u>2,841,812</u>

### VII. Related Party Transactions

(I) Parent company and ultimate controller

Qisda Corporation (Qisda) is the ultimate controller of the parent company and affiliated group of the Company, directly or indirectly holding 55.09% of the Company's outstanding ordinary shares. Qisda has prepared consolidated financial reports for public use.

(II) Names and relationships of related parties

The related parties who had transactions with the Group during the reporting period covered by this consolidated financial report are as follows:

Name of related party	Relationship with the Group
Qisda Corporation (Qisda)	Parent company of the Company
Other related parties:	
Partner Tech Corp.	Subsidiaries directly or indirectly held by Qisda
Partner Tech Asia Pacific	Subsidiaries directly or indirectly held by Qisda
Alpha Networks Inc.	Subsidiaries directly or indirectly held by Qisda
BenQ Materials Corp.	Subsidiaries directly or indirectly held by Qisda
BenQ Asia Pacific Corp.	Subsidiaries directly or indirectly held by Qisda
BenQ AB DentCare Corporation	Subsidiaries directly or indirectly held by Qisda
BenQ Healthcare Corporation	Subsidiaries directly or indirectly held by Qisda
Metaguru Corporation	Subsidiaries directly or indirectly held by Qisda
BenQ Guru Software Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
BenQ Corporation	Subsidiaries directly or indirectly held by Qisda
BenQ Technology (Shanghai) Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
BenQ Intelligent Technology (Shanghai) Co., Ltd.	Subsidiaries directly or indirectly held by Qisda

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

Name of related party	Relationship with the Group
DIVA Laboratories, Ltd.	Subsidiaries directly or indirectly held by Qisda
Expert Alliance Systems & Consultancy (HK) Company Limited	Subsidiaries directly or indirectly held by Qisda
BenQ America Corp.	Subsidiaries directly or indirectly held by Qisda
Simula Technology Inc.	Subsidiaries directly or indirectly held by Qisda
Golden Spirit Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Data Image Corporation	Subsidiaries directly or indirectly held by Qisda
Action Star Technology Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Metaage Corporation (MTG)	Subsidiaries directly or indirectly held by Qisda
AdvancedTEK International Corp.	Subsidiaries directly or indirectly held by Qisda
Global Intelligence Network Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Concord Medical Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Qisda Optronics (Suzhou) Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Qisda (Suzhou) Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Brainstorm Corporation	Subsidiaries directly or indirectly held by Qisda (Note 1)
AUO Corporation (AUO)	Company valuing Qisda under equity approach
AUO (Xiamen) Co., Ltd.	Subsidiaries directly or indirectly held by AUO
AUO Digitech Taiwan Inc.	Subsidiaries directly or indirectly held by AUO
AUO Display Plus Corp.	Subsidiaries directly or indirectly held by AUO
AUO Crystal Corp.	Subsidiaries directly or indirectly held by AUO
Darwin Precisions Corporation	Subsidiaries directly or indirectly held by AUO
AFPD Pte., Ltd.	Subsidiaries directly or indirectly held by AUO
Visco Vision Inc.	Associates of Qisda
Darfon Electronics Corporation (Darfon)	Associates of Qisda
Marketop Smart Solutions Co., Ltd.	Associates of Qisda
TD HiTech Energy Inc.	Subsidiaries directly or indirectly held by Darfon



## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

<b>Name of related party</b>	<b>Relationship with the Group</b>
Unictron Technologies Corp.	Subsidiaries directly or indirectly held by Darfon
Darfon Energy Technology Corporation	Subsidiaries directly or indirectly held by Darfon
BenQ Foundation	Substantial related party of Qisda
Suzhou BenQ Foundation	Substantial related party of Qisda
Everlasting Digital ESG Co., Ltd.	Related enterprise of MTG
Aewin Korea Technologies Co., Ltd.	Substantive related party of AEWIN
Giantech Corp.	Substantial related party of Brainstorm (Note 2)
Dolica Corporation	Substantial related party of Brainstorm (Note 2)

Note 1: As stated in Note VI (VII), the relationship between the Company and Brainstorm has been that of a subsidiary, directly or indirectly owned by Qisda, since October 2, 2023.

Note 2: Not considered a related party from October 2, 2023.

### (III) Material transactions with related party

#### 1. Net operating income

The material sales amount of the Group to the related parties is as follows:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Parent company	\$ 33,316	20,374	92,036	92,780
Other related parties	72,286	58,149	173,044	226,695
	<b><u>\$ 105,602</u></b>	<b><u>78,523</u></b>	<b><u>265,080</u></b>	<b><u>319,475</u></b>

Sales of the Group to related parties involve customary products made to order based on the customer demand, so the price is determined by both parties through negotiation. The credit term for related parties is 60 to 120 days after shipment for receipt of payment, and 30 to 120 days for non-related parties.

#### 2. Purchases

The purchase amount of the Group from the related parties is as follows:

	<b>July to September 2024</b>	<b>July to September 2023</b>	<b>January to September 2024</b>	<b>January to September 2023</b>
Parent company	\$ 54,338	27,278	105,287	193,741
Other related parties	4,860	2,933	9,261	12,315
	<b><u>\$ 59,198</u></b>	<b><u>30,211</u></b>	<b><u>114,548</u></b>	<b><u>206,056</u></b>

The purchases from related parties by the Group are customized products tailored to the requirements of the order, and, therefore, the selling price is mutually agreed. The credit term for related parties is 60 to 90 days after shipment, and for non-related parties is 30 to 105 days after monthly settlement.

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### 3. Leases

The Group has leased plants and offices from the parent company and signed the lease contracts based on the rent prices in the adjacent areas. The total value of increased right-of-use assets from January 1, 2024 to September 30, 2024 is NTD1,268 thousand.

The Group has recognized interest expenses of NTD267 thousand and NTD299 thousand for the three months ended September 30, 2024 and 2023, respectively; NTD833 thousand and NTD926 thousand for the nine months ended September 30, 2024 and 2023, respectively. As of September 30, 2024, December 31 and September 30, 2023, the balances of related lease liabilities were NTD90,919 thousand, NTD100,331 thousand, and NTD103,787 thousand, respectively.

### 4. Property transaction

Category of related party	Item	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Parent company	Intangible assets	\$ -	578	-	578
Other related parties	Intangible assets	3,024	-	3,024	-
		<u>\$ 3,024</u>	<u>578</u>	<u>3,024</u>	<u>578</u>

### 5. Disposal of subsidiaries

As stated in Note VI (VII), the Group has sold all its shares in the subsidiary Brainstorm to Metaage Corporation for a total price of NTD530,075 thousand on October 2, 2023. The payment mentioned above has been received in full.

### 6. Operating costs, expenses, and other income

The operating costs and expenses incurred by the Group due to the provision of product processing and management services by related parties, as well as other income generated by other transactions, are detailed below:

Item	Category of related party	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Operating costs	Parent company	\$ 10,569	6,798	19,867	14,803
	Other related parties	476	6,652	1,024	17,223
Operating expenses	Parent company	1,392	1,172	3,479	3,089
	Other related parties	3,285	4,626	9,298	18,327
Other income	Parent company	33	-	910	508
	Other related parties	1,519	1,462	4,233	4,176

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### 7. Receivables from related parties

Details of the receivables from related parties of the Group are as follows:

<b>Item</b>	<b>Category of related party</b>	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Accounts receivable - related parties	Parent company	\$ 77,352	18,538	34,776
	Other related parties	65,931	53,215	77,399
		<u>143,283</u>	<u>71,753</u>	<u>112,175</u>
Other receivables	Parent company	87	163	-
	Other related parties	299	20	608
		<u>386</u>	<u>183</u>	<u>608</u>
		<b><u>\$ 143,669</u></b>	<b><u>71,936</u></b>	<b><u>112,783</u></b>

The Group provides some of the raw materials to the parent company for manufacturing, while the completed semi-finished products are sold back to the Group for processing and assembly. The Group did not recognize the amount of raw materials provided to the parent company as operating income. Furthermore, the accounts receivable and payable arising from the sale of raw materials and the purchase of semi-finished products above were not collected and paid on a net basis; therefore, they were not expressed as mutual offset.

### 8. Payables to related parties

The payables of the Group to related parties are detailed as follows:

<b>Item</b>	<b>Category of related party</b>	<b>2024.9.30</b>	<b>2023.12.31</b>	<b>2023.9.30</b>
Accounts payable - related parties	Parent company	\$ 46,513	19,747	24,527
	Other related parties	4,614	1,144	6,401
		<u>51,127</u>	<u>20,891</u>	<u>30,928</u>
Other payables	Parent company	7,110	5,657	6,509
	Other related parties	4,708	3,181	3,620
		<u>11,818</u>	<u>8,838</u>	<u>10,129</u>
Lease liabilities - current	Parent company	14,386	13,919	13,880
Lease liabilities - non-current	Parent company	76,533	86,412	89,907
		<u>90,919</u>	<u>100,331</u>	<u>103,787</u>
		<b><u>\$ 153,864</u></b>	<b><u>130,060</u></b>	<b><u>144,844</u></b>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### (IV) Compensation of main managerial officers

	July to September 2024	July to September 2023	January to September 2024	January to September 2023
Short-term employee benefits	\$ <u>9,619</u>	<u>9,261</u>	<u>26,740</u>	<u>32,732</u>

### VIII. Pledged Assets

The details of the book-entry values of the asset pledged as collateral provided by the Group are detailed as follows:

Asset name	Subject matter of pledge guarantee	2024.9.30	2023.12.31	2023.9.30
Pledged certificate of deposit	Performance bond for release before tax to customs house	\$ 2,726	2,709	2,709
Notes receivable	Bank loan guarantee	77,428	80,904	60,003
Property, plant and equipment	Bank loan guarantee	440,913	446,422	448,310
Property, plant and equipment	Performance guarantee for purchases	20,946	24,146	25,967
		<u>\$ 542,013</u>	<u>554,181</u>	<u>536,989</u>

The aforesaid pledged time deposits are presented under the financial assets measured at amortized cost - current.

### IX. Significant Contingent Liabilities and Unrecognized Contract Commitments: None.

### X. Significant Disaster Losses: None.

### XI. Significant Events after the Balance Sheet Date

To repay bank borrowings and strengthen working capital for the Company's subsidiary, Ace Pillar, the Board of Directors resolved to issue unsecured convertible bonds on September 26, 2024. The total amount of the issuance is expected to be capped at NTD500,000 thousand, and it became effective upon filing with the Financial Supervisory Commission on October 25, 2024.

### XII. Miscellaneous

(I) The employee benefits, depreciation and amortization expenses are summarized by function as follows:

By function By nature	July to September 2024			July to September 2023		
	Attributable to operating cost	Attributable to operating expenses	Total	Attributable to operating cost	Attributable to operating expenses	Total
Employee benefits expenses						
Salary expense	72,540	275,028	347,568	57,908	276,492	334,400
Labor and health insurance expenses	7,204	24,775	31,979	6,707	28,369	35,076
Pension expense	3,397	13,708	17,105	3,163	13,622	16,785
Other employee benefit expenses	4,323	13,728	18,051	5,112	10,398	15,510
Depreciation expenses	23,431	34,601	58,032	25,394	34,297	59,691
Amortization expenses	986	18,126	19,112	1,002	23,521	24,523

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

By function By nature	January to September 2024			January to September 2023		
	Attributable to operating cost	Attributable to operating expenses	Total	Attributable to operating cost	Attributable to operating expenses	Total
Employee benefits expenses						
Salary expense	193,226	791,200	984,426	194,665	874,272	1,068,937
Labor and health insurance expenses	20,329	74,909	95,238	20,778	87,985	108,763
Pension expense	9,638	40,598	50,236	9,659	40,592	50,251
Other employee benefit expenses	11,584	37,556	49,140	16,053	32,207	48,260
Depreciation expenses	69,482	95,838	165,320	71,530	104,400	175,930
Amortization expenses	3,022	30,691	33,713	3,000	71,778	74,778

(II) The Group's operation is not affected significantly by seasonal or periodical fluctuations.

(III) Discontinued operations:

The Group disposed of its subsidiary, Brainstorm, and its computer components business division in October 2023, in order to streamline focus on core business and enhance competitiveness. Since the division was not classified as a discontinued operation as of September 30, 2023, the comprehensive income statement for the prior period is restated to present the discontinued operation separately from continuing operations.

The net profit attributable to the owners of the parent company from continuing and discontinued operations is detailed in Note VI (XXI).

The operating results and cash inflows (outflows) of the discontinued operations are as follows:

	<u>July to September 2023</u>	<u>January to September 2023</u>
Operating profit or loss after tax from the discontinued operations:		
Operating revenue	\$ 1,832,343	4,501,191
Operating costs	<u>(1,634,399)</u>	<u>(3,995,648)</u>
Gross profit	197,944	505,543
Operating expenses	<u>(200,213)</u>	<u>(517,653)</u>
Operating loss before tax from the discontinued operations	(2,269)	(12,110)
Non-operating income and expenses before tax from the discontinued operations	(1,442)	(5,223)
Income tax benefits (expenses)	<u>(257)</u>	<u>839</u>
Losses from discontinued operations	<u><b>\$ (3,968)</b></u>	<u><b>(16,494)</b></u>
Cash flow from discontinued operations:		
Cash flows from operating activities		\$ 208,582
Cash flows from investing activities		(2,684)
Cash flows from financing activities		(106,173)
Effect of changes in exchange rate		<u>7,569</u>
Net cash inflow (outflow)		<u><b>\$ 107,294</b></u>

## Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

### XIII. Supplementary Disclosures

- (I) Information on Significant Transactions:
1. Loan of funds to others: please refer to Table 1.
  2. Endorsement and guarantee for others: None.
  3. Marketable securities held at the end of the period (excluding the investments in subsidiaries, associates and equity interests in joint ventures): please refer to Table 2.
  4. The cumulative purchase or sale of the same securities amounted to NTD300 million or 20% and above of the paid-in capital: Table 3.
  5. The amount of property acquired reached NTD300 million or 20% and above of the paid-in capital: None.
  6. The amount of property disposal reached NTD300 million or 20% and above of the paid-in capital: None.
  7. The amount of purchases or sales with related parties reached NTD100 million or 20% and above of the paid-in capital: please refer to Table 4.
  8. Receivables from related parties reached NTD 100 million or 20% and above of paid-in capital: please refer to Table 5.
  9. Engaged in derivative products transactions: please refer to Note VI (II).
  10. Business relationship and important transactions between the parent company and the subsidiaries: please refer to Table 6.
- (II) Reinvestment and related information: please refer to Table 7.
- (III) Investment information in Mainland China: please refer to Table 8.
- (IV) Information on major shareholders:

Unit: Shares

<b>Name of major shareholder</b>	<b>Shares</b>	<b>Number of shares held</b>	<b>Shareholding ratio</b>
Qisda Corporation		51,609,986	45.08%
Gordias Investments Limited of British Virgin Islands Merchant		14,160,997	12.36%
Darly2 Venture, Inc.		9,175,109	8.01%

Note: This table displays the information of the shareholders who have delivered a total of more than 5% of the ordinary shares (including treasury stocks) of the Company without physical share registration until the final working day every quarter, as calculated by the central clearing company. The share capital indicated in the financial report of the Company may be different from the actual number of shares delivered without physical registration as a result of different preparation and calculation bases.

# Notes to Consolidated Financial Statements of DFI Inc. and Its Subsidiaries (Continued)

## XIV. Segment information

Information and adjustments of the Group's operating segments are as follows:

July to September 2024					
	Board cards and system segment	Industrial automation intelligence segment	Others	Adjustment and elimination	Total
Revenue from external clients	\$ 1,529,006	533,073	462,725	-	2,524,804
Inter-departmental income	2,095	-	-	(2,095)	-
Total income	<u>\$ 1,531,101</u>	<u>533,073</u>	<u>462,725</u>	<u>(2,095)</u>	<u>2,524,804</u>
Reportable department profit or loss	<u>\$ 137,458</u>	<u>(1,623)</u>	<u>47,260</u>	<u>787</u>	<u>183,882</u>
July to September 2023					
	Board cards and system segment	Industrial automation intelligence segment	Others	Adjustment and elimination	Total
Revenue from external clients	\$ 1,311,783	525,768	251,530	-	2,089,081
Inter-departmental income	1,452	14	2,792	(4,258)	-
Total income	<u>\$ 1,313,235</u>	<u>525,782</u>	<u>254,322</u>	<u>(4,258)</u>	<u>2,089,081</u>
Reportable department profit or loss	<u>\$ 91,269</u>	<u>(25,020)</u>	<u>12,248</u>	<u>700</u>	<u>79,197</u>
January to September 2024					
	Board cards and system segment	Industrial automation intelligence segment	Others	Adjustment and elimination	Total
Revenue from external clients	\$ 4,133,996	1,500,800	963,970	-	6,598,766
Inter-departmental income	5,753	-	-	(5,753)	-
Total income	<u>\$ 4,139,749</u>	<u>1,500,800</u>	<u>963,970</u>	<u>(5,753)</u>	<u>6,598,766</u>
Reportable department profit or loss	<u>\$ 323,550</u>	<u>(28,505)</u>	<u>80,855</u>	<u>2,187</u>	<u>378,087</u>
January to September 2023					
	Board cards and system segment	Industrial automation intelligence segment	Others	Adjustment and elimination	Total
Revenue from external clients	\$ 4,631,534	1,612,378	757,514	-	7,001,426
Inter-departmental income	10,020	104	5,770	(15,894)	-
Total income	<u>\$ 4,641,554</u>	<u>1,612,482</u>	<u>763,284</u>	<u>(15,894)</u>	<u>7,001,426</u>
Reportable department profit or loss	<u>\$ 422,486</u>	<u>(56,233)</u>	<u>43,653</u>	<u>2,100</u>	<u>412,006</u>

**DFI Inc. and its subsidiaries**  
**Loan of funds to others**  
**From January 1 to September 30, 2024**

**Table 1**

Unit: In Thousands of New Taiwan Dollars

No.	Financing company	Loan recipient	Transaction item	Related party	Maximum amount in current period	Ending balance	Amount actually drawn in current period	Range of interest rate	Nature of financing	Business transaction amounts	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Financing limits for each borrowing company	Total financing limits
													Name	Value		
1	AEWIN	Beijing AEWIN	Other receivables-related parties	Yes	237,676	200,035	200,035	-	1	268,376	Business interaction	-	-	-	276,566	553,132
2	Ace Pillar	Tianjin ACE Pillar	Other receivables-related parties	Yes	246,032	135,399	-	0~2%	2	-	Operating capital turnover	-	-	-	396,967	793,934
2	Ace Pillar	Suzhou Super Pillar	Other receivables-related parties	Yes	87,796	-	-	-	2	-	Operating capital turnover	-	-	-	396,967	793,934
3	Cyber South	Tianjin ACE Pillar	Other receivables-related parties	Yes	22,985	22,155	-	-	2	-	Operating capital turnover	-	-	-	531,801	531,801
4	Proton	Tianjin ACE Pillar	Other receivables-related parties	Yes	13,134	12,660	-	-	2	-	Operating capital turnover	-	-	-	401,216	401,216
5	Suzhou Super Pillar	Tianjin ACE Pillar	Other receivables-related parties	Yes	45,467	45,133	45,133	3%	2	-	Operating capital turnover	-	-	-	118,258	118,258

Note 1: The limits of funds lent by AEWIN to all others and to each individual were 40% and 20%, respectively, of the net value of the company's most recent financial statements.

Note 2: The limits of funds lent by Ace Pillar to all others and to each individual were 40% and 20%, respectively, of the net value of the company's most recent financial statements.

Note 3: The limits of funds lent by Cyber South to all others and to each individual were 10% and 5%, respectively, of the net value of the company's most recent financial statements. When lending funds to foreign subsidiaries that the parent company directly or indirectly holds 100% of the voting shares based on need for financing, the limit of all loans and each loan was 100% of the net value.

Note 4: The limits of funds lent by Proton to all others and to each individual were 10% and 5%, respectively, of the net value of the company's most recent financial statements. When lending funds to foreign subsidiaries that the parent company directly or indirectly holds 100% of the voting shares based on need for financing, the limit of all loans and each loan was 100% of the net value.

Note 5: The limits of funds lent by Suzhou Super Pillar to all others and to each individual were 40% and 20%, respectively, of the net value of the subsidiaries' most recent financial statements. When lending funds to foreign subsidiaries that the parent company directly or indirectly holds 100% of the voting shares based on need for financing, the limit of all loans and each loan was 100% of the net value of the subsidiaries.

Note 6: "1" for those with the nature for financing arising from business transaction; "2" for those with short-term financing needs.

Note 7: The loans and transactions between the Company and its subsidiaries have been offset in the preparation of consolidated financial statements.



**DFI Inc. and its subsidiaries**  
**Marketable securities held at the end of the period (excluding the investments in subsidiaries, associates and joint ventures)**  
**September 30, 2024**

Table 2

Unit: In thousands of New Taiwan Dollar/ In thousands of foreign currency/ In thousands of shares/ In thousands of units

	Type and name of marketable securities	Relationship with the issuer of marketable securities	Accounts	End of period				Remarks
				Number of shares/units	Carrying amount	Shareholding ratio	Fair value	
The Company	Beneficiary certificate: Cathay No.1 REIT	-	Financial assets at fair value through profit or loss - current	1,442	23,130	-	23,130	-
The Company	Stock: APLEX Technology Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,886	107,302	5.08%	107,302	-
AEWIN	Stock: AEWIN KOREA TECHNOLOGIES CO., LTD.	Substantial related party	Financial assets at fair value through other comprehensive income - non-current	10	739	16.67%	739	-
AEWIN	Stock: Authentrend Technology Inc.	-	Financial assets at fair value through profit or loss - non-current	300	(Note)	1.19%	-	-
Standard Co.	Stock: Intelligent Fluids GmbH	-	Financial assets at fair value through other comprehensive income - non-current	27	(Note)	1.36%	-	-
Standard Co.	Stock: COMPITEK CORP PTE. LTD. (CPL)	-	Financial assets at fair value through other comprehensive income - non-current	36	8,359	6.28%	8,359	-
STCBVI	Bonds: Biogen Inc.	-	Financial assets measured at amortized cost - non-current	USD 100	3,327	-	3,327	-
Ace Pillar	Stock: Blade Hydrogen Green Technology Co., LTD.	-	Financial assets at fair value through other comprehensive income - non-current	10,000	50,000	9.31%	50,000	-

(Note) All of the above have been provisioned for impairment.

DFI Inc. and its subsidiaries  
The cumulative purchase or sale of the same securities amounted to NTD300 million or 20% and above of the paid-in capital  
From January 1 to September 30, 2024

Table 3

Unit: In thousands of New Taiwan Dollars/In thousands of shares														
Companies involved in buying and selling	Type and name of marketable securities	Accounts	Counterparty	Relationship	Beginning of the period		Purchase		Sell			End of period		
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Carrying cost	Gain or loss on disposal	Number of shares	Amount (Note 1)
The Company	Tekpak - Stock	Investments accounted for under the equity method	-	None	-	-	373	560,000	-	-	-	-	373	568,223
Ace Pillar	Tekpak - Stock	Investments accounted for under the equity method	-	None	-	-	460	690,000	-	-	-	-	460	700,134

Note 1: The balance after adjusting for the current period's profit and loss and other related adjustments recognized using the equity method.

**DFI Inc. and its subsidiaries**  
**The amount of purchases or sales with related parties reached NT\$100 million or 20% and above of the paid-in capital**  
**From January 1 to September 30, 2024**

Table 4

Unit: In Thousands of New Taiwan Dollars

Purchaser/Seller	Name of counterparty	Relationship	Transaction status				Situation and reason for difference between the trading terms and those of the general trading		Notes and accounts receivable (payable)		Remarks
			Purchase (Sales)	Amount	Proportion to total purchase (sales)	Credit period	Unit price	Credit period	Balance	Proportion to total notes and accounts receivable (payable)	
Diamond Flower Information (NL) B.V.	The Company	Parent company and subsidiary	Purchases	338,057	100.00%	60-90 days to collect	-	-	(22,773)	100.00%	Note 1
The Company	Diamond Flower Information (NL) B.V.	Parent company and subsidiary	(Sales)	(338,057)	14.86%	60-90 days to collect	-	-	22,773	4.48%	Note 1
DFI AMERICA, LLC.	The Company	Parent company and subsidiary	Purchases	293,357	97.30%	60-90 days to collect	-	-	(58,407)	100.00%	Note 1
The Company	DFI AMERICA, LLC.	Parent company and subsidiary	(Sales)	(293,357)	12.90%	60-90 days to collect	-	-	58,407	11.49%	Note 1
DFI Co., Ltd.	The Company	Parent company and subsidiary	Purchases	226,947	99.43%	60-90 days to collect	-	-	(15,386)	92.62%	Note 1
The Company	DFI Co., Ltd.	Parent company and subsidiary	(Sales)	(226,947)	9.98%	60-90 days to collect	-	-	15,386	3.03%	Note 1
AEWIN	Beijing AEWIN	Parent company and subsidiary	(Sales)	(141,288)	12.11%	150 days after shipment	-	-	214,649	40.79%	Note 1
AEWIN	Aewin Tech Inc.	Parent company and subsidiary	(Sales)	(330,429)	28.33%	120 days after shipment	-	-	158,411	30.10%	Note 1
Beijing AEWIN	AEWIN	Parent company and subsidiary	Purchases	141,288	35.58%	150 days after shipment	-	-	(214,649)	40.61%	Note 1
Aewin Tech Inc.	AEWIN	Parent company and subsidiary	Purchases	330,429	100.00%	120 days after shipment	-	-	(158,411)	100.00%	Note 1

Note 1: The above transactions have been offset when preparing the consolidated financial report.

**DFI Inc. and its subsidiaries**  
**Receivables from related parties reached NT\$100 million or 20% and above of paid-in capital**  
**September 30, 2024**

Table 5

Unit: In Thousands of New Taiwan Dollars

Company with receivables	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for bad debts recognized
					Amount	Treatment		
AEWIN	Beijing AEWIN	Parent company and subsidiary	214,649	0.77	108,313	Strengthen collection	-	-
AEWIN	Beijing AEWIN	Parent company and subsidiary	200,035	-	-	-	48,638	-
AEWIN	Aewin Tech Inc.	Parent company and subsidiary	158,411	3.51	-	-	28,714	-

(Note) The aforesaid transactions had been offset when the consolidated financial statements were prepared.

**DFI Inc. and its subsidiaries**  
**Business relationship and significant transactions between the parent company and the subsidiaries**  
**From January 1 to September 30, 2024**

Table 6

Unit: In Thousands of New Taiwan Dollars

No. (Note 1)	Name of trader	Counterparty	Relationship with trader (Note 2)	Transaction situation			
				Account	Amount	Transaction terms	Proportion to consolidated revenue or asset (Note 7)
0	The Company	DFI AMERICA, LLC.	1	(Sales)	293,357	60-90 days to collect	4.45%
0	The Company	Diamond Flower Information (NL) B.V.	1	(Sales)	338,057	60-90 days to collect	5.12%
0	The Company	DFI Co., Ltd.	1	(Sales)	226,947	60-90 days to collect	3.44%
0	The Company	Qisda Corporation	2	(Sales)	83,723	Payment term of 60 days	1.27%
0	The Company	Qisda Optronics (Suzhou) Co., Ltd.	3	(Sales)	78,958	Payment term of 60days	1.20%
1	AEWIN	Beijing AEWIN	3	(Sales)	141,288	(Note 5)	2.14%
1	AEWIN	Beijing AEWIN	3	Accounts receivable	214,649	(Note 5)	1.80%
1	AEWIN	Beijing AEWIN	3	Other receivables	200,035	-	1.68%
1	AEWIN	Aewin Tech Inc.	3	(Sales)	330,429	(Note 6)	5.01%
1	AEWIN	Aewin Tech Inc.	3	Accounts receivable	158,411	(Note 6)	1.33%

Note 1: The number should be filled in as follows:

1. 0 stands for the parent company.
2. The subsidiaries are numbered with Arabic numbers starting with 1.

Note 2: The types of relationships with traders are indicated as follows:

1. Parent company - subsidiary.
2. Subsidiary - parent company.
3. Subsidiary - subsidiary.

Note 3: The business relationship and important transactions between the parent and subsidiaries only disclose sales of goods and accounts receivable, and corresponding purchase and accounts payable are omitted here.

Note 4: It is calculated by dividing the transaction amount by the consolidated operating income or total consolidated assets.

Note 5: 150 days after shipment and subject to extension according to market conditions.

Note 6: 120 days after shipment and subject to extension according to market conditions.

Note 7: With respect to the business relationships and important transactions between parent and subsidiary companies, only information regarding those accounting for 1% or more of the consolidated revenue or assets are disclosed.

**DFI Inc. and its subsidiaries**  
**Reinvestment and related information**  
**From January 1 to September 30, 2024**

Table 7

Unit: In thousands of New Taiwan Dollars/In thousands of shares

	Name of investee	Location	Primary business	Original investment amount		Ending shareholding			Profit (loss) of the investee for the period	Investment profit (loss) recognized for the period	Remarks (Note 2)
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
The Company	DFI AMERICA, LLC.	USA	Sales of industrial computer cards	254,683	254,683	1,209	100%	442,030	1,481	1,481	Subsidiary of the Company
The Company	Yan Tong	Mauritius	General investment business	107,198	107,198	3,500	100%	107,981	13,369	13,303	Subsidiary of the Company
The Company	DFI Co., Ltd.	Japan	Sales of industrial computer cards	104,489	104,489	6	100%	162,827	9,171	9,171	Subsidiary of the Company
The Company	Diamond Flower Information (NL) B.V.	Netherlands	Sales of industrial computer cards	35,219	35,219	12	100%	168,161	11,623	11,623	Subsidiary of the Company
The Company	AEWIN	Taiwan	Design, manufacturing and sale of industrial computer motherboards and related products	564,191	564,191	30,376	51.38%	711,335	39,111	20,095	Subsidiary of the Company
The Company	Ace Pillar	Taiwan	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	1,293,623	1,301,359	53,558	47.71%	1,036,776	21,916	6,814	Subsidiary of the Company
The Company	Tekpak	Taiwan	Production, manufacturing, and sales of bundling equipment	560,000	-	373	31.65%	568,223	99,236	8,224	Subsidiary of the Company
AEWIN	Wise Way	Anguilla	Investment business	46,129	46,129	1,500	100%	92,541	(19,992)	(Note 1)	Subsidiary indirectly controlled by the Company
AEWIN	Aewin Tech Inc.	USA	Wholesale of computer and peripheral equipment and software	77,791	77,791	2,560	100%	27,515	18,373	(Note 1)	Subsidiary indirectly controlled by the Company
Wise Way	Bright Profit	Hong Kong	Investment business	46,129	46,129	1,500	100%	131,403	(19,993)	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Cyber South	Samoa	Holding Company	107,041	107,041	4,669	100%	531,801	(21,467)	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Hong Kong ACE Pillar	Hong Kong	Trade of transmission mechanical components	-	5,120	-	0%	(Note 4)	-	(Note 1)	Subsidiary indirectly controlled by the Company
Cyber South	Proton	Samoa	Holding Company	527,665	527,665	17,744	100%	401,216	(32,056)	(Note 1)	Subsidiary indirectly controlled by the Company
Cyber South	Ace Tek	Hong Kong	Holding Company	4,938	4,938	150	100%	3,129	420	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Standard Co.	Taiwan	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	187,000	187,000	6,084	60%	221,200	15,870	(Note 1)	Subsidiary indirectly controlled by the Company
Standard Co.	Standard Technology Corp.	BVI	Holding Company	21,727	21,727	600	100%	98,777	8,668	(Note 1)	Subsidiary indirectly controlled by the Company
ACE Energy	BlueWalker GmbH	Germany	Trading and services of energy management products	138,804	138,804	(Note 3)	100%	192,817	17,437	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	ACE Energy	Taiwan	Energy technical services	166,760	166,760	4,993	99.86%	221,729	21,558	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Tekpak	Taiwan	Production, manufacturing, and sales of bundling equipment	690,000	-	460	39%	700,134	99,236	(Note 1)	Subsidiary indirectly controlled by the Company

Note 1: The profit or loss of the investee company has been included in its investor, so to avoid confusion, it is not be expressed separately here.

Note 2: The subsidiaries directly and indirectly controlled by the Company in the above table have been written off when preparing the consolidated financial report.

Note 3: It is a limited liability company, so there is no number of shares.

Note 4: Hong Kong Ace Pillar resolved to dissolve in July 2023, and the cancellation procedures were completed in February 2024.

DFI Inc. and its subsidiaries  
Investment Information in Mainland China  
From January 1 to September 30, 2024

**Table 8**

1. Information on reinvestment in Mainland China:

Unit: In thousands of New Taiwan Dollar/In thousands of foreign currency

Investee in mainland China	The Company's primary business	Paid-in capital	Investment method	Accumulated amount of investment remitted out of Taiwan at the beginning of the period	Remitted or repatriated amount of investment for the period		Accumulated investment amount remitted from Taiwan at the end of current period	Current profit (loss) of the investee in the period	Shareholding ratio of direct or indirect investment of the Company	Investment profit (loss) recognized in the period	Ending carrying value of investment	Repatriated investment income as of the end of the period
					Remitted	Repatriated						
Yan Ying Hao Trading (Shenzhen) Co. Ltd.	Wholesale, import and export of computer motherboard, board cards, host computer, electronic parts and components	13,840 (USD 500 )	(Note 1)	- (USD - )	-	-	-	9,214	100%	9,214 (Note 2) (19,993)	29,039	-
Beijing AEWIN	Business of wholesaling computers and their peripheral equipment and software	46,129 (USD 1,500 )	(Note 1)	46,129 (USD 1,500 )	-	-	46,129 (USD 1,500 )	(19,993)	100%	(19,993) (Note 2)	131,403	-
Aewin (Shenzhen)	Business of wholesaling computers and their peripheral equipment and software	15,265 (CNY 3,500 )	(Note 4)	-	-	-	-	1,288 (CNY 286 )	100%	1,288 (CNY 286 )	(Note 6)	-
Tianjin ACE Pillar	Trade of transmission mechanical components	1,117,150 (USD 35,297 )	(Note 1)	61,718 (USD 1,950 )	-	-	61,718 (USD 1,950 )	(38,340)	100%	(38,340) (Note 2)	474,904	125,533
Tianjin Jinhao	Manufacturing and processing of mechanical transmission products	-	(Note 1)	5,064 (USD 160 )	-	-	5,064 (USD 160 )	-	(Note 5)	- (USD - ) (Note 2)	- (USD - )	-
Quansheng Information	Electronic system integration	9,495 (USD 300 )	(Note 1)	4,748 (USD 150 )	-	-	4,748 (USD 150 )	420	100%	420 (USD 13 ) (Note 2)	3,101 (USD 98 )	-
Suzhou Super Pillar	Processing and technical services of mechanical transmission and control products	45,893 (USD 1,450 )	(Note 1)	- (Note 3)	-	-	- (Note 3)	6,174	100%	6,174 (USD 193 ) (Note 2)	118,258 (USD 3,736 )	-
Shanghai Standard	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	15,192 (USD 480 )	(Note 1)	15,192 (USD 480 )	-	-	15,192 (USD 480 )	8,589	100%	8,589 (Note 2)	95,163	160,279

Note 1: Reinvest in the companies in Mainland China through companies established in third regions.  
Note 2: It is recognized in line with the financial report prepared by the investee and reviewed by the CPA of the parent company in Taiwan.  
Note 3: It was reinvested and established by Cyber South.  
Note 4: It is a Mainland China-based company reinvested by Beijing AEWIN.  
Note 5: Grace Transmission Co., Ltd. resolved to dissolve in January 2022 and completed its liquidation in January 2024.  
Note 6: Aewin (Shenzhen) has been fully liquidated in June, 2024 and deregistration has been completed in July, 2024.

2. Limit of investment in mainland China:

Name of investor company	The cumulative amount of investment remitted from Taiwan to the Mainland China at the end of the current period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Upper Limit on Investment in mainland China regulated by the Investment Commission of the Ministry of Economic Affairs (Note 2)
DFI	0 (Note 1)	65,990 (Note 3 and Note 4) (USD 2,085 )	3,227,316
AEWIN	46,129 (USD 1,500 )	47,475 (USD 1,500 )	829,699
Ace Pillar	162,016 (USD 5,119 )	162,016 (USD 5,119 )	1,634,957
Standard Co.	15,192 (USD 480 )	15,192 (USD 480 )	117,968

Note 1: It refers to the amount actually remitted by the Company and approved by the Investment Commission, excluding the amount remitted by subsidiaries and approved by the Investment Commission.

Note 2: According to the Review Principles for Investment or Technical Cooperation in Mainland China, the accumulated amount of investment in Mainland China shall not exceed 60% of the net value or consolidated net value, whichever the higher.

Note 3: The Company's net investment amount after the cancellation of Dongguan Nippon Trading Co., Ltd. approved by the Investment Commission in August 2014.

Note 4: Repatriated amount of earnings after the cancellation of Yan Tong Infotech (Dongguan) Co., Ltd. approved by the Investment Commission in February 2017.

3. Material transactions with investees in Mainland China:

Please refer to the statement under the "Information on Significant Transactions" for the direct or indirect material transactions between the Group and the investees in mainland China from January 1 to September 30, 2024 (these transactions had been written off when the consolidated financial statements were prepared).