Stock Code: 2397

DFI Inc.

Parent Company Only Financial Statements

and Independent Auditors' Report

For the years ended December 31, 2022 and 2021

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

Company Address: 10F, No. 97, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City

Tel.: (02)26972986

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.

Table of Contents

Independent Auditors' Report

The Board of Directions and Shareholders DFI Inc.

Audit Opinion

We have audited the accompanying parent company only financial statements of DFI Inc. (hereinafter "the Company"), which comprise the balance sheet as of December 31, 2022 and the restated balance sheet as of December 31, 2021, and the income statement, statement of changes in equity, and statement of cash flow from January 1 to December 31, 2022 and the restated ones from January 1 to December 31, 2021, as well as the notes to the parent company only financial statements (including the summary of significant accounting policies).

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of other matter), the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and its restated financial position as of December 31, 2021, as well as its financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS).

Basis for opinion

We conducted audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards of the Republic of China. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results and other certified public accountants' audit reports, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Key audit matters that we judge should be communicated in the audit reports are stated as follows:

I. Investments in subsidiaries

For accounting policies related to investments in subsidiaries and business combinations, please refer to Note IV (IX) and (XVIII) of the Company's financial statements.

Key audit matters are stated as follows:

Ace Pillar Co., Ltd., a subsidiary of DFI Inc., acquired 60% of the equity of Standard Technology Corporation and 100% of the equity of Blue Walker GmbH in 2022. Due to the accounting treatment of business combination, the management needs to determine the fair value of the acquisition consideration transferred and the identifiable acquired assets and liabilities assumed; the process involves many assumptions and estimates with complexity, so the addition of investments in subsidiaries for this period is one of the material evaluation matters for us to perform the parent company only financial statements of the Company.

The audit procedures to process for the above:

Our main audit procedures for the above-mentioned key audit matters include obtaining the fair value assessment and the purchase price allocation of intangible assets reports entrusted by the management to external experts, and assessing the assets and liabilities identified by management at the acquisition date and the reasonableness of their evaluations; appointing our experts of evaluation to assist in assessing the reasonableness of the evaluation methods and material assumptions used in the evaluation; we also assess the correctness of the relevant accounting and whether the relevant information about the acquisition has been properly disclosed.

II. Impairment Assessment of Goodwill Arising from Investments in Subsidiaries

For accounting policies related to impairment of non-financial assets, please refer to Note IV (XIII) of the parent company only financial statements; for description of the uncertainty of accounting estimates and assumptions of impairment assessment of goodwill, please refer to Note V (II) of the parent company only financial statements; for description of impairment test of goodwill, please refer to Note VI (VIII) of the parent company only financial statements.

Key audit matters are stated as follows:

The Company's goodwill arising from acquisition of subsidiaries was included in the book value of the investment accounted for using the equity method in the parent company only financial statements, and the goodwill should be tested for impairment annually, or whenever there is an indication of impairment. Due to assessing the recoverable amount of the cash-generating unit to which goodwill belongs involves a number of management assumptions and estimates, the goodwill impairment assessment is one of the important assessment matters for us to perform the audit of the parent company only financial report of the Company.

The audit procedures to process for the above:

Our main audit procedures for the above key audit matters include obtaining a goodwill impairment assessment test form self-assessed by the management; evaluating the basis of estimates and key assumptions used by the management to measure the recoverable amount, including reasonableness of discount rates, expected revenue growth rates, and future cash flow forecast, etc.; processing sensitivity analysis for key assumptions, and checking whether the Company have properly disclosed relevant information on goodwill impairment assessment.

Emphasis of Matter

As stated in Notes IV (XIX) and VI (VIII), the subsidiary of the Company, Ace Pillar Co., Ltd., acquired 100% equity interests in the subsidiary of Qisda Corporation, ACE Energy Co., Ltd., on July 1, 2022 by way of cash acquisition. Pursuant to the Interpretations (2012) No.301 issued by Accounting Research and Development Foundation and the Discussion Paper of IFRS 3 "Q&A on Accounting Treatments for Business Combinations under Common Control" dated on October 26, 2018, which is an organizational reorganization under common control and should be regarded as an acquisition from the beginning. The Company has prepared the parent company only financial statements of 2022 and the restated parent company only financial report of 2021 accordingly. Our audit opinions are not modified in respect of this matter.

Other Matters

The financial statements of partial investment accounted for using the equity method listed in the Company's parent company only financial statements were not audited by us but by other certified public accountants. Therefore, our opinions expressed in the parent company only financial statements regarding the amounts of that investee company are according to other certified public accountants' audit reports. On December 31, 2022 and 2021, the amount of investment in the investee company recognized by the equity method was NT $382,317 thousand and NT $363,409 thousand, accounting for 5.52% and 5.59% of the total assets, respectively. For the periods from January 1 to December 31, 2022 and 2021, the shares of subsidiary profits and losses under the equity method were $20,781 thousand and $4,624 thousand, accounting for 3.30% and 0.66% of net profit before tax, respectively.

Responsibility of the Management and the Governance Units for the Parent Company Only Financial Statements

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

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

Those charged with governance (including Audit Committee) are responsible for overseeing DFI Inc.'s financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the individual amounts or sums that the material misstatement involved may be reasonably expected to affect the financial decision making of users of the parent company only financial statements, such misstatement will be considered material.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DFI Inc.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the DFI Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause DFI Inc. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtained sufficient and appropriate audit proof of the financial information of the investee company accounted for using the equity method so as to express opinions on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to the Company.

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

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

From the matters communicated with those charged with governance, we determine the key audit matters of the Company's parent company only financial statements for the year ended December 31, 2022. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

CPA:

Assurance Document Number Approved by Securities Regulator	:	(88) Taiwan-Finance-Securities-VI-18311 Financial-Supervisory-Securities-Audit-1060005191

March 2, 2023

Notes to Readers

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

The independent auditors' audit 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' audit report and financial statements, the Chinese version shall prevail.

DFI Inc.

Balance Sheets

As of December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

		2022.12.31		2021.12.31 (Restated)	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (Note VI (I))	$ 452,905	7	240,866	4
1110	Financial assets at fair value through profit or loss - current (Notes VI (II))	26,995	-	27,137	-
1136	Financial assets at amortized cost - current (Notes VI (IV) & VIII)	1,500	-	1,500	-
1170	Net of notes receivable and accounts receivable (Notes VI (V) & (XX))	452,413	7	244,269	4
1180	Accounts receivable from related parties (Notes VI (V), (XX) & VII)	672,077	10	382,231	6
1200	Other receivables (Notes VI (V) & VII)	31,162	-	22,692	-
130X	Inventories (Notes VI (VI))	972,940	14	1,104,949	17
1410	Prepayments	20,341	-	30,619	1
1470	Other current assets	1,281	-	591	-
	Total current assets	2,631,614	38	2,054,854	32
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes VI (III))	68,840	1	41,259	1
1550	Investment under equity approach (Note VI (VIII)	2,975,611	43	3,145,141	48
1600	Property, plant and equipment (Notes VI (IX) & VII)	1,061,807	15	1,066,375	16
1755	Right-of-use assets (Notes VI (X) & VII)	121,799	2	123,454	2
1780	Intangible assets (Notes (XI) & VII)	12,655	-	10,522	-
1840	Deferred income tax assets (Notes VI (XVII)	55,827	1	39,170	1
1990	Other non-current assets	2,520	-	23,597	-
	Total non-current assets	4,299,059	62	4,449,518	68
	Total assets	**$ 6,930,673**	**100**	**6,504,372**	**100**

(Please refer to notes to parent company only financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc.

Balance Sheets (Continued from the previous page)

As of December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

		2022.12.31		2021.12.31 (Restated)	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (Notes VI (XII))	$ 1,055,000	15	700,000	11
2120	Financial liabilities at fair value through profit or loss - current (Notes VI (II))	1,083	-	65	-
2130	Contract liabilities - current (Note VI(XX))	21,708	-	36,729	1
2170	Accounts payables	728,435	11	694,084	11
2180	Accounts payables to related parties (Note VII)	151,096	2	89,898	1
2200	Other payables (Note VI (XXI) & VII)	199,018	3	269,196	4
2230	Current income tax liabilities	122,938	2	12,682	-
2250	Provisions - current (Note VI (XV))	51,236	1	46,247	1
2280	Lease liabilities - current (Note VI (XIV) & VII)	18,889	-	14,282	-
2399	Other current liabilities	12,866	-	4,490	-
	Total current liabilities	2,362,269	34	1,867,673	29
	Non-current liabilities:				
2540	Long-term borrowings (Notes VI (XIII))	1,100,000	16	1,300,000	20
2570	Deferred income tax liabilities (Notes VI (XVII)	81,948	1	104,503	2
2580	Lease liabilities - non-current (Note VI (XIV) & VII)	107,851	2	114,023	2
2640	Net defined benefit liabilities - non-current (Note (XVI))	31,174	-	40,584	-
	Total non-current liabilities	1,320,973	19	1,559,110	24
	Total liabilities	3,683,242	53	3,426,783	53
	Equity (Note VI (VIII) and (XVIII)):				
3110	Share capital - Ordinary shares	1,144,889	17	1,144,889	18
3200	Capital surplus	608,586	9	655,744	10
3300	Retained earnings	1,531,997	22	1,371,470	21
3400	Other equity	(38,041)	(1)	(114,824)	(2)
		3,247,431	47	3,057,279	47
35XX	Former owner of business combination under common control	-	-	20,310	-
	Total equity	3,247,431	47	3,077,589	47
	Total liabilities and equity	**$ 6,930,673**	**100**	**6,504,372**	**100**

(Please refer to notes to parent company only financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc.

Statement of Comprehensive Income

January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

		2022 Amount	2022 %	2021 (Restated) Amount	2021 (Restated) %
4000	**Net operating revenue (Notes VI (XX), VII and XIV)**	$ 5,442,148	100	3,460,880	100
5000	**Operating costs (Note VI (VI) (IX) (X) (XI) (XIV)(XV) (XVI) (XXI), VII & XII)**	(4,366,454)	(80)	(2,798,695)	(81)
	Gross Profit	1,075,694	20	662,185	19
5910	Gain on realized (unrealized) sales	(60,265)	(1)	18,792	1
	Gross Profit	1,015,429	19	680,977	20
	Operating expenses (Note VI (V), (IX), (X), (XI), (XIV), (XVI), (XXI), VII & XII):				
6100	Selling and marketing expenses	(180,818)	(4)	(187,585)	(5)
6200	General and administrative expenses	(122,476)	(2)	(142,804)	(4)
6300	Research and development expenses	(278,529)	(5)	(268,180)	(8)
6450	Expected credit (impairment loss) gain on reversal	(1,798)	-	4,483	-
6000	**Total operating expenses**	(583,621)	(11)	(594,086)	(17)
	Net operating income	431,808	8	86,891	3
	Non-operating income and expenses (Notes VI (VII), (XIV), (XXII) & VII)				
7100	Interest income	2,236	-	744	-
7010	Other income	29,039	1	19,156	-
7020	Other gain and loss	15,920	-	459,837	13
7050	Finance costs	(27,177)	-	(11,499)	-
7070	Shares of profit (loss) of subsidiaries accounted for using the equity method	177,345	3	145,260	4
	Total non-operating income and expenses	197,363	4	613,498	17
7900	**Profit before tax**	629,171	12	700,389	20
7950	**Less: Income tax expense (Note VI (XVII))**	(97,547)	(2)	(82,863)	(2)
8200	**Net profit for the period**	531,624	10	617,526	18
	Other comprehensive income (Note VI(XVII) and(XVIII)):				
8310	**Items that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	260	-	(839)	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	11,483	-	11,339	-
8330	Shares of other comprehensive income of subsidiaries accounted for using the equity method	(1,520)	-	661	-
8349	Income tax relating to items that will not be reclassified	(52)	-	168	-
		10,171	-	11,329	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translating the financial statements of foreign operations	65,556	1	(51,761)	(1)
8399	Income tax relating to items that may be reclassified	-	-	-	-
		65,556	1	(51,761)	(1)
	Other comprehensive income (loss) for the period	75,727	1	(40,432)	(1)
8500	**Total comprehensive income (loss) for the period**	**$ 607,351**	**11**	**577,094**	**17**
	Net profit in current period attributable to:				
8610	Owners of the parent company	$ 528,230	10	615,903	18
	Former owner of business combination under common control	3,394	-	1,623	
		$ 531,624	**10**	**617,526**	**18**
	Total comprehensive income (loss) attributable to:				
8710	Owners of the parent company	$ 603,957	11	575,471	17
	Former owner of business combination under common control	3,394	-	1,623	-
		$ 607,351	**11**	**577,094**	**17**
	Earnings per Share (Unit: In New Taiwan Dollars, Note VI (XIX))				
9750	**Basic earnings per share**	**$ 4.61**		**5.38**	
9850	**Diluted earnings per share**	**$ 4.58**		**5.33**	

(Please refer to notes to parent company only financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc.

Statement of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

			Retained earnings				Other Equity Items					
	Share capital - Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) of financial assets at fair value through other comprehensive income	Total	Treasury shares	Former owner of business combination under common control	Total equity
Balance as of January 1, 2021 (Restated)	$ 1,146,889	679,735	788,518	54,268	393,207	1,235,993	(83,110)	8,503	(74,607)	(12,907)	18,687	2,993,790
Net profit for the period	-	-	-	-	615,903	615,903	-	-	-	-	1,623	617,526
Other comprehensive income (loss) for the period	-	-	-	-	(215)	(215)	(51,761)	11,544	(40,217)	-	-	(40,432)
Total comprehensive income (loss) for the period	-	-	-	-	615,688	615,688	(51,761)	11,544	(40,217)	-	1,623	577,094
Profit distribution:												
Legal reserve	-	-	37,246	-	(37,246)	-	-	-	-	-	-	-
Special reserve	-	-	-	20,339	(20,339)	-	-	-	-	-	-	-
Cash dividends for common shares	-	-	-	-	(320,569)	(320,569)	-	-	-	-	-	(320,569)
Cash dividends distributed from capital surplus	-	(22,898)	-	-	-	-	-	-	-	-	-	(22,898)
Cancellation of treasury shares	(2,000)	(1,093)	-	-	(9,814)	(9,814)	-	-	-	12,907	-	-
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	-	-	-	-	(149,828)	(149,828)	-	-	-	-	-	(149,828)
Balance as of December 31, 2021 (Restated)	1,144,889	655,744	825,764	74,607	471,099	1,371,470	(134,871)	20,047	(114,824)	-	20,310	3,077,589
Net profit for the period	-	-	-	-	528,230	528,230	-	-	-	-	3,394	531,624
Other comprehensive income (loss) for the period	-	-	-	-	(1,056)	(1,056)	65,556	11,227	76,783	-	-	75,727
Total comprehensive income (loss) for the period	-	-	-	-	527,174	527,174	65,556	11,227	76,783	-	3,394	607,351
Profit distribution:												
Legal reserve	-	-	61,568	-	(61,568)	-	-	-	-	-	-	-
Special reserve	-	-	-	40,215	(40,215)	-	-	-	-	-	-	-
Cash dividends for common shares	-	-	-	-	(366,364)	(366,364)	-	-	-	-	-	(366,364)
Cash distributed from capital surplus	-	(45,796)	-	-	-	-	-	-	-	-	-	(45,796)
Reorganization	-	(1,371)	-	-	-	-	-	-	-	-	(23,704)	(25,075)
Changes in percentage of ownership interests in subsidiaries	-	5	-	-	-	-	-	-	-	-	-	5
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	-	-	-	-	(283)	(283)	-	-	-	-	-	(283)
Disposition of unearned funds of employee stock ownership trust	-	4	-	-	-	-	-	-	-	-	-	4
Balance as of December 31, 2022	$ 1,144,889	608,586	887,332	114,822	529,843	1,531,997	(69,315)	31,274	(38,041)	-	-	3,247,431

(Please refer to notes to parent company only financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc.

Statements of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	2022	2021 (Restated)
Cash flows from operating activities:		
Net profit before tax for the period	$ 629,171	700,389
Adjustment item:		
Adjustments for		
Depreciation expenses	82,094	74,567
Amortization expenses	5,409	5,089
Expected credit impairment loss (gain on reversal)	1,798	(4,483)
Evaluation losses of financial assets measured at fair value through gains and losses	72	829
Interest expense	27,177	11,499
Interest income	(2,236)	(744)
Dividend income	(2,997)	(999)
Shares of profit of subsidiaries accounted for using the equity method	(177,345)	(145,260)
Loss on disposal of property, plant and equipment	-	1,652
Relisting expenses of property, plant and equipment	235	-
Gain on disposal of non-current assets held for sale	-	(469,360)
Unrealized (realized) gain (loss) on sales	60,265	(18,792)
Gain on lease amendment	-	(4)
Total revenue, expense and loss items	(5,528)	(546,006)
Changes in assets/liabilities related to business activities:		
Net changes in assets related to operating activities:		
Decrease (increase) in financial assets mandatorily classified as at fair value through profit or loss	70	(726)
Decrease (increase) in notes receivable and accounts receivable	(209,942)	36,746
Decrease (increase) in accounts receivable from related parties	(289,846)	86,349
Increase in other receivables	(8,470)	(12,766)
Decrease (increase) in inventories	132,009	(658,412)
Decrease (increase) in prepayments	10,278	(12,057)
Increase in other current assets	(690)	(155)
Total net changes in assets related to operating activities	(366,591)	(561,021)
Net change in liabilities related to operating activities:		
Increase (decrease) in financial liabilities held for trading	1,018	(3,760)
Increase (decrease) in contract liabilities	(15,021)	31,492
Increase in accounts payables	34,351	221,913
Increase (decrease) in accounts payables to related parties	61,198	(53,311)
Increase (decrease) in other payables	(43,096)	47,976
Increase (decrease) in provisions	4,989	(10,580)
Increase in other current liabilities	8,376	831
Decrease in net defined benefit liabilities	(9,150)	(217)
Total net changes in liabilities related to business activities	42,665	234,344
Total net changes in assets and liabilities related to operating activities	(323,926)	(326,677)
Total adjustment items	(329,454)	(872,683)
Cash generated from (used in) operations	299,717	(172,294)
Interest received	2,236	744
Interest paid	(26,425)	(11,238)
Income tax paid	(26,555)	(131,170)
Net cash generated from (used in) operating activities	248,973	(313,958)

(Continued on the next page)

(Please refer to notes to parent company only financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc.

Statements of Cash Flows (Continued from the previous page)

January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars

	2022	2021 (Restated)
Cash flows from investing activities:		
Purchase of financial assets at fair value through other comprehensive income	(16,098)	-
Proceeds from sale of financial assets at fair value through profit or loss	-	981
Acquisition of investments accounted for using the equity method	-	(1,016,944)
Refund of share capital due to capital decrease of subsidiaries accounted for using the equity method	80,063	-
Proceeds from disposal of non-current assets held for sale	-	542,245
Purchase of property, plant and equipment	(70,722)	(239,046)
Proceeds from disposal of property, plant and equipment	-	1,470
Decrease (increase) in refundable deposits	(892)	243
Purchase of intangible assets	(7,542)	(8,355)
Decrease (increase) in other non-current assets	3,026	(18,597)
Dividends received	248,227	51,597
Net cash (used in) generated from investment activities	236,062	(686,406)
Cash flows from financing activities:		
Proceeds from short-term borrowings	4,985,000	4,810,000
Repayments of short-term borrowings	(4,630,000)	(4,770,000)
Proceeds from long-term borrowings	1,000,000	1,750,000
Repayments of long-term borrowings	(1,200,000)	(450,000)
Repayment of the principal portion of lease	(15,840)	(10,704)
Cash dividends distributed	(412,160)	(343,467)
Disposition of unearned funds of employee stock ownership trust	4	-
Net cash (used in) generated from financing activities	(272,996)	985,829
Increase (decrease) in cash and cash equivalents for the current period	212,039	(14,535)
Cash and cash equivalents at the beginning of the period	240,866	255,401
Cash and cash equivalents at the end of the period	$ 452,905	240,866

(Please refer to notes to parent company only financial statements)

Chairman: Chi-Hung, Chen **President: Chia-Hung, Su** **Accounting Supervisor: Li-Min, Huang**

DFI Inc.
Notes to Parent Company Only Financial Statements
For the years ended December 31, 2022 and 2021
(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 is principally engaged in the manufacturing and sales of boards and computer components for industrial computers.

II. Date and Procedures of Authorization of Financial Statements

The accompanying parent company only financial statements were approved and issued by the board of directors on March 2, 2023.

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

As of January 1, 2022, the Company began to apply the following newly revised International Financial Reporting Standards (IFRS), which has not had a significant impact on the parent company only financial statements.

- Amendments to IAS 16, "Property, Plant and Equipment - Price before reaching Intended Use".
- Amendments to IAS 37, "Loss-making Contracts - Costs to Perform".
- Annual Improvements to IFRSs for the 2018-2020 Cycle
- Amendments to IFRS 3, "References to Conceptual Framework".

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

Based on the Company's assessment, the adoption of the following newly revised IFRSs effective from January 1, 2023 will not have a significant impact on the parent company only financial statements.

- Amendments to IAS 1, "Disclosure of Accounting Policies".
- Amendments to IAS 8, "Definition of Accounting Estimates".
- Amendments to IAS 12, "Deferred Income Taxes on Assets and Liabilities Arising from a Single Transaction".

(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 Company are as follows:

New issued or amended standards	Main amendments	Effective date of issuance by IASB
Amendment to IAS 1 "Classification of Liabilities as Current or Non-current”	Current IAS 1 states that liabilities in which a business does not have an unconditional right to extend their maturity to at least twelve months after the reporting period should be classified as current. The amendments remove the requirement that the right should be unconditional and instead requires that the right must exist at the end of the reporting period and must be material. The amendments clarify how an enterprise should classify liabilities that are settled by the issuance of its own equity instruments (e.g., convertible bonds).	January 1, 2024
Amendments to IAS 1 'Non-current liabilities with contractual provisions'	After reconsidering certain aspects of the 2020 amendments to IAS 1, the new amendments clarify that only contractual terms followed on or before the reporting date will affect the classification of a liability as current or non-current. Contractual terms (i.e., future terms) that an enterprise is required to follow after the reporting date do not affect the classification of a liability at that date. However, when non-current liabilities are subject to future contractual terms, companies are required to disclose information to help users of their financial statements learn about the risk that these liabilities may be settled within 12 months of the reporting date	January 1, 2024

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

The Company expects that the following newly issued and amended standards that have not been endorsed by the FSC yet will not deliver a material impact on the parent company only financial statements.

- Amendments to IFRS 10 and IAS 28 "Disposal of or Contribution to Assets between an Investor and its Affiliates or Joint Ventures
- Amendments to IFRS 17, "Insurance Contracts" and IFRS 17
- Amendments to IFRS 16, "Provisions for Sale and Leaseback Transactions

IV. Summary of Significant Accounting Policies

The significant accounting policies adopted in the parent company only financial statements are summarized below. The following accounting policies have been applied consistently to all periods presented in the parent company only financial statements.

(I) Statement of Compliance

These accompanying financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of Preparation

1. Basis of measurement

The parent company only financial statements have been prepared on the historical cost basis, except for the following significant balance sheet items.

(1) Financial instruments (including derivative financial instruments) measured at fair value through profit or loss.

(2) Financial assets at fair value through other comprehensive income; and

(3) Net defined benefit liabilities, which are measured at the present value of the defined benefit obligation less the fair value of pension fund assets.

2. Functional and presentation currencies

The functional currency of the Company is the currency of the primary economic environment in which the Company operates. The accompanying parent company only financial statements of the Company are presented in the Company’s functional currency, New Taiwan dollar. All financial information dominated in New Taiwan dollars shall be dominated in thousands of NTD, unless otherwise specified.

(III) Foreign currency

1. Foreign currency transactions

   Foreign currency transactions are translated into functional currencies at the exchange rates prevailing on the dates of transactions. At the end of each subsequent reporting period (hereinafter referred to as the "reporting date"), monetary items denominated in foreign currencies are translated into the functional currency using the exchange rates prevailing on that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currency at the exchange rates prevailing on the date of measurement of the fair value, while non-monetary items measured at historical cost in foreign currencies are translated at the exchange rates prevailing on the date of the transaction.

   Translation differences arising from foreign currency translations are generally recognized in profit or loss, except for equity instruments designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

2. Foreign Operations

   Assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of the parent company only financial statements at the exchange rates prevailing on the reporting date; income and expense items are translated into the presentation currency of the parent company only financial statements at the average exchange rates for the period, with the resulting exchange differences recognized in other comprehensive income.

   When the disposal of a foreign operating entity results in a loss of control, joint control or significant influence, the cumulative translation differences related to the foreign operating entity are reclassified to profit or loss. When the disposal includes a subsidiary of a foreign operating entity, the related cumulative translation differences are re-attributed to non-controlling interests on a pro rata basis. When the disposal component includes investments in affiliates or joint ventures of foreign operating entities, the related cumulative translation differences are reclassified proportionately to profit or loss.

   When there is no plan to settle a monetary receivable or payable from a foreign operation and it is not likely to be settled in the foreseeable future, the resulting foreign currency translation gain or loss is recognized in other comprehensive income as part of the net investment in the foreign operation.

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

Assets that meet one of the following criteria are classified 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 expected to be realized within 12 months after the reporting period; or
4. The asset is cash or cash equivalents, unless the asset is otherwise restricted from being exchanged or used to settle a liability at least twelve months after the reporting period.

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

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 due for settlement within 12 months after the reporting period; or
4. The liability does not have an unconditional right to defer settlement for at least twelve months after the reporting period. The terms of the liabilities do not affect the classification of the liabilities that may be settled by issuing equity instruments at the option of the counter-parties.

(V) Cash and cash equivalents

Cash includes cash on hand, checking deposits and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible into fixed amounts of cash and subject to an insignificant risk of changes in value. Time deposits that meet the above definition and are held to meet short-term cash commitments rather than for investment or other purposes are reported as cash equivalents.

(VI) Financial instruments

Accounts receivable and debt securities issued are recognized as they are incurred. All other financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments. Financial assets (excluding accounts receivable that do not include significant financial components) or financial liabilities measured at fair value through profit or loss were originally measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable that do not include significant financial components are originally measured at transaction prices.

1. Financial assets

   Financial assets at the time of initial recognition is classified as follows: Financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss. Purchase or sale of financial assets in accordance with transaction practices is subject to accounting treatment on the transaction date.

   The Company only reclassifies all affected financial assets from the first day of the next reporting period when it changes its business model for managing financial assets.

   (1) Financial assets measured at amortized cost

   Financial assets that simultaneously meet the following conditions and are not designated as measured at fair value through profit or loss are measured at amortized cost:

   - The financial asset is held under a business model for the purpose of receiving contractual cash flows.
   - The contractual terms of the financial asset generate cash flow on a specific date, which is entirely the interest on the payment of principal and outstanding principal amounts.

   After initial recognition, these financial assets are measured using the effective interest rate method at amortized cost less impairment losses. Interest income, foreign currency exchange gain or loss, and impairment losses are recognized in profit or loss. When de-recognized, profit or loss is included in profit or loss.

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

   When a debt instrument investment simultaneously meets the following conditions and is not designated as measured at fair value through profit or loss, it is measured at fair value through other comprehensive income:

   - The financial asset is held under a business model for the purpose of receiving contractual cash flows and selling.
   - The contractual terms of the financial asset generate cash flow on a specific date, which is entirely the interest on the payment of principal and outstanding principal amounts.

   Upon initial recognition, the Company may make an irrevocable option to report subsequent changes in the fair value of equity instrument investments not held for trading in other comprehensive income. The above selections were made on a tool by tool basis.

Debt instrument investments are subsequently measured at fair value. Interest income, foreign currency exchange gain or loss, and impairment losses calculated using the effective interest method are recognized in profit or loss, while the remaining net profits or losses are recognized in other comprehensive income. Upon derecognition, the accumulated amount of other comprehensive income under equity is reclassified to profit or loss.

Equity instrument investments are subsequently measured at fair value. Dividend income (unless it clearly represents the recovery of some investment costs) is recognized as profit or loss, and the remaining net profits or losses are recognized as other comprehensive income. When derecognized, the accumulated other comprehensive income under equity are reclassified to retained earnings, not to profit or loss. Dividend income from equity investments is recognized on the date on which the Company is entitled to receive dividends (usually the ex-dividend date).

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

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income are measured at fair value through profit or loss, including derivative financial assets. At the time of initial recognition, in order to eliminate or significantly reduce accounting mismatch, the Company may irrevocably designate financial assets that meet the criteria for measurement at amortized cost or fair value through other comprehensive income as financial assets measured at fair value through profit or loss.

These assets are subsequently measured at fair value, and the net gains or losses (including any dividends and interest income) arising from remeasurement are recognized as profit or loss.

(4) Impairment of financial assets

The Company recognizes an allowance for expected credit losses on financial assets measured at amortized cost, including cash and equivalents, financial assets measured at amortized cost, notes and accounts receivable, other receivables, and deposits.

The following financial assets are measured as allowance losses based on the expected amount of credit losses over a twelve-month period, while the remaining financial assets are measured based on the expected amount of credit losses during their lifetime:

- The credit risk of bank deposits (i.e., the risk of default during the expected lifetime of a financial instrument) has not significantly increased since the initial recognition.

The allowance for losses on accounts receivable is measured by the expected amount of credit losses during the period of existence.

The expected credit loss during the expected lifetime of a financial instrument refers to the expected credit loss caused by all possible default events during the expected lifetime of the financial instrument. "12 month expected credit loss" refers to the expected credit loss caused by a possible default event of a financial instrument within 12 months after the reporting date (or a shorter period, if the expected duration of the financial instrument is less than 12 months).

The maximum period for measuring expected credit losses is the longest contractual period during which the Company is exposed to credit risk.

In determining whether the credit risk has significantly increased since the initial recognition, the Company considers reasonable and verifiable information (available without excessive cost or investment), including qualitative and quantitative information, and analysis based on the historical experience, credit evaluation, and forward-looking information of the Company.

The expected credit loss is a weighted estimate of the probability of credit loss during the expected lifetime of a financial instrument. Credit losses are measured at the present value of all cash shortfalls, which is the difference between the cash flows that the Company can receive under the contract and the cash flows that the Company expects to receive. Expected credit losses are discounted at the effective interest rate of the financial assets.

Allowance for losses on financial assets measured at amortized cost is deducted from the carrying amount of the assets.

When the Company does not have a reasonable expectation of recovering all or part of a financial asset, the total carrying amount of the financial asset is directly reduced. The Company analyzes the timing and amount of write-offs individually on the basis of whether recovery is reasonably expected. The Company does not expect any material reversal of the amount written off. However, financial assets that have been written off are still enforceable in order to comply with the Company's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset cease, or when the financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to other enterprises, or when substantially all the risks and rewards of ownership of the asset have neither been transferred nor retained and control of the financial asset has not been retained.

If the Company enters into a transaction to transfer a financial asset, the financial asset is continuously recognized in the balance sheet if all or substantially all the risks and rewards of ownership of the transferred asset are retained.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(2) Equity transactions

An equity instrument is any contract that recognizes the Company's remaining interest in an asset less all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received less the cost of direct issuance.

(3) Treasury stock

Upon repurchase of equity instruments recognized by the Company, the consideration paid, including directly attributable costs, is recognized as a reduction of equity. Shares repurchased are classified as treasury stock. On subsequent sales or reissues of treasury stock, the amount received is recognized as an increase in equity and the residual or deficit arising from the transaction is recognized as capital surplus or retained earnings (if capital surplus is not sufficient to offset it).

(2) Financial liabilities

Financial liabilities are classified as being measured at amortized cost or at fair value through profit or loss. Financial liabilities are classified as being measured at fair value through profit or loss if they are held for trading, derivative instruments or designated at initial recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value, and the related net gain or loss, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and exchange gain or loss are recognized in profit or loss. Any gain or loss on derecognization is also recognized in profit or loss.

(3) Derecognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligations are fulfilled, canceled or expired. When the terms of a financial liability are modified and the cash flows of the modified liability are materially different, the original financial liability is derecognized and the new financial liability is recognized at fair value based on the modified terms. When a financial liability is derecognized, the difference between the carrying amount and the total consideration paid or payable (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(4) Offsetting of financial assets and liabilities

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

3. Derivative financial instruments

The Company holds derivative financial instruments to hedge the risk of foreign currency exposure. Derivatives are initially recognized at fair value, with transaction costs recognized in profit or loss; subsequently, they are measured at fair value, with gains or losses arising from remeasurement recognized directly in profit or loss. When its fair value is positive, the derivative is recognized as a financial asset; when its fair value is negative, the derivative is recognized as a financial liability.

(VII) Inventories

Inventories are measured at the lower of cost or net realizable value. Inventories include acquisition, production or processing costs and other costs incurred in bringing them to the place and condition in which they are available for use and are measured using the weighted-average method. Fixed manufacturing costs are allocated to finished goods and work in process based on the higher of normal production capacity or actual production of the production equipment, while variable manufacturing costs are allocated on the basis of actual production. Net realizable value is the estimated selling price under normal operations less estimated costs of completion and selling expenses required to complete the sale.

(VIII) Non-current assets held for sale

Non-current assets or disposal groups consisting of assets and liabilities are classified as non-current assets held for sale when their carrying amount is expected to be recovered principally through sale rather than through continuing use. Non-current assets or disposal groups that meet this classification must be available for immediate sale in their current condition and it is highly probable that the sale will be completed within one year. The components of the asset or disposal group are remeasured in accordance with the accounting policies of the Company prior to their original classification as non-current assets held for sale. After classification as a non-current asset held for sale, it is measured at the lower of its carrying amount or fair value less costs to sell. An impairment loss on any disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro rata basis. However, the loss is not allocated to assets not within the scope of IAS 36, Impairment of Assets, which continue to be measured in accordance with the Company's accounting policies. Gain or loss arising from the recognition of impairment losses and subsequent remeasurement of assets and liabilities originally classified as held for sale is recognized in profit or loss, provided that the reversal of such gain or loss does not exceed the cumulative impairment losses already recognized.

When intangible assets and property, plant and equipment are classified as non-current assets held for sale, they are no longer depreciated or amortized. In addition, the equity method is discontinued when the investments recognized using the equity method are classified as non-current assets held for sale.

(IX) Investment in subsidiaries

In the preparation of the parent company only financial statements, the Company adopts the equity method to evaluate the investee companies under its control. The carrying amount of an investment in a subsidiary includes goodwill recognized at the time of the original investment, less any accumulated impairment loss, which is recognized as a decrease in carrying amount of investment. Under the equity method, the current gains or losses and other composite gains or losses of the financial statements shall be the same as the share of the current gains or losses and other composite gains or losses attributable to the owners of the parent company in the financial statements prepared on a consolidated basis. Equity attributable to the owners of financial statements should be the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis.

Where the change in the Company's ownership interest in the subsidiary does not result in the loss of control, it shall be treated as an equity transaction with the owner.

(X) Property, plant and equipment

1. Recognition and measurement

   Property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

   If the significant components of property, plant and equipment have different useful lives, they are treated as separate items (major components) of property, plant and equipment.

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

2. Subsequent costs

   Subsequent expenditures are capitalized only when it is probable that future economic benefits will flow to the Company.

3. Depreciation

   Depreciation is calculated on the basis of the cost of an asset less its residual value and is recognized in profit or loss over the estimated useful life of each component using the straight-line method. Except for land, which is not subject to depreciation, the estimated useful lives of the remaining components are. Machinery equipment: 3 to 10 years; office and other equipment. 2 to 10 years. In addition, buildings and structures are depreciated over their estimated useful lives based on their significant components: 20 to 50 years for main and auxiliary buildings, and 3 to 10 years for other auxiliary electrical and mechanical equipment and engineering systems.

The depreciation method, useful lives and residual values are reviewed at each reporting date, and the effects of any changes in estimates are deferred and adjusted.

(XI) Lease

The Company assesses whether a contract is or comprises a lease at the inception date of the contract. A contract is or comprises a lease if it transfers control over the use of an identified asset for a period of time in exchange for consideration.

1. Lessees

The Company recognizes a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is measured initially at cost, which includes the original measurement of the lease liability, adjusted for any lease payments made on or before the commencement date of the lease, plus the original direct costs incurred and the estimated costs to disassemble, remove and restore the subject asset to its location or to the subject asset, less any lease incentives received. The lease payments are added to the original direct costs incurred and the estimated costs of dismantling, removing and restoring the subject asset to its location or to the subject asset, less any incentives received.

Right-of-use assets are subsequently depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the Company periodically assesses whether a right-of-use asset is impaired and addresses any impairment loss incurred, and adjusts the right-of-use asset when the lease liability is remeasured.

Lease liabilities are measured initially at the present value of the lease payments outstanding at the inception date of the lease. If the implied interest rate of the lease is readily determinable, the discount rate is that rate; If it is not readily determinable, the Company's incremental borrowing rate is used. In general, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

(1) Fixed payments, including real fixed payments:
(2) Variable lease payments that depend on an index or rate, using the index or rate at the inception date of the lease as the original measure:
(3) The amount of the residual value guarantee expected to be paid; and
(4) The exercise price or penalty to be paid if it is reasonably certain that the option to purchase or the option to terminate the lease will be exercised.

Lease liabilities are subsequently accrued for using the effective interest method and are remeasured when the following occurs:

(1) There is a change in future lease payments as a result of a change in the index or rate used to determine lease payments;
(2) There is a change in the amount of the residual value guarantee expected to be paid.
(3) There is a change in the evaluation of the purchase option on the subject asset; and
(4) There is a change in the estimate of whether to exercise the option to extend or terminate the lease, resulting in a change in the evaluation of the lease term;
(5) There is a change in the subject matter, scope or other terms of the lease.

When a lease liability is remeasured as a result of changes in the index or rate used to determine lease payments, changes in the residual value guarantee amount and changes in the evaluation of the purchase, extension or termination option as described above, the carrying amount of the right-of-use asset is adjusted accordingly and the remaining remeasurement amount is recognized in profit or loss when the carrying amount of the right-of-use asset is reduced to zero.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease, and the difference between the carrying amount and the remeasurement amount of the lease liability is recognized in profit or loss.

The Company presents right-of-use assets and lease liabilities that do not meet the definition of investment property as separate line items in the balance sheet.

For short-term leases and leases of low-value underlying assets, the Company chooses not to recognize right-of-use assets and lease liabilities, and instead recognizes the related lease payments as expenses on a straight-line basis over the lease term.

2. Lessors

Transactions in which the Company is the lessor are classified as finance leases on the inception date of the lease based on whether the lease contracts transfer substantially all the risks and rewards incidental to the ownership of the subject assets, and otherwise are classified as operating leases. In its evaluation, the Company considers specific indicators, including whether the lease period covers a significant portion of the economic life of the subject asset.

If the Company is the lessor of a sublease, it treats the main lease and the sublease transaction separately and assesses the classification of the sublease transaction using the right-of-use assets arising from the main lease. If a master lease is a short-term lease and the recognition exemption applies, the sublease transaction should be classified as an operating lease.

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

(XII) Intangible assets

The Company's acquisition of purchased software is measured at cost less accumulated amortization and accumulated impairment. Amortization is provided on a straight-line basis over the estimated useful lives of 3 to 5 years and is recognized in profit or loss.

The Company reviews the residual value, useful life and amortization method of intangible assets at each reporting date, and makes appropriate adjustments when necessary.

(XIII) Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that the carrying amount of non-financial assets (other than inventories and deferred income tax assets) may be impaired. If any such indication exists, the recoverable amount of the asset is estimated. Goodwill is tested for impairment annually or whenever there is an indication of impairment.

The purpose of the impairment test is to identify a group of assets as the smallest identifiable group of assets for which a significant portion of the cash inflows are separate from other individual assets or groups of assets. Goodwill acquired on a business combination is allocated to each cash-generating unit or group of cash-generating units that is expected to benefit from the combined effect.

The recoverable amount is the higher of the fair value of the individual asset or cash-generating unit, less costs to dispose, and its value in use. In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognized if the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount. The impairment loss is recognized immediately in profit or loss and reduces the carrying amount of the goodwill amortized for the cash-generating unit first, and then reduces the carrying amount of each asset in proportion to the carrying amount of the other assets in the unit.

The impairment loss on goodwill is not subject to reversal. Non-financial assets other than goodwill are reversed only to the extent that the carrying amount of the asset, net of depreciation or amortization, would have been determined had no impairment loss been recognized in prior years.

(XIV) Provision for liabilities

Provisions for liabilities are recognized when the Company has a present obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation in the future, and the amount of the obligation can be reliably estimated.

The provision for product warranty liability is recognized when the product is sold. The provision for this liability is measured based on historical warranty information and all probable outcomes weighted by their respective probabilities.

(XV) Revenue recognition

Revenue is measured at the consideration to which the Group is expected to be entitled as a result of the transfer of goods or services. The Company recognizes revenue when control of goods or services is transferred to customers to satisfy performance obligations. The Company explains the main revenue items as follows:

1. Sales of goods

   The Company recognizes revenue when control of the goods is transferred to customers. Transfer of control of goods means that the goods has been delivered to the customer, the customer is able to determine the sales channel and price of the product, and there are no outstanding obligations that would affect the customer's acceptance of the goods. Delivery occurs when the product is delivered to a specific location, the risk of obsolescence and loss has been transferred to the customer, the customer has accepted the product in accordance with the terms of the transaction, and the Company has objective evidence that all acceptance conditions have been met.

   The Company has a refund obligation for defective products sold and has recognized a provision for warranty liability for this obligation.

   The Company recognizes accounts receivable upon delivery of goods because the Company has the unconditional right to receive the consideration at that point in time.

2. Financial components

   The Company does not adjust the time value of money of the transaction price because the time interval between the expected transfer of goods to customers and the payment of goods or services by customers does not exceed one year.

(XVI) Employee benefits

1. Defined contribution plans

   The contribution obligation of the defined contribution pension plan is recognized as employee benefit expense in profit or loss during the period in which the employees render service.

2. Defined benefit plans

   The net obligation under the defined benefit pension plan is calculated as the discounted value of the future benefit amounts to be earned by each plan for each employee's current or prior service, less the fair value of any plan assets. The discount rate is based on the market yield rate at the reporting date for government bonds with maturity dates approximating the term of the Company's net obligation and denominated in the same currency as the expected benefit payments. The net obligation of the defined benefit plans is actuarially determined annually by a qualified actuary using the projected unit benefit method.

   When benefits under a plan are improved, the related expense is recognized immediately in profit or loss for the portion of the benefit increase attributable to employees' past service.

   The remeasurement of the net defined benefit obligation (asset) consists of (1) actuarial gain or loss; (2) compensation on plan assets, excluding the amount included in net interest on the net defined benefit obligation (asset); and (3) any change in the asset ceiling effect, excluding the amount included in net interest on the net defined benefit obligation (asset). The remeasurement of the net defined benefit liability (asset) is recognized in other comprehensive income and is transferred to other equity in the current period.

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

3. Short-term employee benefits

   Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as an expense when the related services are rendered. The amount expected to be paid under short-term cash bonus or dividend plans is recognized as a liability when the Company has a present legal or constructive obligation to pay for the services rendered by employees and the obligation can be reliably estimated.

(XVII) Income tax

Income tax expense includes current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss, except when they relate to business combinations, items recognized directly in equity or other comprehensive income.

Current income taxes include estimated income taxes payable or refunds receivable based on current year's taxable income (loss) and any adjustments to prior years' income taxes payable or refunds receivable. The amount reflects the best estimate of the amount expected to be paid or received, measured at the statutory tax rate at the reporting date or the tax rate of substantive legislation, after reflecting uncertainties, if any, related to income taxes.

Deferred income taxes are recognized for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred income tax is not recognized for temporary differences arising from:

1. Assets or liabilities that are not part of the original recognition of a business combination transaction and do not affect the accounting profit or taxable income (loss) at the time of the transaction;
2. Temporary differences arising from investments in subsidiaries, affiliates and joint ventures where the timing of the reversal of the temporary differences is controlled by the Company and it is probable that the temporary differences will not reverse in the foreseeable future; and
3. Taxable temporary differences arising from the original recognition of goodwill.

Deferred income tax assets are recognized for unused tax losses and unused tax credits in subsequent periods, together with deductible temporary differences, to the extent that it is probable that future taxable income will be available for use. Deferred income tax assets are reassessed at each reporting date and reduced to the extent that it is not probable that the related income tax benefit will be realized or to the extent that it becomes probable that sufficient taxable income will be available to allow the reversal of the original reduction.

Deferred income taxes are measured at the tax rates that are expected to apply to the reversal of temporary differences, based on the statutory tax rate at the reporting date or the tax rate of substantive legislation, and reflecting uncertainties, if any, related to income taxes.

The Company shall offset deferred income tax assets and deferred income tax liabilities only if the following conditions are met at the same time:

1. There is a legally enforceable right to offset current income tax assets and current income tax liabilities; and
2. The deferred income tax assets and deferred income tax liabilities relate to one of the following taxable entities that are subject to income tax by the same taxing authority:
   (1) the same taxable entity; or
   (2) different taxable entities, provided that each entity intends to settle current income tax liabilities and assets on a net basis, or to realize assets and settle liabilities simultaneously, in each future period in which significant amounts of deferred income tax assets are expected to be recovered and deferred income tax liabilities are expected to be settled.

(XVIII) Business combinations

The Company uses the acquisition method of accounting to account for the combined subsidiaries. Goodwill is measured at the fair value of the consideration transferred at the acquisition date, including the amount attributable to any non-controlling interest in the acquiree, less the net amount of the identifiable assets acquired and liabilities assumed, which is generally the fair value. If the resulting balance is negative, the Company reassesses whether all assets acquired and liabilities assumed have been properly recognized before recognizing the benefit of the bargain purchase in profit or loss.

The non-controlling interests in the acquiree that are presently owned and whose holders are entitled to a proportionate share of the net assets of the business at the time of liquidation are measured, at the option of the Company, on a transaction-by-transaction basis, at either the acquisition date fair value or at the present ownership instrument's proportionate share of the recognized amount of the acquiree's identifiable net assets. Other non-controlling interests are measured at their fair values at the acquisition date or on other bases in accordance with IFRSs recognized by the FSC.

Transaction costs associated with a business combination are recognized as expenses of the combining company as soon as they are incurred, except when they relate to the issuance of debt or equity instruments.

If the original accounting for a business combination is not completed before the reporting date of the combination transaction, the Company reports the outstanding accounting items at provisional amounts and makes retroactive adjustments or recognizes additional assets or liabilities during the measurement period to reflect new information obtained during the measurement period about facts and circumstances existing at the acquisition date. The measurement period does not exceed one year from the date of acquisition.

In a business combination entered into in stages, the Company remeasures its previously held interest in the acquiree at its acquisition-date fair value, and any resulting gain or loss is recognized in profit or loss. Changes in the value of the acquiree's interest that were recognized in other comprehensive income before the acquisition date should be treated in the same manner as if the Company had directly disposed of its previously held interest, and if it is appropriate to reclassify the interest to profit or loss upon disposal, the amount is reclassified to profit or loss.

(XIX) Organizational reorganization under common control

The transaction of the acquisition of 100% equity in ACE Energy Co., Ltd., a subsidiary of the Company’s parent company, Qisda Corporation, by Ace Pillar Co., Ltd., a subsidiary of the Company, in accordance with the Accounting Research and Development Foundation’s Letter (101) J.M.Z. No. 301 and the IFRS 3 Q&A set "Doubts about the Accounting for Business Combinations under Common Control" dated October 26, 2018 was an organizational reorganization under common control. The Company deems that the acquisition occurred during the earliest comparable period expressed in the financial statements or on the date of establishment of the common control, whichever the later, and restated the comparative information accordingly. The above assets and liabilities acquired under common control are recognized on the basis of the carrying amount in the parent company only financial statements of the controlling shareholder. In preparing the balance sheet, the equity under common control prior to acquisition is classified as “attributable to former owner of business combination under common control.” In preparing the comprehensive income statement, the profit or loss belong to former controlling shareholders record as “net profit (loss) attributable to former owner of business combination under common control.”

(XX) Earnings per share

The Company presents basic and diluted earnings per share attributable to equity holders of the Company's common stock. Basic earnings per share of the Company is calculated by dividing the profit or loss attributable to the holders of the Company's common stock by the weighted-average number of common shares outstanding during the period. Diluted earnings per share is calculated by adjusting the profit or loss attributable to equity holders of the Company's common stock and the weighted-average number of common shares outstanding, respectively, for the effect of all potentially dilutive common shares. The potential diluted common stock of the Company is the employee compensation that may be issued in stock.

(XXI) Segment information

The Company has disclosed segment information in the consolidated financial statements and therefore does not disclose segment information in the parent company only financial statements.

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

When preparing the parent company only financial statements in conformity with the Guidelines, 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.

The Management has continuously reviewed the estimates and basic assumptions, and changes in accounting estimate are recognized in the period of change and in the future periods affected.

Information about the following assumptions and estimates, which are uncertain and have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and which reflect the impact of the COVID-19 outbreak, is as follows.

(I) Valuation of inventories

Inventories are measured at the lower of cost or net realizable value. The Company assesses the amount of inventories that are normally worn out, obsolete or have no marketable value at the reporting date and reduces the cost of inventories to net realizable value. This inventory valuation is primarily based on estimates of product demand in specific periods in the future and is subject to significant changes due to rapid changes in the industry. Please refer to Note VI (VI) for the valuation of inventories.

(II) Impairment assessment of goodwill arising from investment in subsidiaries

The carrying amount of the invested subsidiary includes the goodwill identified at the time of the original investment. The process of assessing goodwill impairment relies on the Company's subjective judgment, which includes identifying cash-generating units, allocating goodwill to the relevant cash-generating units, and determining the recoverable amount of the relevant cash-generating units. Any changes in economic conditions or corporate strategy may cause significant changes in the results of the assessment.

VI. Description of Significant Accounting Items

(I) Cash and cash equivalents

	2022.12.31	2021.12.31
Cash on hand and petty cash	$ 35	23
Demand deposits and check deposits	452,870	240,843
	$ 452,905	240,866

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

	2022.12.31	2021.12.31
Financial assets mandatorily classified as at fair value through profit or loss:		
Non-hedging derivative instruments:		
Forward foreign exchange contracts	$ 913	74
Foreign exchange SWAP contracts	11	920
Subtotal	924	994
Non-derivative financial assets:		
Fund beneficiary certificates	26,071	26,143
	$ 26,995	27,137
Financial liabilities held for trading:		
Derivative financial instruments:		
Forward foreign exchange contracts	$ 66	65
Foreign exchange SWAP contracts	1,017	-
Subtotal	$ 1,083	65

Please refer to Note VI (XXII) for the amount recognized in profit or loss measured at fair value.

The Company 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 outstanding derivative financial instruments as of the reporting date is as follows:

1. Forward foreign exchange contracts

2022.12.31

Currency	Contractual amount (In thousands of NTD)	Maturity period
Buy Euro/Sell USD	USD 1,100	2023.01
Buy JPY/Sell USD	USD 916	2023.01
Buy NTD/Sell USD	USD 4,360	2023.01
Buy RMB/Sell USD	USD 450	2023.01

2021.12.31

Currency	Contractual amount (In thousands of NTD)	Maturity period
Buy JPY/Sell USD	JPY 34,033	2022.01
Buy RMB/Sell USD	RMB 6,152	2022.01
Buy Euro/Sell USD	USD 1,422	2022.01

2. Foreign exchange SWAP contracts

2022.12.31

Currency	Contractual amount (In thousands of NTD)	Maturity period
Swap in NTD/swap out USD	USD 13,330	2023.01

2021.12.31

Currency	Contractual amount (In thousands of NTD)	Maturity period
Swap in NTD/swap out USD	USD 8,930	2021.01

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

	2022.12.31	2021.12.31
Equity instruments measured at fair value through other comprehensive income:		
Stocks of domestic listed (OTC) companies	$ 68,840	41,259

The Company 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 consolidated profit or loss.

The Company did not dispose of the above-mentioned strategic investments in 2022 and

2021, and the gain or loss accumulated during those periods were not transferred to equity.

(IV) Financial assets carried at amortized cost - current

		2022.12.31	2021.12.31
Pledged certificate of deposit	$	1,500	1,500

Please refer to Note VIII for details of the aforesaid financial assets used by the Company to provide guarantees.

(V) Accounts receivable and other receivables

		2022.12.31	2021.12.31
Accounts receivable	$	454,211	244,269
Accounts receivable from related parties		672,077	382,231
Less: Allowance for loss		(1,798)	-
	$	1,124,490	626,500
Other receivables	$	26,976	16,153
Other receivables from related parties		4,186	6,539
	$	31,162	22,692

The Company uses a simplified approach to estimate expected credit losses for all accounts receivable, which is measured using expected credit losses for the duration of the period, and has included forward-looking information. The expected credit losses of the Company's accounts receivable were analyzed as follows:

	2022.12.31			
		Book-entry amounts of accounts receivable	Weighted average expected credit loss rate	Allowance for expected credit losses for the duration of the period
Not overdue	$	362,894	0%	-
1-30 days overdue		81,155	1.14%	923
31-60 days overdue		10,159	8.58%	872
Overdue more than 90 days		3	100%	3
	$	454,211		1,798

	2021.12.31		
	Book-entry amounts of accounts receivable	**Weighted average expected credit loss rate**	**Allowance for expected credit losses for the duration of the period**
Not overdue	$ 244,269	0%	-

The Company has assessed the counterparties of accounts receivable from related parties and other receivables (including related parties) in respect of past default record, current financial position and future economic situation forecast, and concluded that the expected recoverable amounts of these items are equivalent to their originally presented amounts. Thus, it is unnecessary to recognize the allowance for the losses.

The statement of changes in the allowance for losses of the Company's accounts receivable is listed as follows:

	2022	**2021**
Beginning Balance	$ -	4,483
Impairment loss of the period	1,798	-
Reversal of impairment loss for the period	-	(4,483)
Ending balance	$ 1,798	-

(VI) Inventories

	2022.12.31	**2021.12.31**
Raw materials	$ 624,958	890,009
Work in progress	172,219	110,574
Manufactured goods and commodities	150,194	73,239
Goods in Transit	23,906	23,210
Outsourced processing products	1,663	7,917
	$ 972,940	1,104,949

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

		2022	2021
Cost of inventory sold	$	4,318,781	2,791,432
Inventory price loss		24,080	2,422
Inventory scrap loss and inventory gain		23,593	4,841
	$	4,366,454	2,798,695

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.

(VII) Non-current assets held for sale

The Company passed the resolution of the board of directors on August 6, 2021 to sell the plant and buildings in Xizhi District, and has signed a contract for the relevant sale. The total sale price was NTD 550,000 thousand (including tax), and the carrying amount of such property amounted to NTD 72,885 thousand was listed in "non-current assets held for sale." The transfer of the real estate was completed in November 2021, and a net disposal gain of NTD 469,360 thousand was recognized and reported under other gains or losses.

(VIII) Investments accounted for using the equity method

Investments of the Company under equity method at reporting date are listed below:

		2022.12.31	2021.12.31
Subsidiaries	$	2,975,611	3,145,141

1. Subsidiaries

   On July 1, 2022, Ace Pillar Co., Ltd., a subsidiary of the Company, acquired 100% equity of ACE Energy Co., Ltd. from the subsidiary and other related parties of Qisda Corporation, the parent company of the Company, through a cash acquisition. The aforementioned transaction is an organizational restructuring under common control and should be deemed to have been acquired from the beginning. The Company has retroactively restated the parent company only financial statements for the year ended December 31, 2021 when preparing the parent company only financial statements for the year ended December 31, 2022. For information on subsidiaries, please refer to the consolidated financial report for the year ended December 31, 2022.

2. Acquisition of a subsidiary - Brainstorm Corporation (Brainstorm)
   (1) Consideration transferred for acquisition of the subsidiary
   On May 1, 2021 (acquisition date), the Company acquired 35.09% equity, including ordinary shares and special shares, in Brainstorm, and according to the investment agreement between both parties and the Articles of Association of Brainstorm, the Company has acquired 55.29% of the voting rights and more than half of the seats at the Board of Directors of Brainstorm. Therefore, the Company has taken control of Brainstorm and included Brainstorm in the consolidated entities as of the acquisition date. The Company has acquired Brainstorm mainly in order to implement the channel first strategy and accelerate the development in the American market.
   (2) Net identifiable assets acquired
   The fair values of the identifiable assets and liabilities of Brainstorm acquired on May 1, 2021 (acquisition date) are detailed as follows:

Transfer consideration:		
Cash		$ 501,582
Plus: Non-controlling interests (measured by the proportion of non-controlling interests in net identifiable assets)		641,433
Less: Fair value of net identifiable assets acquired:		
Cashandcashequivalents	$ 460,381	
Netaccountsreceivable	191,888	
Inventories	803,582	
Prepaymentsandothercurrentassets	4,613	
Property,plantandequipment	7,026	
Right-of-useassets	51,212	
Intangibleassets-Trademark	562,692	
Intangibleassets-ComputerSoftware	129	
Refundabledeposits	4,573	
Accountspayable	(784,344)	
Otherpayables	(143,260)	
Currentincometaxliabilities	(2,055)	
Othercurrentliabilities	(311)	
Leaseliabilities(includingcurrentandnon-current)	(51,212)	
Deferredincometaxliabilities	(112,538)	
Long-termborrowings	(4,187)	988,189
Goodwill		**$ 154,826**

The goodwill and intangible assets identified above at the time of investment are included in the carrying value of the investment accounted for using the equity method - subsidiaries.

The Company constantly reviewed the above matters during the measurement period and adjusted the amounts of above-mentioned intangible assets and goodwill in the first quarter of 2022 as follows:

Increase in intangible assets - trademark	$	6,577
Increase in deferred income tax liabilities		(1,315)
Increase in non-controlling interests		(3,415)
Decrease in goodwill	**$**	**1,847**

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

   The Company acquired additional equity in Ace Pillar and AEWIN at a cost of NTD 515,360 thousand in 2021, and made an adjustment of retained surplus of NTD (149,828) thousand due to changes in ownership interests in subsidiaries.

4. Impairment test of goodwill

   If the investment cost for the Company to acquire a subsidiary exceeds the amount of the net fair value of its share of the identifiable assets and liabilities in the investee on the acquisition date, it shall be listed as goodwill; if the goodwill is impaired, it shall be regarded as a decrease in the carrying value of the investment accounted for using the equity method in the parent company only financial statements. As of December 31, 2022 and 2021, goodwill obtained through mergers and acquisitions was allocated to the following cash generating units (or groups of cash generating units) expected to benefit from the comprehensive effects of the merger:

		2022.12.31	**2021.12.31**
DFI America, LLC.	$	177,874	177,874
Brainstorm		152,979	154,826
Standard Technology Corporation		76,149	-
Other cash generating units with non-significant goodwill amortized		39,270	17,146
	$	**446,272**	**349,846**

The above cash generating units are the smallest units under the management's supervision of investment returns on goodwill containing assets. According to the results of goodwill impairment testing conducted by the Company, the recoverable amount as of December 31, 2022 and 2021 was higher than its carrying value, so there is no need to recognize impairment losses. The recoverable amount of the cash generating units are determined based on value in use, with key assumptions as follows:

The key assumptions used to estimate value in use are as follows:

	2022.12.31	**2021.12.31**
DFI America, LLC.:		
Operating revenue growth rate	(3%)~4.47%	10.62%~33.44%
Discount rate	11.61%	7.79%

	2022.12.31	**2021.12.31**
Brainstorm:		
Operating revenue growth rate	(6.39)%~23.2%	0%~8%
Discount rate	13.35%	7.56%
Standard Co.:		
Operating revenue growth rate	5.78%~15%	
Discount rate	12.92%	

(1) The estimated future cash flow used is a five-year financial budget estimated by the management based on future operating plans. Cash flows over five years are extrapolated using an annual growth rate of 2%.

(2) The discount rate for determining the value in use is based on the weighted average cost of capital as the estimation basis.

(IX) Property, plant and equipment

		Land	Buildings	Machinery equipment	Office equipment	Other equipment	Unfinished construction	Total
Costs:								
Balance as of January 1, 2022	$	436,303	394,208	319,630	19,724	145,801	7,290	1,322,956
Addition		-	2,270	21,015	693	31,975	5,878	61,831
Disposal		-	-	(3,341)	-	(301)	-	(3,642)
Reclassification		-	7,812	(75)	-	5,196	(13,168)	(235)
Balance as of December 31, 2022	$	436,303	404,290	337,229	20,417	182,671	-	1,380,910
Balance as of January 1, 2021	$	461,322	489,494	202,214	10,695	29,577	-	1,193,302
Addition		-	6,840	122,329	9,029	119,821	7,290	265,309
Disposal		-	(20)	(4,913)	-	(3,597)	-	(8,530)
Reclassified to assets held for sale		(25,019)	(102,106)	-	-	-	-	(127,125)
Balance as of December 31, 2021	$	436,303	394,208	319,630	19,724	145,801	7,290	1,322,956
Accumulated depreciation:								
Balance as of January 1, 2022	$	-	78,186	145,811	10,156	22,428	-	256,581
Depreciation		-	10,348	33,145	3,223	19,448	-	66,164
Disposal		-	-	(3,341)	-	(301)	-	(3,642)
Balance as of December 31, 2022	$	-	88,534	175,615	13,379	41,575	-	319,103
Balance as of January 1, 2021	$	-	114,464	118,004	7,486	17,252	-	257,206
Depreciation		-	17,982	30,966	2,670	7,405	-	59,023
Disposal		-	(20)	(3,159)	-	(2,229)	-	(5,408)
Reclassification to assets held for sale in the current period		-	(54,240)	-	-	-	-	(54,240)
Balance as of December 31, 2021	$	-	78,186	145,811	10,156	22,428	-	256,581
Book value:								
December 31, 2022	$	436,303	315,756	161,614	7,038	141,096	-	1,061,807
December 31, 2021	$	436,303	316,022	173,819	9,568	123,373	7,290	1,066,375

(X) Right-of-use assets

	Buildings
Cost of right-of-use assets:	
Balance as of January 1, 2022	$ 137,092
Addition	14,275
Balance as of December 31, 2022	**$ 151,367**
Balance as of January 1, 2021	$ 5,718
Addition	137,092
Decrease	(5,718)
Balance as of December 31, 2021	**$ 137,092**
Accumulated depreciation of right-of-use assets:	
Balance as of January 1, 2022	$ 13,638
Depreciation	15,930
Balance as of December 31, 2022	**$ 29,568**
Balance as of January 1, 2021	$ 3,431
Depreciation	15,544
Decrease	(5,337)
Balance as of December 31, 2021	**$ 13,638**
Book value:	
December 31, 2022	**$ 121,799**
December 31, 2021	**$ 123,454**

(XI) Intangible assets

		Computer software
Cost:		
Balance as of January 1, 2022	$	63,306
Separate Acquisition		7,542
Balance as of December 31, 2022	$	70,848
Balance as of January 1, 2021	$	54,951
Separate Acquisition		8,355
Balance as of December 31, 2021	$	63,306
Accumulated amortization:		
Balance as of January 1, 2022	$	52,784
Amortization		5,409
Balance as of December 31, 2022	$	58,193
Balance as of January 1, 2021	$	47,695
Amortization		5,089
Balance as of December 31, 2021	$	52,784
Book value:		
Balance as of December 31, 2022	$	12,655
Balance as of December 31, 2021	$	10,522

The amortization charges for intangible assets for the years ended December 31, 2022 and 2021 are reported sequentially in the comprehensive income statement as follows:

		2022	2021
Operating costs	$	1,859	1,108
Operating expenses		3,550	3,981
	$	5,409	5,089

(XII) Short-term borrowings

		2022.12.31	2021.12.31
Unsecured bank loans	$	1,055,000	700,000
Unused lines of credit	$	2,005,000	1,553,600
Range of interest rate		1.69%~1.96%	0.62%~0.65%

(XIII) Long term borrowings

	2022.12.31	2021.12.31
Unsecured bank loans	$ 1,100,000	1,300,000
Unused lines of credit	$ -	-
Year of maturity	2024	2023
Range of interest rate	1.90%~1.95%	0.94%~0.99%

(XIV) Lease liabilities

The book amount of the lease liabilities of the Company is as follows:

	2022.12.31	2021.12.31
Current	$ 18,889	14,282
Non-current	$ 107,851	114,023

Please refer to Note VI (XXIV) Financial Risk Management for the maturity analysis of lease liabilities.

The amounts recognized as profit and loss are as follows:

	2022	2021
Interest expense on lease liabilities	$ 1,432	1,480
Short-term leases expenses and lease expenses of low-value assets	$ 6,606	6,982

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

	2022	2021
Total cash outflow for leases	$ 23,878	19,166

Important lease clauses:

1. Lease of buildings and structures

   Regarding the buildings and structures leased by the Company as office premises, warehouses and plants, the lease terms are approximately two to ten years, some of which include the option to extend for the same period as the original contract at the end of the lease term.

2. Other lease

   The Company has leased office equipment and other assets with a period of no longer than one year. Such leases are short-term leases or leases of low-value assets, and the Company has selected to apply the provision of exemption from recognition and not recognized them as relevant right-of-use assets and lease liabilities.

(XV) Provisions for liabilities - Product warranty

		2022	2021
Balance as of January 1	$	46,247	56,827
Provision increases for the period		15,296	10,615
Provision reverses for the period		(10,307)	(21,195)
Balance as of December 31	**$**	**51,236**	**46,247**

The warranty provisions for products of the Company is mainly related to the sales of industrial computer boards and systems, and the warranty reserve is estimated based on the historical warranty data of similar products.

(XVI) Employee benefits

1. Defined benefit plans

The adjustment when the present value of the Company's defined benefit obligation is greater than the fair value of the plan assets is as follows:

		2022.12.31	2021.12.31
Present value of defined benefit obligation	$	92,955	90,202
Fair value of plan assets		(61,781)	(49,618)
Net defined benefit liabilities	**$**	**31,174**	**40,584**

The defined benefit plans of the Company are allocated to the special account for labor pension reserves of the Bank of Taiwan. The pension payment for each employee subject to the *Labor Standards Act* is calculated based on the base obtained through service years and the average salary for the six months prior to retirement.

(1) Composition of plan assets

The pension funds allocated by the Company in accordance with the *Labor Standards Act* are administrated by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as “BLF”). In accordance with the "Regulations on the Custody and Utilization of Income and Expenditure of Labor Pension Funds", the minimum income for the annual final distribution of the funds shall not be lower than the income calculated based on the two-year fixed deposit rate of the local bank.

As of December 31, 2022 and 2021, the balances in the special accounts for labor pension reserves of the Company in the Bank of Taiwan were NTD 61,781 thousand and NTD 49,618 thousand, respectively. Information on the use of labor pension fund assets, including fund returns and fund asset allocation, can be found on the website of the BLF.

(2) Changes in the present value of defined benefit obligations

	2022	2021
Defined benefit obligations as of January 1	$ 90,202	95,307
Current service cost and interest	760	712
Remeasurement of net defined benefit liabilities (assets)		
- Effects of changes in demographic assumptions	-	1,965
- Actuarial gain or loss arising from experience adjustments	2,145	695
- Actuarial gain or loss arising from changes in financial assumptions	1,850	(1,113)
Benefits paid under the plan	(2,002)	(7,364)
Defined benefit obligations as of December 31	**$ 92,955**	**90,202**

(3) Changes in fair value of plan assets

	2022	2021
Fair value of plan assets as of January 1	$ 49,618	55,345
Interest income	321	278
Remeasurement of net defined benefit liabilities (assets)		
- Compensation of plan assets (excluding current interest)	4,255	708
Amount contributed to the plan	9,589	651
Benefits paid under the plan	(2,002)	(7,364)
Fair value of plan assets as of December 31	**$ 61,781**	**49,618**

(4) Change in asset ceiling effects

The Company did not have defined benefit plan asset ceiling effects in the years 2022 and 2021.

(5) Expenses recognized as profit or loss

	2022	2021
Service costs for the current period	$ 196	235
Net interest on net defined benefit liabilities (assets)	243	199
	$ 439	**434**
Operating costs	**$ 439**	**434**

(6) Actuarial assumptions

The significant actuarial assumptions used by the Company at the reporting date to determine the present value of the defined benefit obligations are as follows:

	2022.12.31	2021.12.31
Discount rate	1.500%	0.625%
Future salary increases	3.25%	2.50%

The Company expects to make a contribution of NTD 9,590 thousand to the defined benefit plan within one year after the reporting date of the fiscal year 2022. The weighted average duration of the defined benefit plan is 9.5 years.

(7) Sensitivity analysis

The effect of changes in the main actuarial assumptions used on the present value of defined benefit obligations is as follows:

	Effect on defined benefit obligations	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2022		
Discount rate	$ (2,164)	2,241
Future salary increases	2,165	(2,102)
December 31, 2021		
Discount rate	(2,206)	2,289
Future salary increases	2,208	(2,141)

The sensitivity analysis described above is based on analyzing the impact of changes in a single assumption while other assumptions remain unchanged. In practice, many hypothetical changes may be sequential. The sensitivity analysis is consistent with the method used to calculate the net defined benefit liabilities on the balance sheet date. The method and assumptions used to prepare the sensitivity analysis in the current period are the same as in the previous period.

2. Defined contribution plans

The defined contribution plan of the Company is made in accordance with the provisions of the Labor Pension Ordinance at a contribution rate of 6% of the monthly salary of the laborers to the individual pension account of the Bureau of Labor Insurance (BLI). There is no statutory or presumptive obligation to pay additional amount after the Company has made a defined contribution under these plans.

The pension expenses under the defined pension contribution measures of the Company in 2022 and 2021 were NTD 21,156 thousand and NTD 19,988 thousand, respectively.

(XVII) Income tax

1. Income tax expenses

The income tax expenses of the Company are detailed as follows:

	2022	2021
Current income tax expense		
Current income	$ 140,951	58,531
Prior period adjustment of current income tax	(4,140)	(365)
Current income tax expense	136,811	58,166
Deferred income tax expenses (benefits)	(39,264)	24,697
	$ 97,547	82,863

The details of income tax expenses (benefits) recognized by the Company under other comprehensive income in 2022 and 2021 are as follows:

	2022	2021
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	$ (52)	168

The reconciliation of income tax expenses and income before tax was as follows:

	2022	2021
Net profit before tax	$ 629,171	700,389
Income tax at the Company's domestic tax rate	$ 125,834	140,078
Recognition of domestic investment interests under the equity method	(21,240)	(14,620)
Exemption from business income tax on land exchanges	-	(92,777)
Prior period adjustment of income tax	(4,140)	(365)
Other tax-exempt income	(599)	(292)
Value-added tax on land	-	45,800
Surtax on unappropriated earnings	729	-
Others	(3,037)	5,039
	$ 97,547	82,863

2. Deferred income tax assets and liabilities

(1) Deferred income tax assets and liabilities recognized

The changes in deferred tax assets and liabilities are as follows:

Deferred income tax assets:

	Allowance for inventory loss	Provisions-current	Net defined benefit liabilities	Unrealized gross profit on sales between affiliated companies	Financial assets at fair value through profit or loss	Others	Total
January 1, 2022	$ 12,624	9,249	7,299	6,900	-	3,098	39,170
(Debit) Credit Income Statement	4,801	998	(1,830)	12,052	201	487	16,709
(Debit) Credit to other comprehensive income	-	-	(52)	-	-	-	(52)
December 31, 2022	$ 17,425	10,247	5,417	18,952	201	3,585	55,827
January 1, 2021	$ 12,125	11,365	7,175	10,658	3,530	5,580	50,433
(Debit) Credit Income Statement	499	(2,116)	(44)	(3,758)	(3,530)	(2,482)	(11,431)
(Debit) Credit to other comprehensive income	-	-	168	-	-	-	168
December 31, 2021	$ 12,624	9,249	7,299	6,900	-	3,098	39,170

Deferred income tax liabilities:

	Temporary differences related to investment in subsidiaries	Difference between finance and taxes from fixed assets	Others	Total
January 1, 2022	$ 102,445	1,872	186	104,503
(Debit) Credit Income Statement	(21,460)	(1,078)	(17)	(22,555)
December 31, 2022	**$ 80,985**	**794**	**169**	**81,948**
January 1, 2021	$ 88,013	3,224	-	91,237
(Debit) Credit Income Statement	14,432	(1,352)	186	13,266
December 31, 2021	**$ 102,445**	**1,872**	**186**	**104,503**

3. The Company’s profit-seeking enterprise income tax has been approved by the tax authority to the year of 2020.

(XVIII) Capital and other equities

1. Ordinary shares and treasury shares

   As on December 31, 2022 and 2021, the total authorized capital of the Company was NTD 1,772,000 thousand, which was divided into 177,200 thousand shares at NTD 10 per share. The number of issued shares were both 114,489 thousand shares. The share capital reserved for the issuance of the exercise of employee share options was 20,000 thousand shares.

From November 2018 to January 2019, the Company bought back 200 thousand ordinary shares of the Company at an average buyback price of NTD 64.53 each from the centralized trading market. The Company will transfer the shares bought back this time to others, including employees of the controlled subsidiaries or affiliates of the Company who satisfy certain conditions, once or in multiple transactions within three years after the buyback date. Treasury shares held by the Company shall not be pledged as collateral in accordance with the Securities and Exchange Act, nor shall it be entitled to dividend distribution and voting rights.

On November 5, 2021, the Board of Directors of the Company adopted the resolution to implement capital reduction by canceling 200 thousand shares of treasury stock yet to be transferred to employees pursuant to the Securities and Exchange Act. With December 28, 2021 as the base date, the capital reduction involved the cancellation of 200 thousand shares amounting to NTD 2,000 thousand, and the amount of paid-in capital after capital reduction was NTD 1,144,889 thousand. The relevant change registration has been completed.

2. Capital surplus

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

		2022.12.31	2021.12.31
Share premium	$	578,204	625,371
Recognized changes in percentage of ownership interests in subsidiaries		5,967	5,962
Gain on asset disposal		808	808
Others		23,607	23,603
	$	**608,586**	**655,744**

In accordance with the *Company Act*, the capital surplus must first be used to cover deficits before new shares or cash can be issued in proportion to the shareholders' original shares. If the foregoing is paid in cash, the board of directors shall be authorized to make a resolution and report 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 the processing standard for negotiable securities offering and issuance by 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

Pursuant to the provision of Articles of Association of the Company, if there is any surplus in the final accounts, it shall first accrue the tax, recover 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 is any surplus after the special surplus reserve is set aside or reversed in accordance with the law, the Board of Directors shall make the profit distribution plan for the surplus together with the accumulated undistributed profit and submit it 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.

Pursuant to the provisions of the Articles of Association of the Company, the profit distribution plan made by the Board of Directors shall consider the general dividend level in the industry, adopt the balanced dividend policy and follow the principle of prudence in distribution, but the cash dividend to the shareholders shall be no lower than 15% of the total dividend to the shareholders, pursuant to the provisions of the Articles of Association of the Company. According to the amended Articles of Association of the Company on August 20, 2021, if a surplus totaling up to 2% of capital is recorded in the annual final accounts of the Company, the amount of dividends distributed shall be no lower than 10% of the distributable earnings for the year, and the amount of annual cash dividend distributed shall be no lower than 10% of the total amount of cash and stock dividends distributed for the year.

(1) Legal reserve

Pursuant to the provision of the Company Act, when the Company makes no loss, the Company shall distribute the legal 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. The Board of Directors is authorized to make a resolution to distribute and report to the Shareholders' Meeting if which as mentioned in the preceding paragraph shall be in the form of cash.

(2) Special reserve

Pursuant to the regulations issued by the Financial Supervisory Commission, when distributing the profit available for distribution, for the difference between the net deductibles of other shareholders' equity incurred in the current year and the balance of special surplus reserve stated in the account, the Company shall accrue the special surplus reserve in the same amount out of the profit in the current period and the undistributed profit 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 undistributed profit in the previous period. If other deductibles of shareholders' equity are reversed in future, the Company shall distribute the profit with the reversed part.

4. Distribution of earnings

On March 3, 2022 and May 6, 2021, the Board of Directors of the Company resolved the amount of cash dividends and cash distributions from capital surplus in the profit distribution proposal for the years ended December 31, 2021 and 2020, respectively. The amounts of dividends distributed to owners of ordinary shares are as follows:

	2021		**2020**	
	Dividend per share (NTD)	**Amount**	**Dividend per share (NTD)**	**Amount**
Dividends distributed to owners of common stock:				
Cash dividends	$ 3.2	**366,364**	2.8	**320,569**
Distribution of cash from capital surplus	0.4	**45,796**	0.2	**22,898**

On March 2, 2023, the Board of Directors resolved to distribute the following cash dividends from the 2022 earnings:

	2022	
	Dividend per share (NTD)	**Amount**
Dividends distributed to owners of common stock:		
Cash dividends	$ 4.0	**457,955**

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

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, 2022	$ (134,871)	20,047	(114,824)
Exchange difference from conversion of net assets of foreign operating organizations	65,556	-	65,556
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	11,483	11,483
Share of other comprehensive income of the subsidiary recognized using the equity method	-	(256)	(256)
Balance as of December 31, 2022	**$ (69,315)**	**31,274**	**(38,041)**
Balance as of January 1, 2021	$ (83,110)	8,503	(74,607)
Exchange difference from conversion of net assets of foreign operating organizations	(51,761)	-	(51,761)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	11,339	11,339
Share of other comprehensive income of the subsidiary recognized using the equity method	-	205	205
Balance as of December 31, 2021	**$ (134,871)**	**20,047**	**(114,824)**

(XIX) Earnings per share

1. Basic earnings per share

	2022	2021
Net profit attributable to ordinary shareholders of the Company	**$ 528,230**	**615,903**
Weighted average number of outstanding ordinary shares (in thousands of shares)	**114,489**	**114,489**
Basic earnings per share (NTD)	**$ 4.61**	**5.38**

2. Diluted earnings per share

	2022	2021
Net profit attributable to ordinary shareholders of the Company	$ 528,230	615,903
Weighted average number of outstanding ordinary shares (in thousands of shares)	114,489	114,489
Effects of potential ordinary shares with dilution effect (in thousands of shares):		
Effects of employee stock compensation	960	1,003
Weighted average number of outstanding ordinary shares (after adjusting the number of dilution potential common shares) (in thousands of shares)	115,449	115,492
Diluted earnings per share (NTD)	$ 4.58	5.33

(XX) Revenue from customer contracts

1. Breakdown of revenue

	2022	2021
Main products and services:		
Industrial computer cards and systems	$ 5,047,091	3,080,959
Others	395,057	379,921
	$ 5,442,148	3,460,880

2. Balance of contracts

	2022.12.31	2021.12.31	2021.1.1
Notes and accounts receivable (including related parties)	$ 1,126,288	626,500	749,595
Less: Allowance for loss	(1,798)	-	(4,483)
	$ 1,124,490	626,500	745,112
Contract liabilities	$ 21,708	36,729	5,237

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

The contract liabilities mainly come from the difference between the time point of satisfying the performance obligation when the Company transfers goods to a customer and the time point of the customer's payment. The beginning balances of contract liabilities as of January 1, 2022 and 2021 were recognized as income of NTD 34,667 thousand and NTD 4,656 thousand, respectively, for the years ended December 31, 2022 and 2021.

(XXI) 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, it shall reserve the recovery amount in advance. 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 years ended December 31, 2022 and 2021, the estimated employee compensations of the Company were NTD 47,852 thousand and NTD 53,437 thousand, respectively, and the estimated director compensations were NTD 5,091 thousand and NTD 5,685 thousand, respectively, which were estimated based on the Company's pre-tax net income before deducting the compensations for employees and directors multiplied by the Company's proposed distribution rate of compensations for 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 amounts of compensations for employees and directors of the Company as of March 3, 2023 and March 2, 2022, as determined by the Board of Directors, are not different from the amounts estimated in the Company's parent company only financial statements for the fiscal years 2022 and 2021, and are paid entirely in cash. The relevant information can be found at the MOPS.

(XXII) Non-operating income and expense

1. Interest income

	2022	**2021**
Interest on bank deposit	$ 1,689	233
Interest income from financial assets measured at amortized cost	12	24
Interest on deposits	1	-
Interest income from financial assets at fair value through profit or loss	534	487
	$ 2,236	**744**

2. Other income

	2022	2021
Rental income	$ 5,427	5,581
Dividend income	2,997	999
Others	20,615	12,576
	$ 29,039	19,156

3. Other gains and losses

	2022	2021
Loss on disposal of property, plant and equipment	-	(1,652)
Gain on disposal of non-current assets held for sale (Note VI (VII))	-	469,360
Net gain (loss) on foreign exchange	50,985	(7,287)
Evaluating profit (loss) from financial instruments measured at fair value through profit or loss	(31,720)	619
Other expenditures	(3,345)	(1,203)
	$ 15,920	459,837

4. Finance costs

	2022	2021
Bank interest expenses	$ 25,745	10,019
Financial expenses on lease liabilities	1,432	1,480
	$ 27,177	11,499

(XXIII) Financial instruments

1. Types of financial instruments

(1) Financial assets

	2022.12.31	2021.12.31
Financial assets at fair value through profit or loss - current	26,995	27,137
Financial assets at fair value through other comprehensive income - non-current	68,840	41,259
Financial assets measured at amortized cost:		
Cash and cash equivalents	452,905	240,866
Financial assets measured at amortized cost - current	1,500	1,500
Notes receivable, account receivables, and other receivables (including related parties)	1,155,652	649,192
Refundable deposits	1,034	142
Subtotal	1,611,091	891,700
Total	$ 1,706,926	960,096

(2) Financial liabilities

	2022.12.31	2021.12.31
Financial liabilities at fair value through profit or loss:		
Held-for-trading	$ 1,083	65
Financial liabilities measured by amortized cost:		
Short-term borrowings	1,055,000	700,000
Notes payable, accounts payable and other payables (including related parties)	1,078,549	1,053,178
Long-term borrowings	1,100,000	1,300,000
Lease liabilities (including current and non-current)	126,740	128,305
Subtotal	3,360,289	3,181,483
Total	**$ 3,361,372**	**3,181,548**

2. Fair Value

(1) Financial instruments not measured at fair value

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

(2) Financial instruments measured at fair value

The Company's financial assets/liabilities measured by fair value through profit and loss and the financial assets measured by fair value through other comprehensive profit and loss are measured by fair value on the basis of repeatability. The following table provides relevant analysis of the financial instruments measured by 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:

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).

	2022.12.31			
	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	$ -	913	-	913
Derivative financial instruments - Foreign exchange swaps contract	-	11	-	11
Fund beneficiary certificates	26,071	-	-	26,071
	$ 26,071	924	-	26,995
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	$ 68,840	-	-	68,840
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contract	$ -	(66)	-	(66)
Derivative financial instruments - Foreign exchange swaps contract	-	(1,017)	-	(1,017)
Subtotal	$ -	(1,083)	-	(1,083)

	2021.12.31			
	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	$ -	74	-	74
Derivative financial instruments - Foreign exchange swaps contract	-	920	-	920
Fund beneficiary certificates	26,143	-	-	26,143
	$ 26,143	994	-	27,137
Financial assets at fair value through other comprehensive income:				
Domestic listed stocks	$ 41,259	-	-	41,259
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contract	$ -	(65)	-	(65)

(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.

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.

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.

B. Derivative financial instruments

They are valuated with the valuation model generally accepted by market participants. Forward foreign exchange contracts and foreign exchange swaps contracts are usually valuated in line with the current forward exchange rate.

(4) Transfer between fair value levels

There were no transfers of fair value levels of any financial asset and financial liability for the years ended 2022 and 2021.

(XXIV) Financial risk management

The Company is exposed to credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and equity instrument price risk) as a result of its business activities. This Note presents the Company's policies and procedures for measuring and managing each of these risks and the quantitative disclosure of the risks.

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

The financial management department of the Company monitors and manages the financial risks related to the operations of the Company through internal risk reports.

1. Credit risk

Credit risk refers to the risk of financial losses incurred by the Company due to the failure of counterparties to perform contractual obligations with respect to financial assets, mainly arising from financial assets such as cash and equivalents, derivative instrument transactions, accounts receivable from customers, and other receivables. The carrying value of financial assets of the Company represents the maximum exposure amount.

The transaction counterparties of cash and cash equivalents of the Company and the beneficiary certificates of the fund held by the Company are all financial institutions with good credit and therefore should not generate significant credit risk.

The policies adopted by the Company are to only conduct transactions with reputed counterparties, and to obtain sufficient collateral under necessary circumstances to reduce the risk of financial losses. The Company conducts transactions with enterprises whose ratings is equivalent to or higher than investment level. The information is provided by independent rating agencies. If such information is not available, the Company will use other publicly available financial information and transaction records of each other to rate major clients. The Company continuously monitors credit exposure and the credit ratings of its counterparties, and distributes the total transaction amount to qualified customers with credit ratings. It controls credit exposure through counterparty credit limit limits reviewed and approved by the risk management unit annually, and also reduces possible losses through insurance.

To mitigate the credit risk, the management of the Company appoints a team solely responsible for determination of credit lines, credit approvals and other monitoring procedures to ensure that appropriate action has been taken for the collection of overdue receivables. In addition, the Company will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the unrecoverable receivables have been recognized with appropriate impairment loss. Accordingly, the management of the Company believes that the Company’s credit risk is significantly reduced.

As of December 31, 2022 and 2021, the accounts receivable balance from single customer amounting to more than 10% of the Company's total accounts receivable are 42% and 45%, respectively, which are composed of three customers, giving the Company a significant concentration of credit risk.

2. Liquidity risk

Liquidity risk refers to the risk that the Company cannot deliver cash or other financial assets to settle financial liabilities and fails to fulfill relevant obligations. The Company manages and maintains sufficient cash positions to support operations and mitigate the impact of cash flow fluctuations. The management of the Company monitors the use of bank facility and ensures compliance with the terms of the loan contract.

The following table shows the contractual maturity dates of financial liabilities, including the impact of estimated interest, based on the earliest date on which the Company may be required to repay and using undiscounted cash flow.

	Contractual cash flows	Within 1 year	1 to 2 years	2-5 years	5 years and above
December 31, 2022					
Non-derivative financial liabilities:					
Short-term borrowings (floating rates)	$ 1,058,294	1,058,294	-	-	-
Long-term borrowings (floating rates)	1,123,329	21,100	1,102,229	-	-
Notes payable, accounts payable and other payables (including related parties; no interest)	1,078,549	1,078,549	-	-	-
Lease liabilities	132,213	20,240	18,056	48,162	45,755
Subtotal	3,392,385	2,178,183	1,120,285	48,162	45,755
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	209,344	209,344	-	-	-
Inflow	(210,191)	(210,191)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	409,131	409,131	-	-	-
Inflow	(408,125)	(408,125)	-	-	-
Subtotal	159	159	-	-	-
	$ 3,392,544	2,178,342	1,120,285	48,162	45,755
December 31, 2021					
Non-derivative financial liabilities:					
Short-term borrowings (floating rates)	$ 700,808	700,808	-	-	-
Long-term borrowings (floating rates)	1,313,403	12,480	1,300,923	-	-
Notes payable, accounts payable and other payables (including related parties; no interest)	1,053,178	1,053,178	-	-	-
Lease liabilities	134,912	15,654	15,382	43,282	60,594
Subtotal	3,202,301	1,782,120	1,316,305	43,282	60,594
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	74,478	74,478	-	-	-
Inflow	(74,487)	(74,487)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	247,265	247,265	-	-	-
Inflow	(248,185)	(248,185)	-	-	-
Subtotal	(929)	(929)	-	-	-
	$ 3,201,372	1,781,191	1,316,305	43,282	60,594

The Company 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.

3. Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates and the price of equity instruments, and may affect the earnings of the Company or the value of the financial instruments it holds. The goal of market risk management is to control the degree of exposure to market risk within an acceptable range, and to optimize investment returns.

(1) Exchange rate risk

The Company is exposed to the risk of exchange rate fluctuations arising from sales and purchase transactions denominated in non-functional currencies, which are primarily denominated in USD. The management of exchange rate risk of the Company involves using forward foreign exchange contracts and foreign exchange contracts to manage exchange rate risk to the extent permitted by policy. The exchange rate risk of the Company mainly stems from the USD-denominated receivables and payables that are still outstanding at the balance sheet date. The sensitivity analysis of the carrying values of significant monetary assets and liabilities that are not denominated in functional currencies and their related foreign currency movements on the reporting date is as follows in thousands of NTD):

	2022.12.31				
	Foreign Currency	**Exchange rate**	**NTD**	**Changes in exchange rates**	**Profit and loss influence (before tax)**
Financial assets					
Monetary items					
USD	$ 42,014	30.7300	1,291,087	1%	12,911
Financial liabilities					
Monetary items					
USD	20,558	30.7300	631,755	1%	6,318

	2021.12.31				
	Foreign Currency	**Exchange rate**	**NTD**	**Changes in exchange rates**	**Profit and loss influence (before tax)**
Financial assets					
Monetary items					
USD	$ 26,229	27.6800	726,019	1%	7,260
Financial liabilities					
Monetary items					
USD	20,529	27.6800	568,243	1%	5,682

Due to the wide variety of monetary items of the Company, the exchange gain or loss of monetary items are disclosed through consolidation. Please refer to Note VI (XXII) for details of foreign currency exchange (loss) gain (including realized and unrealized) for the years 2022 and 2021.

(2) Interest rate risk

The bank borrowings of the Company are based on a floating rate basis. The measures taken by the Company to address the risk of interest rate changes mainly include regularly assessing the borrowing interest rate of banks, maintaining good relationship with financial institutions to achieve lower financing costs, and strengthening working capital management to reduce the dependence on bank borrowings and the risk of interest rate changes.

The interest rate exposure of financial liabilities of the Company is described in the liquidity risk management section of this Note. The following sensitivity analysis is based on the interest rate exposure of non-derivative instruments at the reporting date. For floating rate liabilities, the analysis assumes that the amount of liabilities outstanding at the reporting date is outstanding throughout the year. The rate of change used by the Company to report interest rates to the main management is an increase or decrease of 1% in annual interest rates, which also represents the management's assessment of the reasonable and possible range of changes in interest rates.

If the annual interest rate on bank borrowings of the Company increases/decreases by 1%, and all other variables remain unchanged, based on the estimated balance of bank borrowings of the Company as of December 31, 2022 and 2021, the net profit before tax of the Company for the years 2022 and 2021 will increase/decrease by NTD 21,550 thousand and NTD 20,000 thousand, respectively,

(3) Other market price risks

The stocks on the TWSE and the TPEx held by the Company are exposed to risk of price changes in equity securities market. The Company manages and monitors the investment performance on a fair value basis.

The sensitivity analysis on price risk of holding stocks on the TWSE and TPEx is based on the changes in fair value as at the reporting date. If the price of equity instruments increases/decreases by 1%, the amount of other comprehensive income for the years 2022 and 2021 will increase/decrease by NTD 688 thousand and NTD 413 thousand, respectively.

(XXV) Capital management

The Company manages its capitalization to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The overall strategy of the Company will not change within 3 years.

The capital structure of the Company consists of the net debt (i.e., borrowings less cash) and equity (i.e., capital stock, capital surplus, retained earnings and other equity items) of the Company. The Company is not subject to other external capital requirements.

The Company's key management annually reviews the Company's capital structure, and the content of the review includes costs of various capital and related risks. According to the key management's suggestions, the Company will balance the overall capital structure through the payment of dividends, issuance of new shares, and buy-back of shares.

The way of capital management of the Company did not change in 2022 and 2021.

(XXVI) Investment and financing activities not in cash

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

			Non-cash change		
	2022.1.1	**Cash Flows**	**Increase in lease liabilities**	**Decrease in lease liabilities**	**2022.12.31**
Short-term borrowings	$ 700,000	355,000	-	-	1,055,000
Long-term borrowings	1,300,000	(200,000)	-	-	1,100,000
Lease liabilities	128,305	(15,840)	14,275	-	126,740
Total liabilities from financing activities	**$ 2,128,305**	**139,160**	**14,275**	**-**	**2,281,740**

			Non-cash change		
	2021.1.1	**Cash Flows**	**Increase in lease liabilities**	**Decrease in lease liabilities**	**2021.12.31**
Short-term borrowings	$ 660,000	40,000	-	-	700,000
Long-term borrowings	-	1,300,000	-	-	1,300,000
Lease liabilities	2,302	(10,704)	137,092	(385)	128,305
Total liabilities from financing activities	**$ 662,302**	**1,329,296**	**137,092**	**(385)**	**2,128,305**

VII. Related Party Transactions

(I) Parent company and ultimate controller

Qisda Corporation 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

During the period covered by the parent company only financial statements, the Company's parent company, subsidiaries, and other related parties that have transactions with the Company are as follows:

Name of related party	Relationship with the Company
Qisda Corporation (Qisda)	Parent company of the Company
DFI America, LLC（DFI USA)	Subsidiary of the Company
DFI Co., Ltd.	Subsidiary of the Company
Yan Tong Technology Ltd.	Subsidiary of the Company
Diamond Flower Information (NL) B.V. (DFI BV)	Subsidiary of the Company
Brainstorm Corporation (Brainstorm)	Subsidiary of the Company
Dongguan Yantong Electronic Information Co., Ltd.	Subsidiary of the Company
Yan Ying Hao Trading (Shenzhen) Co., Ltd.	Subsidiary of the Company
AEWIN Technologies Co., Ltd. (AEWIN)	Subsidiary of the Company
Aewin Beijing Technologies Co., Ltd.	Subsidiary of the Company
WISE WAY	Subsidiary of the Company
BRIGHT PROFT	Subsidiary of the Company
Aewin (Shenzhen) Technologies Co., Ltd	Subsidiary of the Company
Ace Pillar Co., Ltd.	Subsidiary of the Company
Standard Technology Corp.	Subsidiary of the Company
Standard Technology Corporation	Subsidiary of the Company
Tianjin Ace Pillar Co., Ltd.	Subsidiary of the Company
Cyber South Management Ltd.	Subsidiary of the Company
Proton Inc.	Subsidiary of the Company
Ace Tek (HK) Holding Co., Ltd.	Subsidiary of the Company
Suzhou Super Pillar Automation Equipment Co., Ltd.	Subsidiary of the Company
Grace Transmission (Tianjin) Co., Ltd.	Subsidiary of the Company
Xuchang Ace AI Equipment Co., Ltd.	Subsidiary of the Company (Note 3)
ADVANCEDTEK ACE (TJ) INC.	Subsidiary of the Company
Standard International Trading (Shanghai) Co., Ltd. (Shanghai Standard)	Subsidiary of the Company

Name of related party	Relationship with the Company
BlueWalker GmbH (BWA)	Subsidiary of the Company
ACE Energy Co., Ltd.	Subsidiary of the Company (Please refer to Note VI (VIII)
Partner Technology Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
Alpha Networks Inc.	Directly/indirectly controlled subsidiary of Qisda
BenQ Materials Corporation	Directly/indirectly controlled subsidiary of Qisda
BenQ Asia Pacific Corporation	Directly/indirectly controlled subsidiary of Qisda
BenQ Healthcare Corporation	Directly/indirectly controlled subsidiary of Qisda
BenQ Corporation	Directly/indirectly controlled subsidiary of Qisda
Simula Technology Inc.	Directly/indirectly controlled subsidiary of Qisda
Golden Spirit Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
Data Image Corporation	Directly/indirectly controlled subsidiary of Qisda
Metaage Corporation (formerly SYSAGE Technology Co., Ltd.)	Directly/indirectly controlled subsidiary of Qisda
AdvancedTEK International Corp.	Directly/indirectly controlled subsidiary of Qisda
DIVA Laboratories, Ltd.	Directly/indirectly controlled subsidiary of Qisda
Metaguru Corporation	Directly/indirectly controlled subsidiary of Qisda
Concord Medical Co. Ltd.	Directly/indirectly controlled subsidiary of Qisda
Webest Solution Corporation	Directly/indirectly controlled subsidiary of Qisda
Global Intelligence Network Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
Qisda Optronics (Suzhou) Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
Qisda (Suzhou) Co., Ltd.	Directly/indirectly controlled subsidiary of Qisda
BenQ Foundation	Substantive related party of Qisda
AU Optronics Corporation (AUO)	Related enterprise of Qisda/Corporate director valuing Qisda under equity approach (Note 1)
AUO Digitech Taiwan Inc.	Direct/indirect subsidiary of AUO
Darwin Precisions (Xiamen) Corporation	Direct/indirect subsidiary of AUO
Darwin Precisions Corporation	Direct/indirect subsidiary of AUO
AUO Display Plus Corp.	Direct/indirect subsidiary of AUO
Darfon Electronics Corporation (Darfon)	Related enterprise of Qisda
Unictron Technologies Corporation	Direct/indirect subsidiary of Darfon
San Jose Technology, Inc.	Direct/indirect subsidiary of Darfon (Note 2)

Note 1: AUO was previously a related enterprise of Qisda. However, AUO is no longer a related enterprise of Qisda starting May 12, 2021, and AUO has valued Qisda under the equity approach as of January 2021.

Note 2: It was written off and dissolved on March 30, 2021.

Note 3: It has been fully liquidated on June 21, 2022 and deregistration has been completed.

(III) Material transactions with related party

1. Net operating income

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

	2022	2021
Parent company	$ 82,056	44,780
Subsidiary - DFI USA	863,502	579,172
Subsidiary - AEWIN	808,108	473,425
Subsidiary - DFI BV	613,421	335,051
Other subsidiaries	484,062	373,287
Other related parties	266,331	148,035
	$ 3,117,480	**1,953,750**

Sales of the Company 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 period for related parties is 60-90 days after shipment, while for non related parties, it is 30-90 days.

2. Purchases

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

	2022	2021
Parent company	$ 560,220	350,492
Subsidiaries	377,684	228,304
Other related parties	14,218	17,822
	$ 952,122	**596,618**

The purchases from related parties by the Company are customized products tailored to the requirements of the order, and, therefore, the selling price is mutually agreed. The payment period for related parties is 60-90 days after the arrival of the goods, while for non-related parties, it is 30-90 days after the monthly settlement.

3. Lease

The Company 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 increased right-of-use assets in 2021 wasNTD 135,488 thousand.

The Company has recognized interest expenses of NTD 1,358 thousand and NTD 1,461 thousand for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021, the balances of related lease liabilities were NTD 113,483 thousand and NTD 126,965 thousand, respectively.

4. Property transactions

Category of related party	Item	2022	2021
Other related parties	Property, plant and equipment	$ 334	6,114
Parent company	Intangible assets	-	1,789
Subsidiaries	Intangible assets	2,750	-
Other related parties	Intangible assets	2,100	-
		$ 5,184	7,903

5. Operating costs, expenses, and other income

The operating costs and expenses incurred by the Company 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	2022	2021
Operating costs	Parent company	$ 17,465	9,276
	Subsidiaries	87	15
	Other related parties	8,803	3,279
Operating expenses	Parent company	3,768	3,569
	Subsidiaries	-	26
	Other related parties	9,623	4,482
Other income	Parent company	238	-
	Subsidiaries	8,069	3,689
	Other related parties	5,438	5,581

6. Receivables from related parties

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

Item	Category of related party	2022.12.31	2021.12.31
Accounts receivable from related parties	Parent company	$ 112,190	100,233
	Subsidiaries:		
	DFI-USA	143,030	69,313
	AEWIN	205,300	112,266
	Others	124,821	57,644
	Other related parties	86,736	42,775
		672,077	382,231

Item	Category of related party	2022.12.31	2021.12.31
Other receivables	Subsidiaries		
	AEWIN	2,930	4,812
	Others	700	1,229
	Parent company:	55	-
	Other related parties	501	498
		4,186	6,539
		$ 676,263	388,770

The Company provides some of the raw materials to the parent company for manufacturing, while the completed semi-finished products are sold back to the Company for processing and assembly. To prevent repeated calculation of the purchases and sales above, the Company 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.

7. Accounts payable to related parties

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

Item	Category of related party	2022.12.31	2021.12.31
Accounts payable	Parent company	$ 77,471	50,843
	Subsidiaries	71,812	33,429
	Other related parties	1,813	5,626
		151,096	89,898
Other payables	Parent company	3,436	2,894
	Subsidiaries	280	-
	Other related parties	897	2,630
		4,613	5,524
Lease liabilities - current	Parent company	13,634	13,482
Lease liabilities - non-current	Parent company	99,849	113,483
		113,483	126,965
		$ 269,192	222,387

(IV) Compensation of main managerial officers

	2022	2021
Short-term employee benefits	$ 41,846	42,057

VIII. Pledged Assets

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

Asset name	Subject matter of pledge guarantee	2022.12.31	2021.12.31
Pledged certificate of deposit	Performance bond for release before tax to customs house	$ 1,500	1,500

The aforesaid bank deposits are presented under the financial assets measured at amortized cost.

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

X. Significant Disaster Losses: None.

XI. Significant Events after the Balance Sheet Date: None.

XII. Miscellaneous

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

By function / By nature	2022			2021		
	Attributable to operating cost	Attributable to operating expenses	Total	Attributable to operating cost	Attributable to operating expenses	Total
Employee benefits expenses						
Salary expense	236,741	347,715	584,456	188,288	339,992	528,280
Labor and health insurance expenses	19,751	27,317	47,068	16,077	26,840	42,917
Pension expense	7,016	14,579	21,595	5,848	14,574	20,422
Compensation of directors	-	16,561	16,561	-	10,515	10,515
Other employee benefit expenses	12,214	12,050	24,264	9,521	12,084	21,605
Depreciation expense	61,026	21,068	82,094	47,024	27,543	74,567
Amortization expense	1,859	3,550	5,409	1,108	3,981	5,089

Additional information on the number of employees and employee welfare expenses of the Company is as follows:

	2022	2021
Number of employees	661	604
Number of directors not concurrently employed	6	6
Average employee benefit expense	$ 1,034	1,025
Average employee salary expense	$ 892	883
Average employee salary expense adjustment	1.02%	17.73%
Supervisors' compensation	$ -	-

The Company's salary and award policies (for directors, managerial officers, and employees) are as follows:

The compensation of directors of the Company includes the remuneration and award of directors. According to the Articles of Association, if any profit is made, no more than 1% shall be set aside for directors' remuneration. Award shall be proposed by the Human Resources Department in consideration of the competitive environment and operational risks, and shall be evaluated in accordance with the Company's management rules and bonus plan and submitted to the Board of Directors for approval. The compensation composition of the Company's managerial officers and employees consists of fixed wages and variable bonuses, with fixed wages being the basic remuneration of employees and variable bonuses being linked to the Company's operational performance and achievement of strategic goals. The bonus policy shall be proposed by the Human Resources Department in accordance with the Company's salary and award management rules and bonus plan, and shall be submitted to the Board of Directors for approval.

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: Please refer to Table 2.
3. Marketable securities held at the end of the period (excluding the investments in subsidiaries, related enterprises and equity joint ventures): Please refer to Table 3.
4. The cumulative purchase or sale of the same securities amounted to NTD 300 million or 20% and above of the paid-in capital: None.
5. The amount of property acquired reached NTD 300 million or 20% and above of the paid-in capital: None.
6. The amount of property disposal reached NTD 300 million or 20% and above of the paid-in capital: None.
7. The amount of purchases or sales with related parties reached NTD 100 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).

(II) Reinvestment and related information: Please refer to Table 6.

(III) Information on investments in mainland China: Please refer to Table 7.

(IV) Information on major shareholders:

Unit: Share

Shares Name of major shareholder	Number of shares held	Shareholding ratio
Qisda Corporation	51,609,986	45.07%
Gordias Investments Limited of British Virgin Islands Merchant	15,734,441	13.74%
Darly2 Venture, lnc.	9,175,109	8.01%
Hyllus Investments Limited of British Virgin Islands Merchant	8,559,818	7.47%

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.

XIV. Segment Information

Please refer to the consolidated financial statements for the year ended December 31, 2022.

DFI Inc. and its subsidiaries
Loan of funds to others
From January 1 to December 31, 2022

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 for 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 from related parties	Yes	166,808	125,836	125,836	-	1	525,259	Business Interaction	-	-	-	255,839	511,679
2	Ace Pillar	Tianjin ACE Pillar	Other receivables from related parties	Yes	309,505	220,285	176,228	-	2	-	Operating capital fund	-	-	-	409,634	819,268
2	Ace Pillar	Suzhou Super Pillar	Other receivables from related parties	Yes	121,278	88,114	30,840	-	2	-	Operating capital fund	-	-	-	409,634	819,268
3	Standard Co.	Intelligent fluids GmbH	Other receivables	No	625	-	-	20.00%	1	659	Business Interaction	-	-	-	16,803	33,605
4	Cyber South	Tianjin ACE Pillar	Other receivables from related parties	Yes	22,551	21,511	21,511	-	2	-	Operating capital fund	-	-	-	580,218	580,218
5	Proton Inc.	Tianjin ACE Pillar	Other receivables from related parties	Yes	12,886	12,292	12,292	-	2	-	Operating capital fund	-	-	-	459,880	459,880

Note 1: The limits of funds lent by AEWIN to all others and to each individual object 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 object 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 Standard Technology Corporation to all others and to each individual object were 20% and 10%, respectively, of the net value of the company's most recent financial statements.

Note 4: The limits of funds lent by Cyber South to all others and to each individual object 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 Proton Inc. to all others and to each individual object 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 6: “1” for those with the nature for financing arising from business transaction; “2” for those have a need for short-term financing.

Note 7: The transactions of the Company’s loans to subsidiaries had been written off when the consolidated financial statements were prepared.

DFI Inc. and its subsidiaries
Endorsement and guarantee for others
From January 1 to December 31, 2022

Table 2

Unit: In thousands of New Taiwan Dollars

No.	Company Name of Endorser	Company name of endorsee		Endorsement limit for a single enterprise	Maximum endorsement guarantee balance for current period	Ending balance of endorsement guarantee	Amount Actually Drawn	Amount of endorsements secured by the property	The ratio of accumulated endorsement amount to the net worth of the latest financial report	Maximum amount of endorsement	Endorsement of the parent company to a subsidiary	Endorsement of a subsidiary to the parent company	Endorsement for Mainland China
		Company Name	Relationship										
1	AEWIN	Beijing AEWIN	2	255,839	130,608	-	-	-	-	639,599	Y	N	Y
2	Ace Pillar	Tianjin ACE Pillar	2	819,268	190,125	-	-	-	-	1,024,085	Y	N	Y

Note 1: The maximum lines of credit provided by AEWIN for other persons and individual enterprise are 50% and 20% of the company’s net value in the financial statements for the most recent period.
Note 2: The maximum lines of credit provided by Ace Pillar for other persons and individual enterprise are 50% and 40% of the company’s net value in the financial statements for the most recent period.
Note 3: Relationship between the endorser and the endorsee: (2) A subsidiary holding more than 50% of ordinary shares.

DFI Inc. and its subsidiaries

Marketable securities held at the end of the period (excluding the investments in subsidiaries, related enterprises and equity joint ventures)
From January 1 to December 31, 2022

Table 3

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

Holder	Type and name of marketable securities	Relationship with the issuer of securities	Item	End of period				Remarks
				Number of shares/units	Carrying amount	Shareholding ratio	Fair value	
The Company	Beneficiary certificates: Cathay No.1 REIT	-	Financial assets at fair value through profit or loss - current	1,442	26,071	-	26,071	-
The Company	Stock: APLEX Technology Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,487	68,840	4.10%	68,840	-
AEWIN	Stock: AEWIN KOREA TECHNOLOGIES CO., LTD	Substantial related party	Financial assets at fair value through other comprehensive income - non-current	10	790	16.67%	790	-
AEWIN	Stock: Authentrend Technology Inc.	-	Financial assets at fair value through profit or loss - non-current	300	-	1.42%	-	-
Standard Co.	Stock: Intelligent fluids GmbH	-	Financial assets at fair value through other comprehensive income - non-current	27	-	2.64%	-	-
Standard Co.	Stock: COMPITEK CORP PTE LTD (CPL)	-	Financial assets at fair value through other comprehensive income - non-current	36	1,434	6.28%	1,434	-
STCBVI	Bonds: Biogen Inc.	-	Financial assets measured at amortized cost - non-current	USD 100	3,212	-	3,212	-

DFI Inc. and its subsidiaries
The amount of purchases or sales with related parties reached NTD100 million
or 20% and above of the paid-in capital
From January 1 to December 31, 2022

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 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)	
The Company	Qisda	Parent company and subsidiary	Purchases	560,220	13.04%	60-90 days to collect	-	30-90 days to collect	(77,471)	(8.81)%	-
Qisda	The Company	Parent company and subsidiary	(Sales)	(560,220)	(0.54%)	60-90 days to collect	-	30-90 days to collect	77,471	0.33%	-
DFI US	The Company	Parent company and subsidiary	Purchases	863,502	98.76%	60-90 days to collect	-	30-90 days to collect	(143,030)	(100)%	Note 2
The Company	DFI US	Parent company and subsidiary	(Sales)	(863,502)	(15.87%)	60-90 days to collect	-	30-90 days to collect	143,030	12.70%	Note 2
Diamond Flower Information (NL) B.V	The Company	Parent company and subsidiary	Purchases	613,421	100.00%	60-90 days to collect	-	30-90 days to collect	(61,796)	(100)%	Note 2
The Company	Diamond Flower Information (NL) B.V	Parent company and subsidiary	(Sales)	(613,421)	(11.27%)	60-90 days to collect	-	30-90 days to collect	61,796	5.49%	Note 2
DFI Co.,Ltd.	The Company	Parent company and subsidiary	Purchases	251,518	100%	60-90 days to collect	-	30-90 days to collect	(17,232)	(96.82)%	Note 2
The Company	DFI Co.,Ltd.	Parent company and subsidiary	(Sales)	(251,518)	(4.62%)	60-90 days to collect	-	30-90 days to collect	17,232	1.53%	Note 2
Yan Ying Hao Trading (ShenZhen) Co. Ltd.	The Company	Parent company and subsidiary	Purchases	215,125	97.79%	60-90 days to collect	-	30-90 days to collect	(44,109)	(99.44)%	Note 2
The Company	Yan Ying Hao Trading (Shenzhen) Co. Ltd.	Parent company and subsidiary	(Sales)	(215,125)	(3.95%)	60-90 days to collect	-	30-90 days to collect	44,109	3.92%	Note 2
The Company	Qisda Optronics (Suzhou)	Affiliate	(Sales)	(199,357)	(3.66%)	60-90 days to collect	-	30-90 days to collect	66,393	5.89%	Note 2
Qisda Optronics (Suzhou)	The Company	Affiliate	Purchases	199,357	0.96%	60-90 days to collect	-	30-90 days to collect	(66,393)	(2.21)%	Note 2
AEWIN	The Company	Parent company and subsidiary	Purchases	808,108	44.13%	Payment term of 90 days	At agreed price	Payment term of 60-90 days to collect	(205,300)	(53.44)%	Note 2
The Company	AEWIN	Parent company and subsidiary	(Sales)	(808,108)	(14.85%)	Payment term of 90 days	At agreed price	Payment term of 60-90 days to collect	205,300	18.23%	Note 2
AEWIN	Beijing AEWIN	Parent company and subsidiary	(Sales)	(525,259)	(26.12%)	150 days after shipment	-	120 days after shipment (Note 1)	523,434	59.53%	Note 2
Beijing AEWIN	AEWIN	Parent company and subsidiary	Purchases	525,259	57.91%	150 days after shipment	-	120 days after shipment (Note 1)	(523,434)	(70.45)%	Note 2
AEWIN	Aewin Tech Inc.	Parent company and subsidiary	(Sales)	(321,308)	(15.98%)	120 days after shipment	-	120 days after shipment (Note 1)	109,473	12.45%	Note 2
Aewin Tech Inc.	AEWIN	Parent company and subsidiary	Purchases	321,308	100%	120 days after shipment	-	120 days after shipment (Note 1)	(109,473)	(100)%	Note 2
Quansheng Information	Tianjin ACE Pillar	Affiliate	(Sales)	(374,578)	(99.84%)	T/T 30 days	-	-	12,555	88.77%	Note 2
Tianjin ACE Pillar	Quansheng Information	Affiliate	Purchases	374,578	34.35%	T/T 30 days	-	-	(12,555)	(14.39)%	Note 2
The Company	AEWIN	Parent company and subsidiary	Purchases	368,641	8.58%	Payment term of 60 days	-	30-90 days to collect	(71,812)	(6.39)%	Note 2
AEWIN	The Company	Parent company and subsidiary	(Sales)	- (Note 3)	-	Payment term of 60 days	-	120 days after shipment (Note 1)	71,812	8.17%	Note 2

Note 1: 120 days after shipment and subject to extension according to market conditions.
Note 2: The above transactions have been written off when preparing the consolidated financial report.
Note 3: The amount of sales of raw materials after processing and repurchase has been deducted.

Table 5

DFI Inc. and its subsidiaries
Receivables from related parties reached NTD 100 million or 20% and above of paid-in capital
From January 1 to December 31, 2022

Unit: In thousands of New Taiwan Dollars

Company of receivables	Name of Counterparty	Relationship	Balance of receivable 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		
The Company	Qisda	Parent company and subsidiary	112,190	0.77	-	-	47,354	-
The Company	AEWIN	Parent company and subsidiary	205,300	5.09	-	-	78,101	-
The Company	DFI US	Parent company and subsidiary	143,030	8.13	-	-	122,920	-
AEWIN	Beijing AEWIN	Parent company and subsidiary	523,434	1.14	385,498	Strengthen collection	-	-
AEWIN	Beijing AEWIN	Parent company and subsidiary	125,836	-	-	-	107,456	-
Ace Pillar	Tianjin ACE Pillar	Parent company and subsidiary	176,228	-	-	-	-	-

Note: The aforesaid transactions had been written off when the consolidated financial statements were prepared.

DFI Inc. and its subsidiaries
Reinvestment and related information
From January 1 to December 31, 2022

Table 6

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

Investor	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 US	USA	Sales of industrial computer cards	254,683	254,683	1,209	100%	382,317	20,781	20,781	Subsidiary of the Company
The Company	Yan Tong	Mauritius	General investment business	187,260	187,260	3,500	100%	113,895	20,233	21,229	Subsidiary of the Company
The Company	DFI CO., Ltd	Japan	Sales of industrial computer cards	104,489	104,489	6	100%	124,308	17,927	17,927	Subsidiary of the Company
The Company	Diamond Flower Information (NL) B.V	Netherlands	Sales of industrial computer cards	35,219	35,219	12	100%	91,541	38,775	38,775	Subsidiary of the Company
The Company	AEWIN	Taiwan	Design, manufacturing and sale of industrial computer mainboards and related products	564,191	564,191	30,376	51.38%	646,126	153,743	73,838	Subsidiary of the Company
The Company	Ace Pillar	Taiwan	Testing, processing, sales, repairing and electromechanical integration of automation control and industrial transmission systems	1,301,359	1,301,359	53,958	48.07%	1,084,057	78,953	32,362	Subsidiary of the Company
The Company	Brainstorm	USA	Wholesale and retail of computer and peripheral devices	501,582	501,582	233	35.09%	533,367	(32,667)	(27,567)	Subsidiary of the Company
AEWIN	Wise Way	Anguilla	Investment business	46,129	46,129	1,500	100%	133,823	(6,400)	(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%	2,885	23,338	(Note 1)	Subsidiary indirectly controlled by the Company
Wise Way	Bright Profit	Hong Kong	Investment business	46,129	46,129	1,500	100%	188,031	(6,400)	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Cyber South	Samoa	Holding Company	107,041	107,041	4,669	100%	580,218	(56,336)	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Hong Kong ACE Pillar	Hong Kong	Trade of transmission mechanical components	5,120	5,120	1,200	100%	47,336	3,068	(Note 1)	Subsidiary indirectly controlled by the Company
Cyber South	Proton	Samoa	Holding Company	527,665	527,665	17,744	100%	459,880	(61,249)	(Note 1)	Subsidiary indirectly controlled by the Company
Cyber South	Ace Tek	Hong Kong	Holding Company	4,938	4,938	150	100%	2,176	2,787	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Standard Co.	Taiwan	Trading and equipment maintenance of semiconductor optoelectronic equipment and consumables	187,000	-	4,680	60%	209,788	45,262	(Note 1)	Subsidiary indirectly controlled by the Company
Standard Co.	Standard Technology Corp.	BVI	Holding Company	21,727	-	600	100%	114,895	19,354	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	ACE Energy	Taiwan	Energy Service Company	166,760	-	4,993	99.86%	175,085	12,782	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	BlueWalker GmbH	Germany	Trading and services of energy management products	-	-	(Note 3)	100%	-	15,766	(Note 1)	Subsidiary indirectly controlled by the Company
ACE Energy	BlueWalker GmbH	Germany	Trading and services of energy management products	138,804	-	(Note 3)	100%	144,174	15,766	(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 will 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.

DFI Inc. and its subsidiaries
Information on Investments in Mainland China
From January 1 to December 31, 2022

Table 7

1. Information on Reinvestment in Mainland China:

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

Investee in mainland China	Primary businesses	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 Tong Infotech (Dongguan) Co., Ltd.	Manufacturing and sales of computer cards, board cards, host computer, electronic parts and components	69,200 (USD 2,500)	(Note 1)	-	-	-	-	5,116	100%	5,116 (Note 2)	57,242	33,306
Yan Ying Hao Trading (Shenzhen) Co., Ltd.	Wholesale, import and export of computer cards, board cards, host computer, electronic parts and components	13,840 (USD 500)	(Note 1)	-	-	-	-	2,338	100%	2,338 (Note 2)	49,551	-
Beijing AEWIN	Wholesale of computer and peripheral equipment and software	46,129 (USD 1,500)	(Note 1)	46,129 (USD 1,500)	-	-	46,129 (USD 1,500)	(6,400)	100%	(6,400) (Note 3)	188,026	-
Aewin (Shenzhen)	Wholesale of computer and peripheral equipment and software	15,265 (RMB 3,500)	(Note 5)	-	-	-	-	(2,541) (RMB (569))	100%	(2,541) (RMB (569)) (Note 2)	(2,160) (RMB (490))	-
Tianjin ACE Pillar	Trade of transmission mechanical components	1,084,677 (USD 35,297)	(Note 1)	59,924 (USD 1,950)	-	-	59,924 (USD 1,950)	(74,508)	100%	(74,508) (Note 3)	545,110	125,533
Tianjin Jinhao	Manufacturing and processing of machinery transmission products	7,358 (RMB 1,670)	(Note 1)	4,917 (USD 160)	-	-	4,917 (USD 160)	(2,951)	100%	(2,951) (USD (106)) (Note 3)	4,163 (USD 135)	-
Quansheng Information	Electronic system integration	9,219 (USD 300)	(Note 1)	4,610 (USD 150)	-	-	4,610 (USD 150)	2,787	100%	2,787 (USD 98) (Note 3)	2,149 (USD 70)	-
Suzhou Super Pillar	Processing and technical services of mechanical transmission and control products	44,559 (USD 1,450)	(Note 1)	- (Note 4)	-	-	- (Note 4)	7,917	100%	7,917 (USD 268) (Note 3)	107,855 (USD 3,510)	-
Xuchang Ace AI Equipment Co.,Ltd.	Wholesale and retail of industrial robotic related products	9,219 (USD 300)	(Note 1)	- (Note 4)	-	-	- (Note 4)	(75)	(Note 6)	(75) (USD (3)) (Note 3)	-	-
Shanghai Standard	Trading of semiconductor photoelectric equipment and consumables	14,750 (USD 480)	(Note 1)	14,750 (USD 480)	-	-	14,750 (USD 480)	21,485	100%	17,309 (Note 3)	111,566	118,686

Note 1: Reinvest in the companies in mainland China through companies established in third regions.
Note 2: Recognition is based on financial reports prepared by the investee itself and not audited by a certified public accountant.
Note 3: It is recognized in line with the financial report prepared by the investee and reviewed by the accountant of the parent company in Taiwan.
Note 4: It was reinvested and established by Cyber South.
Note 5: It is a mainland China-based company reinvested by Beijing AEWIN.
Note 6: Xuchang Ace AI Equipment Co., Ltd. was liquidated and deregistered on June 21, 2022.

2. Limit of investment in mainland China:

Name of Investor	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)	64,072 (Note 3 and Note 4) (USD 2,085)	3,494,873
AEWIN	46,129 (USD 1,500)	61,460 (USD 2,000)	767,518
Ace Pillar	157,307 (USD 5,119)	157,307 (USD 5,119)	1,282,505
Standard Co.	14,750 (USD 480)	14,750 (USD 480)	100,816

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 December 31, 2022 (these transactions had been written off when the consolidated financial statements were prepared).

DFI Inc.

Statement of cash and cash equivalent

December 31, 2022

Unit: In thousands of New Taiwan Dollars

Item	Summary	Amount
Petty cash and cash on hand		$ 35
Demand deposits and check deposits		283,689
Foreign currency deposits (Note)	USD: NT$ 5,501,000	169,040
	JPY: 2,000	-
	EUR: 3,000	87
	RMB: 12,000	54
		$ 452,905

Note: Foreign currency deposits are translated at the spot exchange rate on December 31, 2022
USD: NTD=1: 30.73
EUR: NTD=1: 32.82
JPY: NTD=1: 0.2330
RMB: NTD=1: 4.4057

DFI Inc.

Statement of Accounts Receivable

December 31, 2022

Unit: In thousands of New Taiwan Dollars

Client name		Amount
Client A	$	106,725
Client B		96,000
Client C		41,346
Client D		40,072
Client E		22,817
Others (Note)		147,251
		454,211
Less: Allowance for loss		(1,798)
	$	**452,413**

Note: None has reached 5% of the item.

DFI Inc.

Statement of other receivables

December 31, 2022

Unit: In thousands of New Taiwan Dollars

Item	Summary	Amount	Remarks
Business tax refund receivable		$ 26,976	
Others (all less than 5%)		4,186	
		$ 31,162	

Note: None has reached 5% of the item.

Statement of inventories

Item	Amount: Book value	Amount: Net realizable value	Remarks
Raw materials	$ 624,958	802,763	
Work in progress	172,219	230,865	
Manufactured goods and commodities	150,194	162,647	
Goods in Transit	23,906	23,906	
Outsourced processing products	1,663	1,663	
	$ 972,940	**1,221,844**	

DFI Inc.

Statement of prepayments

December 31, 2022

Unit: In thousands of New Taiwan Dollars

Item	Amount
Input tax	$ 9,971
Prepaid expenses	8,828
Prepaid insurance	1,065
Others (Note)	477
	$ 20,341

Note: None has reached 5% of the item.

DFI Inc.

Statement of changes in financial assets at fair value through other comprehensive income - non-current

From January 1 to December 31, 2022 **Unit: In thousands of New Taiwan Dollars**

	Beginning		Increase in the period		Decrease in the period		Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Ending			
Name	Number of shares (In thousands of shares)	Fair value	Number of shares (In thousands of shares)	Amount	Number of shares (In thousands of shares)	Amount		Number of shares (In thousands of shares)	Fair value	Guarantee or pledge provided	Remarks
Shares of OTC company- Aplex Technology Inc.	999	$ 41,259	488	16,098	-	-	11,483	1,487	68,840	-	

DFI Inc.

Statement of changes in investments accounted for using equity method

From January 1 to December 31, 2022

Unit: In thousands of New Taiwan Dollars

Investee	Beginning balance (restated)		Increase in the period		Decrease in the period (Note 2)		Adjustment using the equity method (Note 1)	Ending balance			Market price or net equity		Guarantee or pledge provided
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount		Number of shares	Shareholding ratio Percentage	Amount	Unit price (NT$)	Total	
Diamond Flower Information (NL) B.V.	12,001	$ 75,462	-	-	-	-	43,976	12,001	100%	119,438	9,952.34	119,438	None
DFI America ,LLC.	1,209,000	377,512	-	-	-	-	43,675	1,209,000	100%	421,187	201.25	243,313	None
DFI Co.,Ltd.	6,200	289,652	-	-	-	(178,442)	15,895	6,200	100%	127,105	18,970.05	117,614	None
Yan Tong Technology Ltd.	6,000,000	181,573	-	-	2,500,000	(80,063)	22,556	3,500,000	100%	124,066	35.45	124,066	None
AEWIN	30,376,000	603,938	-	-	-	(18,226)	74,677	30,376,000	51.38%	660,389	21.64	657,251	None
Ace Pillar	53,958,069	1,116,480	-	-	-	(48,562)	16,903	53,958,069	48.07%	1,084,821	18.24	984,556	None
Brainstorm	233,000	535,021	-	-	-	-	(1,654)	233,000	35.09%	533,367	1,061.02	247,217	None
Less: Deferred inter-affiliate gains		(34,497)		(60,265)		-	-			(94,762)			
		$ 3,145,141		(60,265)		(325,293)	216,028			2,975,611			

Note 1: Adjustment using the equity method is as follows:

Shares of profit (loss) of subsidiaries accounted for using the equity method	$	177,345
Adjustment to exchange difference in financial statement translation of foreign operations		65,556
Adjustment to unrealized gain (loss) on financial assets measured at fair value through other comprehensive income		(256)
Adjustment to re-measurement of defined benefit plan		(1,264)
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount		(283)
Changes in percentage of ownership interests in subsidiaries		5
Organizational reorganization under common control		(25,075)
	$	216,028

Note 2: The decrease in the period includes YanTong Technology Ltd's capital reduction of NTD 80,063 thousand and cash dividend of NTD 245,230 thousand from the investee.

DFI Inc.

Statement of other non-current assets

December 31, 2022

Unit: In thousands of New Taiwan Dollars

Item	Amount
Refundable deposits	$ 1,034
Prepayments for equipment	512
Others (Note)	974
	$ 2,520

Note: None has reached 5% of the item.

Statement of Short-term Borrowings

Types of borrowing	Details	Ending balance	Term of contract	Financing facilities	Mortgage or guarantee (with promissory note issued)
Credit borrowings	First Bank	$ 195,000	12/16/2022 - 01/16/2023	300,000	None
〃	Mega International Commercial Bank	160,000	11/25/2022 - 05/24/2023	160,000	None
〃	Taishin Bank	400,000	12/07/2022 - 02/03/2023	500,000	None
〃	CTBC Bank	300,000	12/12/2022 - 03/30/2023	300,000	None
		$ 1,055,000			

Note 1: The annual interest rates of the above short-term borrowings are 1.69%~1.96%.

DFI Inc.

Statement of accounts payables

December 31, 2022

Unit: In thousands of New Taiwan Dollars

Supplier	Amount
Company A	$ 149,434
Company B	49,745
Company C	39,882
Others (Note)	489,374
	$ 728,435

Note: Accounts payable to individual supplier, less than 5% of the item.

Statement of other payables

Item	Amount
Salaries and bonuses payable	$ 79,896
Compensation payable to employees and directors	57,493
Others (Note)	61,629
	$ 199,018

Note: None has reached 5% of the item.

DFI Inc.

Statement of other current liabilities

December 31, 2022

Unit: In thousands of New Taiwan Dollars

Item	Amount
Temporary received	$ 5,971
Received on behalf of others	6,895
	$ 12,866

Statement of lease liabilities

Item	Lease term	Discount rate	Ending balance
Buildings	2021.1~2031.3	1.1%~1.43%	**$ 126,740**
Current:			
Related party - Qisda			**$ 13,634**
Non-related party			**$ 5,255**
Non-current:			
Related party - Qisda			**$ 99,849**
Non-related party			**$ 8,002**

DFI Inc.

Statement of long-term borrowings

December 31, 2022

Unit: In thousands of New Taiwan Dollars

Creditor	Summary	Amount of borrowing	Term of contract	Mortgage or pledge
Taishin Bank		$ 300,000	12/07/2022 -02/03/2023	None
Yuanta Bank		500,000	12/27/2022 -02/03/2023	None
KGI Bank		300,000	10/27/2022 -01/18/2023	None
		1,100,000		

Note: The annual interest rates of the above long-term borrowings are 1.90%~1.95%.

DFI Inc.

Statement of Operating Costs

From January 1 to December 31, 2022

Unit: In thousands of New Taiwan Dollars

Item	Amount
Raw materials:	
Beginning stock	$ 964,028
Plus: Net amount of material purchase in the period	3,714,238
Gain on physical raw materials	1,453
Less: Ending raw materials	721,326
Scrapping of raw materials	14,874
Sale of raw materials	213,117
Raw material requisition and others	8,881
Consumption of raw materials in the period	3,721,521
Direct labor	130,686
Manufacturing expense	298,047
Manufacturing cost	4,150,254
Beginning work in process	110,574
Beginning outsourced products	7,917
Outsourcing processing fee	64,843
Less: Ending work in process	172,219
Ending outsourced products	1,663
Scrapping of work in process	171
Work in process costs	4,159,535
Beginning finished goods	85,149
Plus: Net purchase amount for the period	53,942
Less: Ending finished goods	164,531
Scrapping and inventory loss of finished goods	10,001
Sale of semi-finished goods	27,198
Department requisition and others	19,127
Finished goods cost	4,077,769
Loss for inventory obsolescence	24,992
Gain on physical inventory	(1,399)
Cost of selling raw materials and semi-finished goods	240,315
Inventory price loss	24,080
Warranty cost	4,989
Income from scraps	(4,292)
Operating costs	**$ 4,366,454**

DFI Inc.

Statement of Selling and Marketing Expenses

From January 1 to December 31, 2022

Unit: In thousands of New Taiwan Dollars

Item	Amount
Salary expense	$ 100,240
Freight	21,185
Insurance expenses	13,775
Other expenses (Note)	45,618
	$ 180,818

Note: None has reached 5% of the item.

Statement of Management Expenses

Item	Amount
Salary expense	$ 67,940
Depreciation	10,325
Other expenses (Note)	44,211
	$ 122,476

Note: None has reached 5% of the item.

DFI Inc.

Statement of Research and Development Expenses

From January 1 to December 31, 2022

Unit: In thousands of New Taiwan Dollars

Item		Amount
Salary expense	$	179,535
Insurance expenses		15,943
Other expenses (Note)		83,051
	$	**278,529**

Note: None has reached 5% of the item.

Please refer to Note VI (II) of the parent company only financial statements for the Statement of Financial Assets Measured at Fair Value Through Profit or Loss - Current

Please refer to Note VI (IV) of the parent company only financial statements for the Statement of Financial Assets Measured at Amortized Cost - Current

Please refer to Note VII of the parent company only financial statements for the Statement of Accounts Receivable - Related Parties

Please refer to Note VI (IX) of the parent company only financial statements for the Statement of Changes in Property, Plant and Equipment

Please refer to Note VI (IX) of the parent company only financial statements for the Statement of Changes in Accumulated Depreciation of Property, Plant and Equipment

Please refer to Note VI (X) of the parent company only financial statements for the Statement of Changes in Right-of-Use Assets

Please refer to Note VI (XI) of the parent company only financial statements for the Statement of Changes in Intangible Assets

Please refer to Note VI (XVII) of the parent company only financial statements for the Statement of Deferred Income Tax Assets

Please refer to Note VII of the parent company only financial statements for the Statement of Accounts Payables - Related Parties

Please refer to Note VII of the parent company only financial statements for the Statement of Other Payables - Related Parties

Please refer to Note VI (XV) of the parent company only financial statements for the Statement of Provisions

Please refer to Note VI (XVII) of the parent company only financial statements for the Statement of Deferred Income Tax Liabilities

Please refer to Note VI (XVI) of the parent company only financial statements for the Statement of Net Defined Benefit Liabilities

Please refer to Note VI (XX) of the parent company only financial statements for the Statement of Operating Revenue

Please refer to Note VI (XXII) of the parent company only financial statements for the Statement of Interest Income, Other Income, Other Gain and Loss and Financial Costs of Non-Operating Income and Expenses