Stock Code: 2397

DFI Inc. and its subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the years ended December 31, 2023 and 2022

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
Telephone: (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.

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Statement of Declaration

The entities of the Company that are required to be included in the consolidated financial statements of associates as of and for the year ended December 31, 2023 (from January 1 to December 31, 2023), under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements of parent company and its subsidiary prepared in conformity with the International Financial Reporting Standard 10 endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the consolidated financial statements of associates is included in the consolidated financial statements of parent company and its subsidiary. Consequently, we do not prepare a separate set of consolidated financial statements of associates.

Hereby declare,

Company Name: DFI Inc.

Chairman of the Board of Directors: Chi-Hong, Chen

Date: March 4, 2024

Independent Auditors' Report

The Board of Directions and Shareholders DFI Inc.:

Audit Opinion

We have audited the accompanying consolidated balance sheet as of December 31, 2023 and the restated consolidated balance sheet as of December 31, 2022 of DFI Inc. and its subsidiaries (hereinafter collectively the "Group"), which comprise the consolidated income statement, consolidated statement of changes in equity, and consolidated statement of cash flow from January 1 to December 31, 2023 and 2022, as well as the notes to the consolidated financial report (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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and their restated consolidated financial position as of December 31, 2022, as well as their consolidated financial performance and their 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), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 Consolidated Financial Statements section of our report. We are independent of the Group 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 Group's consolidated financial reports for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated 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. Goodwill impairment assessment

For accounting policies related to impairment of non-financial assets, please refer to Note IV (XIV) of the consolidated 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 consolidated financial statements; for description of impairment test of goodwill, please refer to Note VI (XII) of the consolidated financial statements.

Key audit matters are stated as follows:

The goodwill of the Group arising from business combinations should be tested for impairment annually, or whenever there is an indication of impairment. As the assessment of the recoverable amount of cash-generating unit to which goodwill belongs involves a number of assumptions and estimates by management, the goodwill impairment assessment is one of the important assessment matters for us to perform the audit of the consolidated financial report of the Group.

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 Group has properly disclosed relevant information on goodwill impairment assessment.

Other Matters

Among the subsidiaries listed in the Group's consolidated financial statements, partial subsidiary's financial statements were not audited by us but by other Certified Public Accountants. Therefore, our opinions expressed in the consolidated financial statements regarding the amounts of that partial subsidiary are according to other Certified Public Accountants' audit reports. That subsidiary's total assets as of December 31, 2023 and 2022 amounted to NT$318,292 thousand and NT$415,871 thousand (same as below), respectively, accounting for 3.50% and 3.16% of the consolidated total assets, and its net operating revenue was NT$807,207 thousand and NT$920,196 thousand for the periods from January 1 to December 31, 2023 and 2022, respectively, accounting for 8.79% and 8.37% of the consolidated net operating revenue.

DFI Inc. has prepared the financial statements for parent company only for 2023 and 2022 on which we have individually issued an audit report with unqualified opinion plus other matter paragraph and an audit report with unqualified opinion plus emphasis of matter and other matter paragraph for reference.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statement

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued by the Financial

Supervisory Commission, and maintaining necessary internal controls related to the preparation of consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement due to fraud or error.

In preparing the consolidated financial reports, the management is responsible for assessing the Group's ability to continue as a going concern, disclosure of related matters, and the use of the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing the financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report. 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 in the consolidated financial statements. 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 decisions of users of the consolidated 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 perform the following tasks:

I. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; design and perform audit procedures responsive to those assessed 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.

II. 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 Group's internal control.

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

IV. Based on the audit evidence obtained, conclude on the appropriateness of management's use of the going concern basis of accounting and, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty to such events or conditions exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, when such disclosures are inappropriate, 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 the Group to cease to continue as a going concern.

V. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements present fairly the underlying transactions and events.

VI. Obtain sufficient and appropriate audit evidence of the financial information of the Group's constituents so as to express opinions on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our opinion to the Group.

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 might be considered to affect our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters of the Group's consolidated financial reports for 2023. 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 of such communication.

KPMG Taiwan

CPA:

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

March 4, 2024

Notes to Reader

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

Consolidated Balance Sheet

December 31, 2023 and 2022 and January 1, 2022

Unit: In Thousands of New Taiwan Dollars

		2023.12.31		2022.12.31(Revised)		2022.1.1(Revised)	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (Note VI (I))	$ 1,490,285	16	1,690,474	13	1,549,815	13
1110	Financial assets at fair value through profit or loss - current (Note VI (II))	45,465	-	27,458	-	28,528	-
1136	Financial assets at amortized cost - current (Note VI (IV) and VIII)	2,709	-	9,557	-	19,708	-
1141	Contract assets - current (Note VI (XXI))	812	-	-	-	-	-
1170	Net of notes receivable and accounts receivable (Notes VI (V), (XXI), and VIII)	1,867,543	21	2,611,791	20	2,604,256	21
1180	Accounts receivable - related parties (Notes VI (V), (XXI), and VII)	71,753	1	272,306	2	182,138	1
1200	Other receivables (Notes VI (V) and VII)	12,071	-	56,945	-	32,159	-
130X	Inventories (Note VI (VI))	1,893,457	21	3,816,596	29	3,583,295	29
1410	Prepayments	80,260	1	125,313	1	133,749	1
1460	Non-current assets held for sale (Notes VI (VII) and (IX))	-	-	-	-	312,601	3
1470	Other current assets	5,903	-	17,970	-	16,227	-
	Total current assets	5,470,258	60	8,628,410	65	8,462,476	68
	Non-current assets:						
1517	Financial assets at fair value through other comprehensive income - non-current (Note VI (III))	86,714	1	71,064	1	42,547	-
1535	Financial assets at amortized cost - non-current (Note VI (IV))	3,211	-	3,212	-	-	-
1600	Property, plant and equipment (Notes VI (VII), (IX), VII, and VIII)	2,548,819	28	2,793,096	21	2,477,339	20
1755	Right-of-use assets (Notes VI (VII), (X), and VII)	276,658	3	355,617	3	267,778	2
1760	Net of investment properties (Note VI (XI))	115,735	1	-	-	-	-
1780	Intangible assets (Notes VI (VIII), (XII) and VII)	445,502	5	1,121,027	9	974,453	8
1840	Deferred income tax assets (Note VI (XVIII))	110,681	1	156,243	1	106,790	1
1990	Other non-current assets (Notes VI (XVII))	44,027	1	45,912	-	90,492	1
	Total non-current assets	3,631,347	40	4,546,171	35	3,959,399	32
	Total assets	**$ 9,101,605**	**100**	**13,174,581**	**100**	**12,421,875**	**100**

(Continued on the next page)

(Please refer to notes to consolidated financial statements)

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

DFI Inc. and its subsidiaries

Consolidated Balance Sheets (Continued)

December 31, 2023 and 2022 and January 1, 2022

Unit: In Thousands of New Taiwan Dollars

		2023.12.31		2022.12.31(Revised)		2022.1.1(Revised)	
	Liabilities and equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (Notes VI (XIII) and VIII)	$ 1,079,645	12	1,886,020	14	1,311,304	11
2120	Financial liabilities at fair value through profit or loss - current (Note VI (II))	3,365	-	5,020	-	821	-
2130	Contract liabilities - current (Note VI (XXI))	115,375	1	205,241	2	194,558	1
2170	Notes and accounts payable	952,772	10	1,996,670	15	2,218,331	18
2180	Accounts payable - related parties (Note VII)	20,891	-	117,185	1	63,053	-
2200	Other payables (Note VII)	433,562	5	576,411	4	562,316	5
2230	Current income tax liabilities	160,348	2	234,692	2	86,768	1
2250	Provisions - current (Note VI (XVI))	41,764	1	51,236	-	46,247	-
2280	Lease liabilities - current (Note VI (XV) and VII)	69,614	1	86,451	1	75,933	1
2322	Long-term borrowings - current portion (Notes VI (XIV) and VIII)	-	-	653	-	20,000	-
2399	Other current liabilities	32,162	-	31,136	-	18,633	-
	Total current liabilities	2,909,498	32	5,190,715	39	4,597,964	37
	Non-current liabilities:						
2540	Long-term borrowings (Notes VI (XIV) and VIII)	800,000	9	1,550,000	12	1,730,000	14
2570	Deferred income tax liabilities (Note VI (XVIII))	211,603	2	336,209	3	343,603	3
2580	Lease liabilities - non-current (Note VI (XV) and VII)	178,493	2	241,693	2	181,441	1
2640	Net defined benefit liabilities - non-current (Note VI (XVII))	19,129	-	31,174	-	40,584	-
	Total non-current liabilities	1,209,225	13	2,159,076	17	2,295,628	18
	Total liabilities	4,118,723	45	7,349,791	56	6,893,592	55
	Equity attributable to the owners of the parent company (Note VI (VIII) and (XIX)):						
3110	Share capital - ordinary shares	1,144,889	13	1,144,889	9	1,144,889	9
3200	Capital surplus	629,767	7	608,586	5	655,744	6
3300	Retained earnings	1,443,171	16	1,531,997	11	1,371,470	11
3400	Other equity	(55,791)	(1)	(38,041)	(1)	(114,824)	(1)
	Total equity attributable to owners of parent company	3,162,036	35	3,247,431	24	3,057,279	25
35XX	**Former owner of business combination under common control**	-	-	-	-	20,310	-
36XX	**Non-controlling interests (Note VI (VIII) and (XIX))**	1,820,846	20	2,577,359	20	2,450,694	20
	Total equity	4,982,882	55	5,824,790	44	5,528,283	45
	Total liabilities and equity	$ 9,101,605	100	13,174,581	100	12,421,875	100

(Please refer to notes to consolidated financial statements)

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

DFI Inc. and its subsidiaries

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

		2023		2022	
		Amount	%	Amount	%
4000	**Net operating revenue (Notes VI (XXI), VII and XIV)**	$ 9,184,172	100	10,991,887	100
5000	**Operating costs (Notes VI (VI), (IX), (X), (XII), (XV), (XVI), (XVII), (XXII), VII and XII)**	(6,749,159)	(73)	(8,249,758)	(75)
	Gross profit	2,435,013	27	2,742,129	25
	Operating expenses (Notes VI (V), (IX), (X), (XI), (XII), (XV), (XVII), (XXII), VII and XII):				
6100	Selling and marketing expenses	(953,343)	(11)	(961,301)	(9)
6200	General and administrative expenses	(487,964)	(5)	(463,276)	(4)
6300	Research and development expenses	(460,534)	(5)	(462,335)	(4)
6450	Expected credit impairment loss (gain on reversal)	11,614	-	(15,511)	-
6000	**Total operating expenses**	(1,890,227)	(21)	(1,902,423)	(17)
	Net operating income	544,786	6	839,706	8
	Non-operating income and expenses (Notes VI (VII), (XV), (XVII), (XXIII) and VII)				
7100	Interest income	13,358	-	5,786	-
7010	Other income	59,006	1	32,055	-
7020	Other gain and loss	(50,726)	-	40,128	-
7050	Finance costs	(59,140)	(1)	(53,890)	-
	Total non-operating income and expenses	(37,502)	-	24,079	-
7900	**Profit before tax**	507,284	6	863,785	8
7950	**Less: Income tax expense (Note VI (XVIII))**	(140,346)	(2)	(188,226)	(2)
8000	**Net profit for the period from continued operating units**	366,938	4	675,559	6
8100	**Net loss from discontinued operations (Note XII)**	(16,494)	-	(78,559)	(1)
8200	**Net profit for the period**	350,444	4	597,000	5
	Other comprehensive income (Note VI (XVIII) and (XIX)):				
8310	**Items that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	9,150	-	(2,814)	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	15,650	-	10,984	-
8349	Income tax relating to items that will not be reclassified	(1,830)	-	563	-
		22,970	-	8,733	-
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translating the financial statements of foreign operations	26,544	-	127,086	1
8399	Income tax relating to items that may be reclassified	-	-	-	-
		26,544	-	127,086	1
	Other comprehensive income for the period	49,514	-	135,819	1
8500	**Total comprehensive income for the period**	**$ 399,958**	**4**	**732,819**	**6**
	Net profit in current period attributable to:				
8610	Owners of the parent company	$ 361,685	4	528,230	4
8615	Former owner of business combination under common control	-	-	3,394	-
8620	Non-controlling interests	(11,241)	-	65,376	1
		$ 350,444	**4**	**597,000**	**5**
	Total comprehensive income (loss) attributable to:				
8710	Owners of the parent company	$ 388,016	4	603,957	5
8715	Former owner of business combination under common control	-	-	3,394	-
8720	Non-controlling interests	11,942	-	125,468	1
		$ 399,958	**4**	**732,819**	**6**
	Earnings per share (Unit: In New Taiwan Dollars, Note VI (XX)):				
9750	**Basic earnings per share**				
	Net profit from continuing operations	$	3.21		4.85
	Net loss from discontinued operations		(0.05)		(0.24)
		$	**3.16**		**4.61**
9850	**Diluted earnings per share**				
	Net profit from continuing operations	$	3.19		4.82
	Net loss from discontinued operations		(0.05)		(0.24)
		$	**3.14**		**4.58**

(Please refer to notes to consolidated financial statements)

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

DFI Inc. and its subsidiaries

Consolidated Statements of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

	Equity attributable to owners of parent company												
			Retained earnings				Other equity items						
	Share capital - Ordinary shares	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income	Total	Total equity attributable to owners of the parent company	Former owner's equity under common control	Non-controlling interests	Total equity
Balance as of January 1, 2022 (Restated)	$ 1,144,889	655,744	825,764	74,607	471,099	1,371,470	(134,871)	20,047	(114,824)	3,057,279	20,310	2,450,694	5,528,283
Net profit for the period	-	-	-	-	528,230	528,230	-	-	-	528,230	3,394	65,376	597,000
Other comprehensive income for the period	-	-	-	-	(1,056)	(1,056)	65,556	11,227	76,783	75,727	-	60,092	135,819
Total comprehensive income for the period	-	-	-	-	527,174	527,174	65,556	11,227	76,783	603,957	3,394	125,468	732,819
Profit distribution:													
Legal reserve	-	-	61,568	-	(61,568)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	40,215	(40,215)	-	-	-	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(366,364)	(366,364)	-	-	-	(366,364)	-	-	(366,364)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(69,711)	(69,711)
Cash dividend distributed from capital surplus	-	(45,796)	-	-	-	-	-	-	-	(45,796)	-	-	(45,796)
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	-	-	-	-	(283)	(283)	-	-	-	(283)	-	(5,157)	(5,440)
Restructuring of organization under joint control	-	(1,371)	-	-	-	-	-	-	-	(1,371)	(23,704)	(1,485)	(26,560)
Changes in ownership interests in subsidiaries	-	5	-	-	-	-	-	-	-	5	-	235	240
Disposition of employee stock ownership trust inflows	-	4	-	-	-	-	-	-	-	4	-	-	4
Non-controlling interests adjustments	-	-	-	-	-	-	-	-	-	-	-	(2,060)	(2,060)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	79,375	79,375
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	-	2,577,359	5,824,790
Net profit for the period	-	-	-	-	361,685	361,685	-	-	-	361,685	-	(11,241)	350,444
Other comprehensive income for the period	-	-	-	-	7,444	7,444	8,353	10,534	18,887	26,331	-	23,183	49,514
Total comprehensive income for the period	-	-	-	-	369,129	369,129	8,353	10,534	18,887	388,016	-	11,942	399,958
Amend 2022 legal reserve provision	-	-	(15,964)	-	15,964	-	-	-	-	-	-	-	-
Profit distribution:													
Legal reserve	-	-	52,689	-	(52,689)	-	-	-	-	-	-	-	-
Special reserve reversal	-	-	-	(76,782)	76,782	-	-	-	-	-	-	-	-
Cash dividends for ordinary shares	-	-	-	-	(457,955)	(457,955)	-	-	-	(457,955)	-	-	(457,955)
Cash dividends distributed by subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(52,145)	(52,145)
Disposition of employee stock ownership trust inflows	-	143	-	-	-	-	-	-	-	143	-	-	143
Disposal of subsidiaries	-	20,999	-	-	-	-	(36,637)	-	(36,637)	(15,638)	-	(716,362)	(732,000)
Changes in ownership interests in subsidiaries	-	39	-	-	-	-	-	-	-	39	-	52	91
Balance as of December 31, 2022	$ 1,144,889	629,767	924,057	38,040	481,074	1,443,171	(97,599)	41,808	(55,791)	3,162,036	-	1,820,846	4,982,882

(Please refer to notes to consolidated financial statements)

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

DFI Inc. and its subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

	2023	2022
Cash flows from operating activities:		
Net profit before tax from continued operating units	$ 507,284	863,785
Net loss before tax from discontinued operations	(17,333)	(104,318)
Net profit before tax for the period	489,951	759,467
Adjustment item:		
Adjustments for		
Depreciation expenses	228,188	217,978
Amortization expenses	82,524	101,348
Expected credit impairment loss (gain on reversal)	(11,006)	16,310
Evaluation losses of financial assets measured at fair value through profit or loss	1,586	72
Interest expense	61,036	61,348
Interest income	(13,358)	(5,786)
Dividend income	(6,845)	(3,941)
Gain on disposal of property, plant and equipment	(5,646)	(156)
Relisting expenses of property, plant and equipment	-	235
Gain on disposal of non-current assets held for sale	-	(14,624)
Loss on liquidation of subsidiary	4,943	391
Gain on lease amendment	(68)	(1,280)
Total revenue, expense and loss items	341,354	371,895
Changes in assets/liabilities related to operating activities:		
Net changes in assets related to operating activities:		
Financial assets mandatorily classified as at fair value through profit or loss	(19,593)	998
Contract assets	(812)	-
Notes and accounts receivable	297,234	113,341
Accounts receivable - related parties	158,274	(74,833)
Other receivables	26,382	(23,774)
Inventories	963,146	(48,085)
Prepayments	30,380	15,135
Other current assets	(594)	1,531
Other operating assets	2,316	-
Total net changes in assets related to operating activities	1,456,733	(15,687)
Net changes in liabilities related to operating activities:		
Financial liabilities held for trading	(1,655)	4,199
Contract liabilities	(90,765)	(2,010)
Notes and accounts payable	(108,535)	(320,175)
Accounts payable - related parties	(96,294)	54,132
Other payables	(130,935)	(49,072)
Provision for liabilities	(9,472)	4,989
Other current liabilities	5,052	12,327
Net defined benefit liabilities	(2,968)	(15,164)
Other non-current liabilities	-	(827)
Total net changes in liabilities related to operating activities	(435,572)	(311,601)
Total net changes in assets and liabilities related to operating activities	1,021,161	(327,288)
Total adjustment items	1,362,515	44,607
Cash inflows from operations	1,852,466	804,074
Interest received	13,129	5,430
Interest paid	(61,708)	(58,658)
Income tax paid	(229,993)	(128,825)
Net cash inflows from operating activities	1,573,894	622,021

(Continued on the next page)

(Please refer to notes to consolidated financial statements)

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

DFI Inc. and its subsidiaries

Consolidated Statements of Cash Flows (Continued from the previous page)

January 1 to December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

	2023	2022
Cash flows from investing activities:		
Purchase of financial assets at amortized cost	-	(10)
Proceeds from sale of financial assets at amortized cost	6,848	28,343
Purchase of financial assets at fair value through other comprehensive income	-	(16,098)
Acquisition of subsidiaries (less cash obtained)	-	(141,309)
Disposal of subsidiaries	369,085	-
Proceeds from disposal of non-current assets held for sale	-	46,401
Purchase of property, plant and equipment	(24,487)	(178,614)
Proceeds from disposal of property, plant and equipment	6,217	349
Decrease in refundable deposits	814	2,899
Purchase of intangible assets	(8,901)	(48,155)
Decrease (increase) in other non-current assets	(2,151)	11,225
Dividends received	6,845	3,941
Net cash inflows (outflows) from investing activities	354,270	(291,028)
Cash flows from financing activities:		
Increase in short-term borrowings	5,947,869	7,312,311
Decrease in short-term borrowings	(6,749,423)	(6,877,426)
Long-term borrowings	1,100,000	1,450,432
Repayments of long-term borrowings	(1,850,675)	(1,650,565)
Repayment of lease principal	(89,055)	(80,493)
Cash dividends distributed	(457,955)	(412,160)
Acquisition of partial equity interests in subsidiaries	-	(5,440)
Changes in non-controlling interests	(52,145)	(69,471)
Disposition of employee stock ownership trust inflows	234	4
Net cash outflows from financing activities	(2,151,150)	(332,808)
Effect of changes in exchange rate	22,797	142,474
Increase (decrease) in cash and cash equivalents for the current period	(200,189)	140,659
Cash and cash equivalents at the beginning of the period	1,690,474	1,549,815
Cash and cash equivalents at the end of the period	**$ 1,490,285**	**1,690,474**

(Please refer to notes to consolidated financial statements)

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

DFI Inc. and its subsidiaries
Notes to Consolidated Financial Statements
For the years ended December 31, 2023 and 2022
(The amount shall be dominated in thousands of NT$, unless otherwise specified)

I. Company History

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

II. Date and Procedures for Approval of Financial Statements

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

III. Application of Newly Issued and Revised Standards and Interpretations

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

As of January 1, 2023, the Group began to apply the following newly revised International Financial Reporting Standards (IFRS), with the impacts explained as follows:

1. Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

   The amended provisions narrow the scope of the recognition exemption. When the initial recognition of the transaction generates an equal amount of taxable and deductible temporary differences, the recognition exemption is no longer applicable, and an equal amount of deferred income tax assets and deferred income tax liabilities should be recognized. This accounting change resulted in an increase in deferred income tax assets and deferred income tax liabilities of NT$27,934 thousand and NT$27,934 thousand, respectively, as of January 1, 2022 ; and an increase in deferred income tax assets and deferred income tax liabilities of NT$30,261 thousand and NT$30,261 thousand, respectively, as of December 31, 2022.

   If the Group handled in accordance with the previous accounting policy in 2023, the deferred income tax assets and deferred income tax liabilities as of December 31, 2023 would be decreased by NT$11,823 thousand and NT$11,790 thousand, respectively, and would result in an increase in income tax expense of NT$33 thousand in 2023.

2. Others

   As of January 1, 2023, the following newly amended standards also came into effect, however, which has not had a significant impact on the consolidated financial statements:

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

   Since May 23, 2023, the Group began to apply the Amendments to IAS 12 "International Tax Reform - Pillar Two Model Rules," with no material impact on the consolidated financial statements.

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

The Group assessed that the application of the following newly revised IFRSs, effective January 1, 2024, would not have a material impact on the consolidated financial statements.

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

(III) New and amended standards and interpretations not yet endorsed by the FSC

The Group 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 consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- Amendments to IFRS 17 “Insurance Contracts” and IFRS 17
- Amendments to IAS 21 "Lack of Exchangeability"

IV. Summary of Significant Accounting Policies

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

(I) Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("Regulations") and International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), IFRIC Interpretations, and SIC Interpretations issued by the FSC ("IFRSs"), which have been endorsed by the FSC and put into effect.

(II) Basis of preparation

1. Basis of measurement

   The consolidated 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 (or assets), 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

   Each entity of the Group uses the currency of the primary economic environment in which it operates as its functional currency. The consolidated financial statements of the Company are presented in the New Taiwan dollars, the functional currency of the Company. All financial information denominated in New Taiwan dollars are expressed in thousands of NT$, unless otherwise specified.

3. Restructuring of organization under joint control

   The transaction of the Group's acquisition of 100% equity in ACE Energy Co., Ltd., a subsidiary of the parent company, Qisda Corporation, in accordance with the Accounting Research and Development Foundation's Letter (2012) 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 Group 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 consolidated financial statements of the controlling shareholder.

   In preparing the consolidated balance sheet, the equity under common control prior to acquisition is classified as "Equity attributable to former owner of business combination under common control"; In preparing the consolidated statement of comprehensive income, the profit or loss belong to former controlling shareholders record as "net profit (loss) attributable to former owner of business combination under common control."

(III) Basis of consolidation

1. Principles for preparation of consolidated financial statements

   The preparation entity of the consolidated financial statements includes the Company and the entities (i.e., subsidiaries) controlled by the Company. When the Company is exposed to, or has rights to, variable compensation resulting from participation in an investee, and has the ability to influence such compensation through its power over the investee, the Company controls the entity.

From the date of acquisition of control of the subsidiary, its financial statements are included in the consolidated financial statements until the date of loss of control. Internal transactions, balances and any unrealized gain or loss of the Group are eliminated in the preparation of the consolidated financial statements. The total consolidated income or loss of the subsidiaries is attributable separately to the owner and non-controlling interest of the Company, even if the non-controlling interest becomes a loss balance as a result.

The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those used by the Company.

Where the change in the Group'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. The difference between the adjustment of non-controlling interests and the fair value of consideration paid or collected shall be directly recognized in equity attributable to the owners of the Company.

When the Group loses control of a subsidiary, the disposal gain or loss is the difference between: (1) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost, and (2) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The Group's accounting treatment for all amounts recognized in other comprehensive income related to the subsidiary is consistent with the basis required when the Group directly disposing of assets or liabilities associated with the subsidiary.

The remaining investment in a subsidiary is recognized at fair value at the date of loss of control, either as a financial asset initially measured at fair value through other comprehensive income or as the cost recognized initially of an investment in an associate.

When the Group loses control of a subsidiary, the assets (including goodwill) and liabilities of the former subsidiary, as well as non-controlling interests, are de-recognized from the consolidated financial statements at their carrying amounts as of the date control is lost. The remaining investment in the former subsidiary is remeasured at fair value as of the date control is lost. The disposal gain or loss is the difference between: (1) the aggregate of the fair value of the consideration received and any investment retained in the former subsidiary at its fair value at the date when control is lost, and (2) the assets (including any goodwill) and liabilities and any non-controlling interests of the former subsidiary at their carrying amounts at the date when control is lost. The accounting treatment for all amounts recognized in other comprehensive income related to the subsidiary is consistent with the basis required when the Group directly disposing of assets or liabilities associated with the subsidiary.

2. Subsidiaries included in the consolidated financial statements

Name of investor company	Name of subsidiary	Nature of business	Comprehensive shareholding % 2023.12.31	Comprehensive shareholding % 2022.12.31	Description
The Company	DFI AMERICA, LLC	Sales of industrial computer cards	100.00%	100.00%	
The Company	DFI Co., Ltd.	Sales of industrial computer cards	100.00%	100.00%	
The Company	Yan Tong Technology Ltd. (Yan Tong)	Investment business	100.00%	100.00%	
The Company	Diamond Flower Information (NL) B.V.	Sales of industrial computer cards	100.00%	100.00%	
The Company	Brainstorm Corporation (Brainstorm)	Wholesale and retail of computer and peripheral devices	-	35.09%	Note 1
Yan Tong	Yan Tong Infotech (Dongguan) Co., Ltd.)	Manufacturing and sales of mainboard, board cards, host computer, electronic parts and components	-	100.00%	Note 2
Yan Tong	Yan Ying Hao Trading (Shenzhen) Co., Ltd.	Wholesale, import and export of mainboard, board cards, host computer, electronic parts and components	100.00%	100.00%	
The Company	AEWIN Technologies Co., Ltd. (AEWIN)	Design, manufacture and sale of industrial computer mainboards and related products	51.38%	51.38%	-
AEWIN	Wise Way	Investment business	51.38%	51.38%	-
AEWIN	Aewin Tech Inc.	Wholesale of computer and peripheral equipment and software	51.38%	51.38%	-
Wise Way	Bright Profit	Investment business	51.38%	51.38%	-
Bright Profit	Aewin Beijing Technologies Co., Ltd. (Beijing AEWIN)	Wholesale of computer and peripheral equipment and software	51.38%	51.38%	-
Beijing AEWIN	Aewin (Shenzhen)Technologies Co., Ltd.	Wholesale of computer and peripheral equipment and software	51.38%	51.38%	-
The Company	Ace Pillar Co., Ltd. (Ace Pillar)	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	48.07%	48.07%	-
Ace Pillar	Cyber South Management Ltd. (Cyber South)	Holding Company	48.07%	48.07%	-
Ace Pillar	Hong Kong Ace Pillar Enterprise Company Limited (Hong Kong ACE Pillar)	Trade of transmission mechanical components	48.07%	48.07%	-
Ace Pillar/ Proton/ Cyber South	Tianjin Ace Pillar Co., Ltd. (Tianjin Ace Pillar)	Trade of transmission mechanical components	48.07%	48.07%	-
Cyber South	Proton Inc.(Proton)	Holding Company	48.07%	48.07%	-
Cyber South	Ace Tek (HK) Holding Co., Ltd. (Ace Tek)	Holding Company	48.07%	48.07%	-
Ace Tek	ADVANCEDTEK ACE (TJ) INC. (ACEAD)	Electronic system integration	48.07%	48.07%	-

Name of investor company	Name of subsidiary	Nature of business	Comprehensive shareholding % 2023.12.31	Comprehensive shareholding % 2022.12.31	Description
Cyber South	Suzhou Super Pillar Automation Equipment Co., Ltd. (Suzhou Super Pillar)	Processing and technical services of mechanical transmission and control products	48.07%	48.07%	-
Cyber South	Grace Transmission (Tianjin) Co., Ltd. (Tianjin Jinhao)	Manufacturing and processing of mechanical transmission products	48.07%	48.07%	-
Ace Pillar	ACE Energy Co., Ltd. (ACE Energy)	Energy technical services	48.00%	48.00%	
ACE Energy	BlueWalker GmbH (BWA)	Trading and services of energy management products	48.00%	48.00%	Note 4
Ace Pillar	Standard Technology Corporation (Standard Co.)	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	28.84%	28.84%	Note 3
Standard Co.	Standard Technology Corp. (STCBVI)	Holding Company	28.84%	28.84%	Note 3
STCBVI	Standard International Trading (Shanghai) Co., Ltd. (Shanghai Standard)	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	28.84%	28.84%	Note 3

Note1: As stated in Note VI (VIII), on October 2, 2023, the Company divested its 35.09% equity stake in Brainstorm to Metaage Corporation, a subsidiary of Qisda Corporation, resulting in the loss of control over Brainstorm.

Note2: Yan Tong has been fully liquidated in August, 2023 and deregistration has been completed in November, 2023.

Note3: As stated in Note VI (VIII), Ace Pillar acquired 60% equity in Standard Technology Corp. and its subsidiaries on March 1, 2022 and gained control since then.

Note4: As described in Note VI (VIII), Ace Pillar acquired 100% equity in Blue Walker GmbH on April 1, 2022, and subsequently, on December 1, 2022, the organizational structure was adjusted and ACE Energy acquired 100% equity of BWA from Ace Pillar.

3. Subsidiaries not included in the consolidated financial statements: None.

(IV) 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 consolidated financial statements at the exchange rates prevailing on the reporting date; income and expense items are translated into the presentation currency of the consolidated 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 associates 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.

(V) 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 twelve 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 if one of the following conditions is met, and all other liabilities that are not current liabilities are classified as non-current liabilities:

1. The liability is expected to be settled in the normal course of business;
2. The liability is held primarily for trading purposes;
3. The liability is due for settlement within twelve 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.

(VI) 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.

(VII) Financial instruments

Accounts receivable and debt securities issued are initially recognized as they are incurred. All other financial assets and liabilities are initially recognized when the Group becomes a party to the contractual provisions of the financial instruments. Financial assets not measured at fair value through profit or loss (excluding accounts receivable that do not include significant financial components) or financial liabilities initially measured at fair value plus directly attributable transaction costs related 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 initial recognition are classified as: 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 Group 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, gain 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 Group 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 in profit or loss. The remaining net profits or losses are recognized as other comprehensive income. When derecognized, the accumulated other comprehensive income under equity is reclassified to retained earnings, not to profit or loss. Dividend income from equity investments is recognized on the date on which the Group 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 as described above 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 Group 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 Group 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 refundable 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 lifetime of the financial instrument is less than 12 months).

The longest period over which expected credit losses are measured is the longest contract period to which the Group is exposed to credit risk.

In determining whether the credit risk has significantly increased since the initial recognition, the Group 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 Group.

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 Group can receive under the contract and the cash flows that the Group 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 Group 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 Group analyzes the timing and amount of write-offs individually on the basis of whether recovery is reasonably expected. The Group 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 Group's procedures for recovering overdue amounts.

(5) Derecognition of financial assets

The Group 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 Group 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

The debt and equity instruments issued by the Group are classified as financial liabilities or equity according to the substance of the contractual agreement and the definition of financial liabilities and equity instruments.

(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 Group shall be recognized at the amount equal to the consideration acquired less the direct costs of 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. The amount received from subsequent sales or reissues of treasury stock 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).

(4) 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.

(5) Derecognition of financial liabilities

The Group 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.

3. Offsetting financial assets and liabilities

Financial assets and financial liabilities are offset and presented in the balance sheet on a net basis only when the Group 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.

4. Derivative financial instruments

The Group 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.

(VIII) 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.

(IX) Non-current assets held for sale and discontinued operations

1. 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 Group 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. The impairment loss of any disposal group is first allocated to goodwill and then to the remaining assets and liabilities on a pro rata basis, except that the loss is not allocated to assets that are not within the scope of IAS 36, Impairment of Assets, which continue to be measured in accordance with the accounting policies of the Group. Impairment losses recognized for items originally classified as held for sale and gain or loss arising from subsequent remeasurement are recognized in profit or loss. However, the gains on recovery cannot exceed the cumulative impairment loss that has been 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.

2. Discontinued operations

   The term discontinued operations refers to the components of the Group that have been disposed of or are held for sale, and:

   (1) Represents a separate major line of business or geographical area of operations,

   (2) It constitutes a part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations

   (3) It is a subsidiary acquired exclusively for the purpose of resale.

   Operating units are classified as discontinued operations when they are disposed of or when they meet the criteria for being held for sale at an earlier point in time.

(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 Group.

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 others are as follows: machinery and equipment: 2-10 years; office and other equipment: 2-10 years. In addition, buildings and structures are depreciated over the estimated useful lives of their major components: Main buildings and subsidiary structures have a useful life ranging from 5 to 54 years, while other subsidiary mechanical and electrical equipment and engineering systems have a useful life ranging from 3 to 10 years.

   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.

4. When the purpose of use of the property for owner-occupied is changed to investment property, the property is reclassified as investment property based on the book value when the purpose of use is changed.

(XI) Investment property

Investment property refers to property held to earn rentals or for capital appreciation, or both. Investment property is measured at cost when initially recognized, and subsequently measured at cost less accumulated depreciation and less accumulated impairment losses. The depreciation method, useful life, and residual values shall be complied with the regulations on property, plant, and equipment. Costs include expenses directly attributable to the acquisition of investment property and any directly attributable costs of bringing investment property ready for use and capitalized borrowing costs.

Gains or losses on the disposal of the investment property (calculated as the difference between the net disposal price and the carrying amount of the item) are recognized in profit or loss.

Rental income arising from investment property is recognized on a straight-line basis over the lease period. The incentives for leasing are recognized as an adjustment to lease income during the lease period.

When the purpose of use of investment property is changed and reclassified as property, plant, and equipment, the book value at the time of change of the purpose of use shall be used for reclassification.

(XII) Leases

The Group 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 Group 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.

   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 Group 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 implicit rate of the lease is readily determinable, the discount rate is that rate; If it is not readily determinable, the Group's incremental borrowing rate is used. In general, the Group uses its incremental borrowing rate as the discount rate.

   Lease payments included in the measurement of lease liabilities include:

   (1) Fixed payments, including substantial 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 measurement;
   (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;

(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) Changes 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 Group 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 Group 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 Group 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 Group considers specific indicators, including whether the lease period covers a significant portion of the economic life of the subject asset.

If the Group is a sublessor, it treats the head lease and the sublease transaction separately and assesses the classification of the sublease transaction using the right-of-use assets arising from the head lease. If a head 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 Group recognizes the lease payments received as rental income over the lease term on a straight-line basis.

(XIII) Intangible assets

1. Goodwill

   Goodwill arising from the acquisition of a subsidiary is recognized as an intangible asset. Please refer to Note IV (XVI) for the original measurement of goodwill recognition. Goodwill is not amortized and is measured at cost less accumulated impairment.

2. Other intangible assets

   The trademark rights and customer relationships obtained through the merger are valued at fair value as of the acquisition date; Other intangible assets are initially recognized at cost and subsequently measured by subtracting accumulated amortization and impairment losses from the cost. Amortization is provided on a straight-line basis over the following estimated useful lives and is recognized in profit or loss: purchased software, 1 to 5years; trademark rights, 10 years; and customer relationships, 4 to 11 years.

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

(XIV) Impairment of non-financial assets

The Group assesses at each reporting date whether there is any indication that the carrying amount of non-financial assets (other than inventories, deferred income tax assets and assets for employee benefits) 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.

(XV) Provision for liabilities

Provisions for liabilities are recognized when the Group has a present obligation as a result of a past event, it is probable that an outflow of economic resources from the Group 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.

(XVI) Business combinations

The Group uses the acquisition method of accounting to account for business combinations. 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 Group reassesses whether all assets acquired and liabilities assumed have been properly recognized before recognizing the benefit of the bargain purchase in profit or loss.

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.

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 Group, 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 prescribed by IFRSs recognized by the FSC.

In a business combination entered into in stages, the Group 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 Group 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.

If the original accounting for a business combination is not completed before the reporting date of the combination transaction, the Group 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.

(XVII) 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 Group recognizes revenue when control of goods or services is transferred to customers to satisfy performance obligations. The Group explains the main revenue items as follows:

1. Sales of goods

   The Group recognizes revenue when control of 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 Group has objective evidence that all acceptance conditions have been met at a certain point in time.

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

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

2. Labor income

   The Group recognizes revenue related to the provision of services in enterprise energy engineering design and construction contracts during the financial reporting period. Revenue recognition for performance obligations that are gradually fulfilled over time is determined by the proportion of services actually provided as of the reporting date, relative to the total services.

3. Financial components

   The Group 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.

(XVIII)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 Group'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 liability (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 liability (asset); and (3) any change in the asset ceiling effect, excluding the amount included in net interest on the net defined benefit liability (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 Group 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 Group has a present legal or constructive obligation to pay as a result of past services rendered by employees and the obligation can be reliably estimated.

(XIX) Income taxes

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.

The Group determines that the supplemental tax it should pay under the Pillar Two of the global minimum tax regulations falls within the scope of IAS 12 "Income Taxes" and has applied the temporary mandatory exemption from deferred income tax accounting for the supplemental tax, with the actual occurrence of the supplemental tax recognized as current income tax.

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 at the reporting date and their tax bases. Temporary differences arising from the following situations are not recognized as deferred income tax:

1. Assets or liabilities that are not part of the original recognition of a business combination transaction and at the time of the transaction (i) do not affect the accounting profit or taxable income (loss), and (ii) do not generate equal taxable and deductible temporary differences;
2. Temporary differences arising from investments in subsidiaries, associates and joint ventures where the timing of the reversal of the temporary differences is controlled by the Group 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 reversed the original reduction to the extent that it becomes probable that sufficient taxable income will be available.

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 Group 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.

(XX) Earnings per share

The Group presents basic and diluted earnings per share attributable to equity holders of the Company's common stock. Basic earnings per share of the Group 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 Group is the employee compensation that may be issued in stock.

(XXI) Segment information

Operating segments are units of the Group that engage in operating activities that may generate revenues and expenses, including revenues and expenses related to intercompany transactions with other components of the Group. The operating results of all operating divisions are reviewed regularly by the Group's chief operating decision maker to make decisions about the allocation of resources to the division and to evaluate its performance. Separate financial information is available for each operating segment.

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

When preparing the consolidated financial statements, 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.

The uncertainties in the following assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next fiscal year, and the relevant information is as follows:

(I) Valuation of inventories

Inventories are measured at the lower of cost or net realizable value. The Group 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) Goodwill impairment assessment

The process of assessing goodwill impairment relies on the Group'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

	2023.12.31	2022.12.31
Cash on hand and petty cash	$ 489	589
Demand deposits and check deposits	1,418,296	1,689,885
Time deposits with original maturity date within three months	71,500	-
	$ 1,490,285	1,690,474

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

	2023.12.31	2022.12.31
Financial assets mandatorily measured at fair value through profit or loss:		
Non-hedging derivative instruments:		
Forward foreign exchange contracts	$ 706	1,353
Foreign exchange swap contracts	20,274	34
	20,980	1,387
Non-derivative financial assets:		
Fund beneficiary certificates	24,485	26,071
	$ 45,465	27,458

	2023.12.31	2022.12.31
Financial liabilities held for trading:		
Derivative financial instruments:		
Forward foreign exchange contracts	$ 3,365	1,106
Foreign exchange swap contracts	-	3,914
	$ 3,365	5,020

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

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

1. Forward foreign exchange contracts

2023.12.31		
Currency	**Contract amount (in thousands of NTD)**	**Maturity period**
Buy JPY/Sell USD	USD 1,020	2024.01
Buy USD/Sell RMB	RMB 110,526	2024.01
Buy USD/Sell RMB	USD 1,616	2024.01
Buy RMB/Sell USD	USD 2,780	2024.01
Buy NTD/Sell USD	USD 500	2024.01
Buy USD/Sell EUR	USD 310	2024.01
Buy EUR/Sell USD	USD 1,322	2024.01

2022.12.31		
Currency	Contract amount (in thousands of NTD)	Maturity period
Buy JPY/Sell USD	USD 916	2023.01
Buy USD/Sell RMB	RMB 146,756	2023.01
Buy RMB/Sell USD	USD 2,800	2023.01
Buy NTD /Sell USD	USD 6,660	2023.01
Buy USD/Sell EUR	USD 800	2023.01
Buy EUR/Sell USD	USD 1,100	2023.01

2. Foreign exchange SWAP contracts

2023.12.31		
Currency	Contract amount (in thousands of NTD)	Maturity period
Swap in NTD /swap out USD	USD 33,590	2024.01
Swap in NTD /swap out RMB	RMB 42,000	2024.01

2022.12.31		
Currency	Contract amount (in thousands of NTD)	Maturity period
Swap in NTD /swap out USD	USD 30,630	2023.01
Swap in NTD /swap out RMB	RMB 47,000	2023.01

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

	2023.12.31	2022.12.31
Equity instruments measured at fair value through other comprehensive income:		
Stocks of domestic over-the-counter (OTC) companies	$ 77,314	68,840
Foreign unlisted (OTC) stocks	9,400	2,224
	$ 86,714	71,064

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

The Group did not dispose of the above-mentioned strategic investments in 2023 and 2022, and the gain or loss accumulated during those periods were not transferred within equity.

(IV) Financial assets measured at amortized cost

		2023.12.31	2022.12.31
Financial assets measured at amortized cost - current:			
Pledged certificate of deposit	$	2,709	2,325
Time deposits with original maturity date over 3 months		-	7,232
	$	2,709	9,557
Financial assets measured at amortized cost - non-current:			
Corporate bonds	$	3,211	3,212

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

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

(V) Notes and accounts receivable and other receivables

		2023.12.31	2022.12.31
Notes receivable	$	293,881	336,104
Accounts receivable		1,600,109	2,343,503
Accounts receivable - related parties		71,753	272,306
Less: loss allowance		(26,447)	(67,816)
	$	1,939,296	2,884,097
Other receivables	$	11,888	56,389
Other receivables - related parties		183	556
	$	12,071	56,945

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

	2023.12.31			
		Carrying amount of accounts receivable	Expected credit loss rate	Allowance for expected credit losses for the duration of the period
Not overdue	$	1,370,161	0~1.01%	2,241
1-30days overdue		183,563	0~17.06%	2,572
31-60days overdue		20,303	0~35.53%	2,478
61-90days overdue		4,828	0~62.76%	821
Overdue for more than 90 days		21,254	0~100%	18,335
	$	1,600,109		26,447

	2022.12.31		
	Carrying amount of accounts receivable	Expected credit loss rate	Allowance for expected credit losses for the duration of the period
Not overdue	$ 2,042,659	0~3.95%	1,321
1-30days overdue	196,504	0~17.78%	3,368
31-60days overdue	26,676	0~38.69%	2,342
61-90days overdue	13,545	0~74.92%	2,184
Overdue for more than 90 days	64,119	0~100%	58,601
	$ 2,343,503		67,816

As of December 31, 2023 and 2022, notes receivable - non-related parties and accounts receivable - related parties have been assessed by the Group that there was no expected credit loss, and the analysis is as follows:

	2023.12.31	2022.12.31
Not overdue	$ 361,316	585,641
1-30days overdue	1,136	22,769
31-60days overdue	3,182	-
	$ 365,634	608,410

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

	2023	2022
Beginning balance	$ 67,816	32,235
Recognition (reversal) of impairment losses for discontinued operations	608	799
Recognition (reversal) of impairment losses for the period	(11,614)	15,511
Impact from initial consolidation of subsidiary	-	3,143
Unrecoverable amount written off for current year	(2)	(7,793)
Disposal of subsidiaries	(5,500)	-
Estimated insurance claims on accounts receivable	(25,079)	23,434
Foreign exchange gains or losses	218	487
Ending balance	$ 26,447	67,816

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

(VI) Inventories

	2023.12.31	2022.12.31
Raw materials	$ 574,377	1,737,449
Work in progress	136,807	228,553
Finished goods and commodities	1,019,874	1,490,591
Goods in transit	77,510	235,442
Outsourced processed goods	84,889	124,561
	$ 1,893,457	3,816,596

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

	2023	2022
Cost of inventory sold	$ 10,569,775	12,820,141
Loss on decline in value of inventories	91,869	40,815
Inventory scrap loss and shrinkage	21,928	46,698
Subtotal	10,683,572	12,907,654
Less: Cost of inventories of discontinued operations (Note XII)	(3,995,648)	(4,657,896)
	$ 6,687,924	8,249,758

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

On May 21, 2021, the consolidated subsidiary Ace Pillar adopted a resolution by the Board of Directors to sell the land and property in Sanchong District. Therefore, the carrying value of such property was transferred to the non-current assets held for sale, amounting to NT$73,452 thousand. Some of the aforementioned assets have been sold in January and June 2022 with a net sale price of NT$46,401 thousand with a carrying amount of NT$31,777 thousand for the assets sold and the gains on disposal were NT$14,624 thousand.

On December 23, 2021, the consolidated subsidiary Tianjin Ace Pillar adopted a resolution by the Board of Directors to sell the plant and construction site use rights in Tianjin Ace Pillar Pilot Free Trade Zone. Therefore, such property was transferred to non-current assets held for sale.

At the end of 2022, the management authority assessed that due to the impact of COVID-19 and the overall external economic environment, the above assets no longer meet the conditions for being classified as assets held for sale, so the total amount of these assets of NT$346,592 thousand was reclassified under the property, plant, equipment, and right-of-use assets.

(VIII) Subsidiaries and non-controlling interests

1. Disposal of subsidiary Brainstorm Corporation (Brainstorm)

In October 2023, the Company sold its entire equity stake in Brainstorm to Metaage Corporation (Metaage), a subsidiary of Qisda Corporation (Qisda), resulting in the loss of control over Brainstorm. As both the Company and Metaage are subsidiaries of Qisda, the transaction was an organizational restructuring under joint control. The difference between the consideration received by the Company and the book value of the net assets of Brainstorm, amounting to NT$20,999 thousand, was recorded as capital surplus and was not recognized as profit or loss. Relevant details are as follows:

Consideration received:		
Cash		$ 530,075
The carrying amount of identifiable net assets of Brainstorm upon disposal:		
Cash and cash equivalents	$ 160,990	
Net accounts receivable (including related parties)	518,925	
Inventories	957,328	
Prepayments and other current assets	24,918	
Property, plant and equipment	17,569	
Right-of-use assets	24,815	
Intangible assets	603,387	
Other non-current assets	27,676	
Short-term borrowings	(29)	
Accounts payable	(935,363)	
Other payables and other current liabilities	(19,382)	
Lease liabilities - current	(20,650)	
Lease liabilities - non-current	(5,317)	
Deferred income tax liabilities	(98,265)	
	1,256,602	
Non-controlling interests	(716,362)	
Exchange differences on translations by foreign operations	(36,637)	
Income tax on disposal of equity	5,473	509,076
Credit to capital surplus		$ 20,999

2. Acquisition of subsidiaries - Standard Technology Corporation and its subsidiaries

(1) Consideration transferred for acquisition of the subsidiary

On March 1, 2022 (the acquisition date), Ace Pillar, the consolidated subsidiary, acquired 4,680 thousand ordinary shares of Standard Technology Corporation (Standard Co.) for a cash consideration of NT$187,000 thousand and acquired a

60% equity interest, thereby obtaining control over this company and has included Standard Co. and its subsidiaries in the consolidated entities since the acquisition date. Standard Co. and its subsidiaries are principally engaged in the trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services. Standard Co. was acquired by the Group for the purpose of optimizing the layout of the semiconductor business, expanding its business and providing customers with comprehensive products and services.

(2) Identifiable net assets acquired and goodwill recognized

The fair values of the identifiable assets acquired and liabilities assumed of Standard Co. and its subsidiaries on March 1, 2022 (acquisition date) and the goodwill recognized as a result of the acquisition are as follows:

Transfer consideration:		
Cash		$ 187,000
Add: Non-controlling interests (measured by the proportion of non-controlling interests in the fair value of net identifiable assets)		79,375
Less: fair value of net identifiable assets acquired:		
Cash and cash equivalents	$ 164,493	
Notes and accounts receivable, net	124,853	
Other receivables	1,012	
Inventories	112,226	
Prepayments and other current assets	5,738	
Financial assets measured at amortized cost (including current and non-current)	21,127	
Financial assets at fair value through other comprehensive income - non-current	1,434	
Property, plant and equipment	2,841	
Right-of-use assets	5,521	
Intangible assets - computer software	1,039	
Intangible assets - client relationship	92,585	
Deferred income tax assets	2,235	
Other non-current assets	699	
Short-term borrowings	(122,161)	
Accounts payable	(65,200)	
Other payables (including dividends payable)	(75,849)	
Current income tax liabilities	(5,969)	
Contract liabilities - current	(12,069)	
Other current liabilities	(176)	
Lease liabilities (including current and non-current)	(5,464)	
Deferred income tax liabilities	(44,806)	
Other non-current liabilities	(5,671)	198,438
Goodwill		**$ 67,937**

During the measurement period, the Group continuously reviewed the above matters and adjusted the above intangible assets - customer relationships and non-controlling interests decreased by NT$18,509 thousand and NT$5,475 thousand, respectively, other net liabilities decreased by NT$4,822 thousand, resulting in an increase in goodwill by NT$8,212 thousand in 2022.

(3) Intangible assets

The above customer relationships are amortized on a straight-line basis over 10.84 years based on the expected future economic benefits period.

Goodwill mainly comes from the profitability of Standard Co., the comprehensive effect of merger, future market development, and the value of its human resources team, with no expected income tax effect.

3. Acquisition of subsidiary - BlueWalker GmbH

(1) Consideration transferred for acquisition of the subsidiary

On April 1, 2022 (the acquisition date), the consolidated subsidiary Ace Pillar acquired 100% equity of BlueWalker GmbH (hereinafter referred to as BWA) with cash of NT$127,200 thousand (EUR4,000 thousand), thereby obtaining control over the company and incorporating it into the Group from the acquisition date. BWA is primarily engaged in the trading and services of energy management products. The Group acquired BWA mainly to enhance product diversification and expand product sales regions for the purpose of improving overall economic efficiency.

(2) Identifiable net assets acquired and goodwill recognized

The fair values of the identifiable assets acquired and liabilities assumed of BWA on April 1, 2022 (acquisition date) and the goodwill recognized as a result of the acquisition are as follows:

Transfer consideration:		
Cash		$ 127,200
Less: fair value of net identifiable assets acquired:		
Cash and cash equivalents	$ 34,958	
Notes and accounts receivable, net	27,389	
Inventories	72,990	
Prepayments and other current assets	2,746	
Property, plant and equipment	636	
Intangible assets - computer software	18	
Intangible assets - client relationship	12,151	
Intangible assets - trademark	12,822	

Transfer consideration:		
Other non-current assets	1,273	
Accounts payable	(33,314)	
Other payables	(14,545)	
Current income tax liabilities	(1,036)	
Contract liabilities - current	(624)	
Other current liabilities	(311)	
Long-term borrowings due within one year	(249)	
Long-term borrowings	(601)	
Deferred income tax liabilities	(4,994)	
Other non-current liabilities	(805)	108,504
Goodwill		**$ 18,696**

During the measurement period, the Group continued to review the above matters and adjusted the decrease in intangible assets - customer relationships by NT$4,285 thousand and deferred income tax liabilities by NT$857 thousand in 2022, resulting in an increase in goodwill by NT$3,428 thousand.

(3) Intangible assets

The above customer relationships and trademark rights are amortized on a straight-line basis over a projected future economic benefit period of 9.75 years and 10 years, respectively.

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

4. Acquisition of subsidiary - ACE Energy Co., Ltd. (ACE Energy)

(1) Consideration transferred for acquisition of the subsidiary

The consolidated subsidiary, Ace Pillar, paid NT$26,560 thousand in cash to Darly Venture, Inc., Darly2 Venture, Inc., and Darly Consulting Corporation, subsidiaries of Qisda Corporation, the parent company of the Group, on July 1, 2022 (acquisition date), and paid NT$5,440 thousand to AU Optronics Corporation, a related party of the Group, to acquire a total of 10,000 thousand ordinary shares of ACE Energy, accounting for 100% of the equity, thereby gaining control of the company. ACE Energy is principally engaged in energy technology services. The Group’s acquisition of ACE Energy is mainly to respond to its long-term operational development and leverage its synergy.

(2) Net assets acquired

The carrying amount of the assets acquired and liabilities assumed of ACE Energy acquired by Ace Pillar on July 1, 2022 are detailed as follows:

Transfer consideration:		
Cash		$ 32,000
Less: book value of net assets acquired:		
Cash and cash equivalents	$ 24,856	
Financial assets at amortized cost - current	6,000	
Notes and accounts receivable, net	17,355	
Prepayments and other current assets	2,389	
Property, plant and equipment	3,748	
Other non-current assets	793	
Accounts payable	(5,727)	
Other payables	(12,312)	
Contract liabilities - current	(6,029)	
Other current liabilities	(1,062)	
Lease liabilities - current	(1,452)	28,559
Debit capital surplus and retained earnings		$ 3,441

As the merger is a group restructuring under joint control, the transfer consideration paid by Ace Pillar exceeds the amount of the carrying amount of the aforementioned Qisda subsidiary's investment in ACE Energy. The Company reduced capital surplus amounted to NT$1,371 thousand, and reduced non-controlling interest amounted to NT$1,485 thousand in proportion to its shareholding.

5. Subsidiaries with material non-controlling interests

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

Name of subsidiary	Primary business premises/country of incorporation	Proportion of non-controlling interests in ownership interests	
		2023.12.31	2022.12.31
Ace Pillar	Taiwan	51.93%	51.93%
AEWIN	Taiwan	48.62%	48.62%
Brainstorm	USA	-	64.91%

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

(1) Summarized financial information of Ace Pillar:

	2023.12.31	2022.12.31
Current assets	$ 2,018,389	2,359,687
Non-current assets	1,138,904	1,172,156
Current liabilities	(734,736)	(955,535)
Non-current liabilities	(168,605)	(238,230)
Net assets	$ 2,253,952	2,338,078
Carrying amount of non-controlling interests at end of period	$ 1,212,476	1,253,258

	2023	2022
Net operating income	$ 3,051,803	3,762,421
Net profit (loss) for the period	$ (27,955)	78,883
Other comprehensive income	(137)	21,256
Total comprehensive income	$ (28,092)	100,139
Net profit (loss) for the period attributable to non-controlling interests	$ (12,658)	46,521
Total comprehensive income attributable to non-controlling interests	$ (11,688)	57,885

	2023	2022
Cash flows from operating activities	$ 184,562	(1,331)
Cash flows from investing activities	(2,664)	(90,978)
Cash flows from financing activities	(220,981)	(12,931)
Effect of changes in exchange rate	(5,169)	20,201
Increase (decrease) in cash and cash equivalents	$ (44,252)	(85,039)
Dividends paid to non-controlling interests	$ (29,147)	(52,463)

(2) Summarized financial information of AEWIN

	2023.12.31	2022.12.31
Current assets	$ 1,412,560	1,884,646
Non-current assets	1,016,617	1,077,127
Current liabilities	(748,210)	(1,234,006)
Non-current liabilities	(424,971)	(446,924)
Net assets	$ 1,255,996	1,280,843
Ending balance of non-controlling interests at book value	$ 608,370	620,453

	2023	2022
Operating revenue	$ 1,969,419	2,463,236
Net profit for the period	$ 24,940	143,686
Other comprehensive income	(2,488)	1,634
Total comprehensive income	$ 22,452	145,320
Net profit for the period attributable to non-controlling interests	$ 12,124	69,848
Total comprehensive income attributable to non-controlling interests	$ 10,914	70,642

	2023	2022
Cash flows from operating activities	$ 183,036	305,371
Cash flows from investing activities	(12,776)	(73,031)
Cash flows from financing activities	(301,303)	(46,291)
Effect of changes in exchange rate	(2,872)	5,027
Increase (decrease) in cash and cash equivalents	$ (133,915)	191,076
Dividends paid to non-controlling interests	$ (22,998)	(17,248)

(3) Summarized financial information of Brainstorm:

	2022.12.31
Current assets	$ 1,412,116
Non-current assets	738,434
Current liabilities	(788,169)
Non-current liabilities	(125,366)
Net assets	$ 1,237,015
Carrying amount of non-controlling interests at end of period	$ 703,648

	January to September 2023	2022
Net operating revenue	$ 4,501,191	5,197,642
Net loss for the period	$ (16,494)	(78,559)
Net loss for the period attributable to non-controlling interests	$ (10,707)	(50,993)

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

(IX) Property, plant and equipment

		Land	Buildings	Machinery equipment	Office equipment	Other equipment	Unfinished construction	Total
Costs:								
Balance as of January 1, 2023	$	962,980	1,715,650	507,204	82,01	466,706	816	3,735,368
Addition		-	3,035	5,081	6,203	12,750	2,431	29,500
Disposal		-	-	(102,133)	(10,763)	(108,437)	-	(221,333)
Derecognition of subsidiary (Note VI (VIII))		-	-	(7,887)	(5,225)	(19,604)	-	(32,716)
Reclassification		(91,754)	(42,001)	1,937	-	2,665	(3,247)	(132,400)
Effect of changes in exchange rate		-	(5,571)	382	(54)	(155)	-	(5,398)
Balance as of December 31, 2023	$	871,226	1,671,113	404,584	72,173	353,925	-	3,373,021
Balance as of January 1, 2022	$	932,159	1,411,272	483,635	65,225	371,456	23,649	3,287,396
Corporate mergers and acquisitions (Note VI (VIII))		-	-	22	9,554	5,826	-	15,402
Addition		-	52,116	22,418	11,215	61,020	32,358	179,127
Disposal		-	-	(5,633)	(6,429)	(9,173)	-	(21,235)
Reclassification for the period		30,821	247,967	6,188	1,494	33,854	(55,380)	264,944
Effect of changes in exchange rate		-	4,295	574	953	3,723	189	9,734
Balance as of December 31, 2022	$	962,980	1,715,650	507,204	82,012	466,706	816	3,735,368
Accumulated depreciation and impairment loss:								
Balance as of January 1, 2023	$	-	300,796	337,443	59,729	244,304	-	942,272
Depreciation		-	49,127	40,363	7,003	40,201	-	136,694
Disposal		-	-	(102,133)	(10,530)	(108,099)	-	(220,762)
Derecognition of subsidiary (Note VI (VIII))		-	-	(4,202)	(1,149)	(9,796)	-	(15,147)
Reclassification		-	(17,233)	-	-	-	-	(17,233)
Effect of changes in exchange rate		-	(1,616)	198	(199)	(5)	-	(1,622)
Balance as of December 31, 2023	$	-	331,074	271,669	54,854	166,605	-	824,202
Balance as of January 1, 2022	$	-	248,703	300,302	50,864	210,188	-	810,057
Corporate mergers and acquisitions (Note VI (VIII))		-	-	22	7,630	4,273	-	11,925
Depreciation		-	42,708	42,470	6,776	36,308	-	128,262
Disposal		-	-	(5,655)	(6,359)	(9,028)	-	(21,042)
Reclassification		-	6,398	46	-	(46)	-	6,398
Effect of changes in exchange rate		-	2,987	258	818	2,609	-	6,672
Balance as of December 31, 2022	$	-	300,796	337,443	59,729	244,304	-	942,272
Book value:								
December 31, 2023	$	871,226	1,340,039	132,915	17,319	187,320	-	2,548,819
December 31, 2022	$	962,980	1,414,854	169,761	22,283	222,402	816	2,793,09

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

(X) Right-of-use assets

	Land	Buildings	Transportation equipment	Total
Cost of right-of-use assets:				
Balance as of January 1, 2023	$ 49,689	440,544	9,495	499,728
Addition	-	35,062	3,344	38,406
Derecognition of subsidiary (Note VI (VIII))	-	(67,841)	(7,801)	(75,642)
Decrease and lease amendment	-	(40,933)	(2,780)	(43,713)
Effect of changes in exchange rate	(950)	(208)	335	(823)
Balance as of December 31, 2023	**$ 48,739**	**366,624**	**2,593**	**417,956**
Balance as of January 1, 2022	$ 21,238	339,968	9,044	370,250
Corporate mergers and acquisitions (Note VI (VIII))	-	6,237	443	6,680
Addition	-	171,631	-	171,631
Decrease	-	(87,521)	(663)	(88,184)
Reclassification from non-current assets held for sale	27,075	-	-	27,075
Effect of changes in exchange rate	1,376	10,229	671	12,276
Balance as of December 31, 2022	**$ 49,689**	**440,544**	**9,495**	**499,728**
Accumulated depreciation of right-of-use assets:				
Balance as of January 1, 2023	$ 5,282	132,773	6,056	144,111
Depreciation	1,513	85,317	3,167	89,997
Derecognition of subsidiary (Note VI (VIII))	-	(44,713)	(6,114)	(50,827)
Decrease and lease amendment	-	(40,498)	(2,133)	(42,631)
Effect of changes in exchange rate	(766)	1,136	278	648
Balance as of December 31, 2023	**$ 6,029**	**134,015**	**1,254**	**141,298**
Balance as of January 1, 2022	$ 2,138	97,888	2,446	102,472
Corporate mergers and acquisitions (Note VI (VIII))	-	1,132	27	1,159
Depreciation	560	85,527	3,629	89,716
Decrease	-	(56,661)	(276)	(56,937)
Reclassification from non-current assets held for sale	1,712	-	-	1,712
Effect of changes in exchange rate	872	4,887	230	5,989
Balance as of December 31, 2022	**$ 5,282**	**132,773**	**6,056**	**144,111**
Book value:				
December 31, 2023	**$ 42,710**	**232,609**	**1,339**	**276,658**
December 31, 2022	**$ 44,407**	**307,771**	**3,439**	**355,617**

(XI) Investment property

Investment properties of the Group are detailed as follows:

	Land	Buildings	Total
Costs:			
Balance as of January 1, 2023	$ -	-	-
Transfer from property, plant and equipment	91,754	42,711	134,465
Balance as of December 31, 2023	**$ 91,754**	**42,711**	**134,465**
Accumulated depreciation and impairment loss:			
Balance as of January 1, 2023	$ -	-	-
Transfer from property, plant and equipment	-	17,233	17,233
Depreciation for the current period	-	1,497	1,497
Balance as of December 31, 2023	**$ -**	**18,730**	**18,730**
Carrying amount:			
December 31, 2023	**$ 91,754**	**23,981**	**115,735**
Fair value:			
December 31, 2023			**$ 169,348**

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

(XII) Intangible assets

	Goodwill	Trademark	Client relationship	Computer software	Total
Costs:					
Balance as of January 1, 2023	$ 446,272	582,091	211,435	141,019	1,380,817
Separate acquisition	-	-	-	8,901	8,901
Derecognition of subsidiary (Note VI (VIII))	(152,979)	(569,268)	-	(31,428)	(753,675)
Disposal	-	-	-	(1,340)	(1,340)
Reclassification for the period	-	-	-	600	600
Effects of changes in exchange rate	-	-	-	1,496	1,496
Balance as of December 31, 2023	**$ 293,293**	**12,823**	**211,435**	**119,248**	**636,799**
Balance as of January 1, 2022	$ 349,846	562,692	129,493	90,061	1,132,092
Corporate mergers and acquisitions (Note VI (VIII))	86,633	12,822	104,736	2,535	206,726
Business combinations adjusted during the measurement period	9,793	6,577	(22,794)	-	(6,424)
Separate acquisition	-	-	-	48,155	48,155
Disposal	-	-	-	(725)	(725)
Effects of changes in exchange rate	-	-	-	993	993
Balance as of December 31, 2022	**$ 446,272**	**582,091**	**211,435**	**141,019**	**1,380,817**
Accumulated amortization:					
Balance as of January 1, 2023	$ -	95,840	77,892	86,058	259,790
Amortization	-	43,978	16,936	21,610	82,524
Derecognition of subsidiary (Note VI (VIII))	-	(137,573)	-	(12,715)	(150,288)
Disposal	-	-	-	(1,340)	(1,340)
Effects of changes in exchange rate	-	-	-	611	611
Balance as of December 31, 2023	**$ -**	**2,245**	**94,828**	**94,224**	**191,297**
Balance as of January 1, 2022	$ -	37,513	51,820	68,306	157,639
Corporate mergers and acquisitions (Note VI (VIII))	-	-	-	1,478	1,478
Amortization	-	58,327	26,072	16,949	101,348
Disposal	-	-	-	(725)	(725)
Effects of changes in exchange rate	-	-	-	50	50
Balance as of December 31, 2022	**$ -**	**95,840**	**77,892**	**86,058**	**259,790**
Book value:					
Balance as of December 31, 2023	**$ 293,293**	**10,578**	**116,607**	**25,024**	**445,502**
Balance as of December 31, 2022	**$ 446,272**	**486,251**	**133,543**	**54,961**	**1,121,027**

1. The amortization expenses for intangible assets for the years ended December 31, 2023 and 2022 are reported in the following line items in the consolidated statements of comprehensive income:

	2023	2022
Operating costs	$ 4,011	2,348
Operating expenses	78,513	99,000
	$ 82,524	101,348

2. Impairment test of goodwill

   As of December 31, 2023 and 2022, the goodwill generated by the merger and acquisition of the Group was allocated to the following cash generating units (or groups of cash generating units) expected to benefit from the comprehensive effects of the merger:

	2023.12.31	2022.12.31
DFI AMERICA, LLC	$ 177,874	177,874
Brainstorm Corporation	-	152,979
Standard Technology Corporation	76,149	76,149
Other cash generating units with non-significant goodwill amortized	39,270	39,270
	$ 293,293	446,272

   The above cash generating units are the smallest units under the management's supervision of investment returns on goodwill assets. According to the results of goodwill impairment test conducted by the Group, the recoverable amounts as of December 31, 2023 and 2022 were both higher than their carrying value, so there is no need to recognize impairment losses. The recoverable amounts of the cash generating units are determined based on value in use, with key assumptions as follows:

	2023.12.31	2022.12.31
DFI AMERICA, LLC：		
Operating revenue growth rate	(0.8%)~5%	(3)%~4.47%
Discount rate	11.85%	11.61%
Brainstorm Corporation：		
Operating revenue growth rate	-	(6.39)%~23.2%
Discount rate	-	13.35%
Standard Technology Corporation:		
Operating revenue growth rate	14.68%~27.9%	5.78%~15%
Discount rate	10.67%	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 0-2%.

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

(XIII) Short-term borrowings

	2023.12.31	2022.12.31
Unsecured bank loans	$ 998,741	1,774,218
Secured bank loans	80,904	111,802
	$ 1,079,645	1,886,020
Unused lines of credit	$ 5,834,216	5,584,243
Range of interest rate	0.95%~3.90%	1.50%~7.00%

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

(XIV) Long-term borrowings

	2023.12.31	2022.12.31
Unsecured bank loans	$ 600,000	1,300,653
Secured bank loans	200,000	250,000
Less: portion due within one year	-	(653)
	$ 800,000	1,550,000
Unused lines of credit	$ 1,800,000	100,000
Year of maturity	2025~2026	2023~2024
Range of interest rate	1.79%~2.05%	1.72%~5.83%

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

(XV) Lease liabilities

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

	2023.12.31	2022.12.31
Current	$ 69,614	86,451
Non-current	$ 178,493	241,693

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

The amounts recognized in profit or loss are as follows:

	2023	2022
Interest expense on lease liabilities	$ 6,724	6,437
Interest expense on lease liabilities for discontinued operations	$ 289	496
Short-term leases expenses and lease expenses of low-value assets	$ 25,005	33,224
Short-term leases expenses and lease expenses of low-value assets for discontinued operations	$ 5,284	6,658
COVID-19-related rent concessions (recognized as a decrease in lease expense)	$ (3,450)	(4,574)

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

	2023	2022
Total cash outflow for leases	$ 122,907	122,734

Important lease terms:

1. Lease of land, buildings and structures

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

2. Other leases

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

(XVI) Provisions - product warranty

	2023	2022
Balance as of January 1	$ 51,236	46,247
Provisions increase for the period	10,176	15,296
Provisions reverse for the period	(19,648)	(10,307)
Balance as of December 31	$ 41,764	51,236

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

(XVII) Employee benefits

1. Defined benefit plans

   The adjustments of the present value of defined benefit obligations of the Company and its domestic subsidiaries and the fair value of plan assets are as follows:

	2023.12.31	2022.12.31
Present value of defined benefit obligation	$ 87,225	104,756
Fair value of plan assets	(70,039)	(75,452)
	$ 17,186	29,304
Net defined benefit assets (recorded as other non-current assets)	$ (1,943)	(1,870)
Net defined benefit liabilities	$ 19,129	31,174

The defined benefit plans of the Company and its domestic subsidiaries 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 and its domestic subsidiaries 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 for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," 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, 2023 and 2022, the balances in the special accounts for labor pension reserves of the Company and its domestic subsidiaries in the Bank of Taiwan were NT$70,039 thousand and NT$75,452 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

		2023	2022
Defined benefit obligations as of January 1	$	104,756	97,925
Effects of business mergers and acquisitions		-	29,692
Current service cost and interest		1,724	939
Remeasurement of net defined benefit liabilities (assets)			
— Effects of changes in demographic assumptions		76	127
— Actuarial gain or loss arising from experience adjustments		(10,817)	6,994
— Actuarial gain or loss arising from changes in financial assumptions		1,925	904
Plans and benefits paid by the Company		(10,439)	(5,011)
Gain or loss on settlement		-	(26,814)
Defined benefit obligations as of December 31	$	87,225	104,756

(3) Changes in fair value of plan assets

		2023	2022
Fair value of plan assets as of January 1	$	75,452	61,943
Effects of business mergers and acquisitions		-	24,021
Interest income		1,160	500
Remeasurement of net defined benefit liabilities (assets)			

		2023	2022
— Compensation of plan assets (excluding current interest)		334	5,211
Amount contributed to the plan		3,532	9,911
Benefits paid under the plan		(10,439)	(2,002)
Gain or loss on settlement		-	(24,132)
Fair value of plan assets as of December 31	$	70,039	75,452

(4) Change in asset ceiling effects

The Group did not have defined benefit plan asset ceiling effects in the years 2023 and 2022.

(5) Expenses recognized as profit or loss

		2023	2022
Service costs for the current period	$	156	327
Net interest on net defined benefit liabilities (assets)		408	112
Gain on settlement		-	(2,682)
	$	564	(2,243)
Operating costs	$	376	439
Operating expenses		188	-
Other gains		-	(2,682)
	$	564	(2,243)

(6) Actuarial assumptions

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

	2023.12.31	2022.12.31
Discount rate	1.25%	1.5%
Future salary increases	2.00%~3.250%	2.00%~3.250%

The Group expects to make a contribution of NT$3,509 thousand to the defined benefit plan within one year after the reporting date of the fiscal year 2023. The weighted average duration of the defined benefit plan is 8.6 to 9.1 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, 2023			
Discount rate	$	(1,926)	1,994
Future salary increases		1,924	(1,869)

	Effect on defined benefit obligations	
	Increase by 0.25%	**Decrease by 0.25%**
December 31, 2022		
Discount rate	(2,414)	2,500
Future salary increases	2,418	(2,347)

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 changes in assumptions may be linked. The sensitivity analysis is consistent with the method used to calculate the net defined benefit liabilities on the balance sheet date. The methods and assumptions used in preparing the sensitivity analysis in this period are the same as those used in the previous period.

2. Defined contribution plans

The defined contribution plan of the Company and its domestic subsidiaries is made in accordance with the Labor Pension Act 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 and its domestic subsidiaries have contributed a fixed amount under these plans. Foreign subsidiaries contribute their pensions in accordance with local laws and regulations.

The pension expenses under the defined contribution pension measures of the Group in 2023 and 2022 were NT$66,622 thousand and NT$63,001 thousand, respectively.

(XVIII)Income taxes

1. Income tax expenses

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

	2023	**2022**
Current income tax expense	$ 153,144	265,366
Prior period adjustment of current income tax	(15,654)	(5,458)
Surtax on unappropriated earnings	10,697	2,333
Current income tax expense	148,187	262,241
Deferred income tax benefits	(8,680)	(99,774)
	139,507	162,467
Less: Income tax benefits for discontinued operations	839	25,759
Income tax expense for continuing operations	**$ 140,346**	**188,226**

The details of income tax expenses (benefits) recognized by the Group under other comprehensive income in 2023 and 2022 are as follows:

	2023	2022
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	$ 1,830	(563)

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

	2023	2022
Net profit before tax from continued operating units	$ 507,284	863,785
Income tax at the Company's domestic tax rate	$ 101,457	172,757
Effects of tax rate differences in foreign jurisdictions	11,418	11,460
Exemption from business income tax on land exchanges	-	(4,188)
Prior period adjustment of income tax	(15,654)	(5,458)
Non-deductible expenses	3,379	8,291
Value-added tax on land	-	169
Changes in unrecognized temporary differences and loss deductions	22,890	11,788
Surtax on unappropriated earnings	10,697	2,333
Tax exemption for domestic investment income	(9,898)	(28,512)
Others	16,057	19,586
	$ 140,346	188,226

2. Deferred income tax assets and liabilities

(1) Unrecognized deferred income tax assets

	2023.12.31	2022.12.31
loss carryforward	$ 95,283	82,858

The Group has assessed that it is not likely to have sufficient taxable income available in the future to utilize the loss carryforwards, so it has not recognized relevant deferred income tax assets. As of December 31, 2023, the Group's loss carryforwards not recognized as deferred income tax assets and their tax deduction periods are as follows:

Losses not yet deducted	The last year for which a deduction was allowed
$ 126,076	For the year ended December 31, 2024
61,014	For the year ended December 31, 2025
56,845	For the year ended December 31, 2026
59,004	For the year ended December 31, 2027
77,673	For the year ended December 31, 2028
14,200	For the year ended December 31, 2029
1,604	For the year ended December 31, 2030
$ 396,416	

(2) Unrecognized deferred income tax liabilities

	2023.12.31	2022.12.31
Profit from investment in subsidiaries	**$ 14,122**	**10,191**

Deferred income tax liabilities have not been recognized for taxable temporary differences associated with investments in subsidiaries because the Group can control the timing of the reversal of the temporary differences and is confident that the temporary differences will not reverse in the foreseeable future.

(3) 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	Provision for liabilities	Defined benefit plans	Loss on investments in subsidiaries	Others	Total
January 1, 2023	$ 27,827	10,247	5,462	34,361	78,346	156,243
Recognized in profit or loss	12,453	(1,894)	216	(9,469)	(18,680)	(17,374)
Recognized in other comprehensive income	-	-	(1,830)	-	-	(1,830)
Derecognition of subsidiary	-	-	-	-	(26,697)	(26,697)
Effect of changes in exchange rate	-	-	-	-	339	339
December 31, 2023	**$ 40,280**	**8,353**	**3,848**	**24,892**	**33,308**	**110,681**
January 1, 2022	$ 20,857	9,249	7,460	12,693	56,531	106,790
Recognized in profit or loss	6,333	998	(3,694)	21,668	20,506	45,811
Recognized in other comprehensive income	-	-	563	-	-	563
Resulting from business mergers	637	-	1,133	-	465	2,235
Effect of changes in exchange rate	-	-	-	-	844	844
December 31, 2022	**$ 27,827**	**10,247**	**5,462**	**34,361**	**78,346**	**156,243**

Deferred income tax liabilities:

	Profit from investment in subsidiaries	Others	Total
January 1, 2023	$ 172,479	163,730	336,209
Recognized in profit or loss	(4,545)	(21,509)	(26,054)
Derecognition of subsidiary	-	(98,265)	(98,265)
Effect of changes in exchange rate	-	(287)	(287)
December 31, 2023	$ 167,934	43,669	211,603
January 1, 2022	$ 190,545	153,058	343,603
Recognized in profit or loss	(44,354)	(9,609)	(53,963)
Resulting from business mergers	26,288	20,268	46,556
Effect of changes in exchange rate	-	13	13
December 31, 2022	$ 172,479	163,730	336,209

3. Circumstances of income tax approval

   The Company's profit-seeking enterprise income tax has been approved by the tax authority to the year of 2021.

(XIX) Capital and other equities

1. Share capital - Ordinary shares

   As on December 31, 2023 and 2022, the total authorized capital of the Company was NT$1,772,000 thousand, which was divided into 177,200 thousand shares at NT$10 per share. The number of issued shares were both 114,489 thousand shares. The reserved capital for issuance of stock options to employees in the authorized share capital is 20,000 thousand shares.

2. Capital surplus

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

	2023.12.31	2022.12.31
Share premium	$ 599,203	578,204
Recognized changes in percentage of ownership interests in subsidiaries	6,006	5,967
Gain on asset disposal	808	808
Others	23,750	23,607
	$ 629,767	608,586

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

3. Retained earnings and dividend policy

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

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

   (1) Legal reserve

   Pursuant to the provision of the Company Act, when the Company makes no loss, it may, by resolution of the Shareholders' Meeting, distribute the legal surplus reserve in the form of new shares or in cash to the extent that such legal reserve exceeds 25% of the total paid-in capital. If the aforementioned is done in cash, is authorized to be resolved by the Board of Directors and reported to the Shareholders' Meeting.

(2) Special reserve

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

4. Distribution of earnings

On March 2, 2023, and March 3, 2022, the Board of Directors of the Company resolved the amount of cash dividends and cash distributions from capital reserves in the earnings distribution proposal for the years ended December 31, 2022, and 2021, respectively. And on May 31, 2023, and June 17, 2022, the annual shareholders' meeting resolved the other earnings distribution proposal for the years ended December 31, 2022 and 2021, respectively. The relevant distribution amounts were as follows:

	2022		2021	
	Dividend per share (NT$)	**Amount**	**Dividend per share (NT$)**	**Amount**
Legal reserve		$ 52,689		61,568
Special reserve (reversal)		$ (76,782)		40,215
Dividends distributed to owners of common stock:				
Cash dividends	**4.0**	457,955	**3.2**	366,364
Cash distribution from capital surplus	-	-	**0.4**	45,796

In addition, on May 31, 2023, the annual shareholders' meeting resolved to amend the amount of the legal reserve in the earnings distribution proposal for the year ended in 2021, reversing the legal reserve of NT$15,964 thousand.

On March 4, 2024, the Board of Directors resolved the cash dividend amount in the earnings distribution proposal for the year ended in 2023.

	2023	
	Dividend per share (NT$)	**Amount**
Cash dividends	**$ 3.0**	**343,467**

The information regarding the earnings 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, 2023	$ (69,315)	31,274	(38,041)
Exchange difference from conversion of net assets of foreign operating organizations	8,353	-	8,353
Disposal of subsidiaries through organizational restructuring	(36,637)	-	(36,637)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	10,534	10,534
Balance as of December 31, 2023	**$ (97,599)**	**41,808**	**(55,791)**
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	-	11,227	11,227
Balance as of December 31, 2022	**$ (69,315)**	**31,274**	**(38,041)**

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

	2023	**2022**
Beginning balance	$ 2,577,359	2,450,694
Shares attributable to non-controlling interests:		
Net profit (loss) for the period	(11,241)	65,376
Exchange differences on translating the financial statements of foreign operations	18,191	61,530
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	5,116	(242)
Remeasurement of defined benefit plans	(155)	(1,495)
Income taxes related to other comprehensive income	31	299

	2023	2022
Non-controlling interests adjustments	-	(2,060)
Cash dividends distributed by subsidiaries to non-controlling interests	(52,145)	(69,711)
Increase in non-controlling interests in subsidiaries acquired	-	79,375
Changes in ownership interests in subsidiaries	52	235
Acquisition of additional equity in subsidiaries	-	(5,157)
Organizational restructuring to acquire or dispose of subsidiaries	(716,362)	(1,485)
Ending balance	$ 1,820,846	2,577,359

(XX) Earnings per share

1. Basic earnings per share

	2023			2022		
	Continued operating unit	Discontinued operations	Total	Continued operating unit	Discontinued operations	Total
Net profit attributable to ordinary shareholders of the Company	$ 367,472	(5,787)	361,685	555,796	(27,566)	528,230
Weighted average number of outstanding ordinary shares (in thousands of shares)	114,489	114,489		114,489	114,489	
Basic earnings (loss) per share (NT$)	$ 3.21	(0.05)	3.16	4.85	(0.24)	4.61

2. Diluted earnings (loss) per share (NT$)

	2023			2022		
	Continued operating unit	Discontinued operations	Total	Continued operating unit	Discontinued operations	Total
Net profit attributable to ordinary shareholders of the Company	$ 367,472	(5,787)	361,685	555,796	(27,566)	528,230
Weighted average number of outstanding ordinary shares (in thousands of shares)	114,489	114,489		114,489	114,489	
Effects of potential ordinary shares with dilution effect (in thousands of shares):						
Effects of employee stock compensation	646	646		960	960	
Weighted average number of outstanding ordinary shares (after adjusting for the dilutive effect of potential ordinary shares) (in thousands of shares)	115,135	115,135		115,449	115,449	
Diluted earnings (loss) per share (NT$)	$ 3.19	(0.05)	3.14	4.82	(0.24)	4.58

(XXI) Revenue from customer contracts

1. Breakdown of revenue

	2023	2022
Main products and services:		
Industrial computer board cards and systems	$ 5,708,560	6,635,957
Industrial automation control	2,061,288	2,837,995
Others	1,414,324	1,517,935
	$ 9,184,172	10,991,887

2. Balance of contracts

	2023.12.31	2022.12.31	2022.1.1
Notes and accounts receivable (including related parties)	$ 1,965,743	2,951,913	2,818,629
Less: loss allowance	(26,447)	(67,816)	(32,235)
	$ 1,939,296	2,884,097	2,786,394
Contract assets	$ 812	-	-
Contract liabilities	$ 115,375	205,241	194,558

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

The contract assets and liabilities mainly come from the difference between the time point of satisfying the performance obligation when the Group transfers goods to a customer and the time point of the customer's payment. The beginning balances of contract liabilities as of January 1, 2023 and 2022 were recognized as income of NT$135,646 thousand and NT$160,715 thousand, respectively, for the years ended December 31, 2023 and 2022.

(XXII) Compensation of employees and directors

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

For the years ended December 31, 2023 and 2022, the estimated employee compensations of the Company were NT$35,191 thousand and NT$47,852 thousand, respectively, and the estimated director compensations were NT$3,744 thousand and NT$5,091 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 4, 2024 and March 2, 2023, as resolved by the Board of Directors, are not different from the amounts estimated in the Company's consolidated financial statements for the fiscal years 2023 and 2022, and were paid entirely in cash. The relevant information can be found at the MOPS.

(XXIII)Non-operating income and expenses

1. Interest income

	2023	2022
Interest on bank deposit	$ 12,341	4,881
Interest income from financial assets measured at amortized cost	342	90
Interest on finance leases	80	279
Interest on deposits	21	2
Interest on financial assets at fair value through profit or loss	574	534
	$ 13,358	5,786

2. Other income

	2023	2022
Rental income	$ 8,127	6,481
Dividend income	6,845	3,941
Others	44,034	33,298
Subtotal	59,006	43,720
Less: Other income from discontinued operations	-	(11,665)
Other income from continuing operations	$ 59,006	32,055

3. Other gain and loss

	2023	2022
Gain on disposal of property, plant and equipment	$ 5,646	156
Loss on liquidation of subsidiary	(4,943)	(391)
Gain on disposal of non-current assets held for sale (Note VI (VII))	-	14,624
Net gain (loss) on foreign exchange	(6,259)	85,446
Loss on financial instruments at fair value through profit or loss	(47,356)	(55,354)

		2023	2022
Other expenditures (gains)		(1,141)	(4,365)
Subtotal		(54,053)	40,116
Less: Other expenses of discontinued operations		3,327	12
Other gains (losses) from continuing operations	$	**(50,726)**	**40,128**

4. Finance costs

		2023	2022
Bank interest expenses	$	54,023	54,415
Financial expenses on lease liabilities		7,013	6,933
Subtotal		61,036	61,348
Less: Finance costs of discontinued operations		(1,896)	(7,458)
Finance costs of continuing operations	$	**59,140**	**53,890**

(XXIV) Financial instruments

1. Types of financial instruments

(1) Financial assets

		2023.12.31	2022.12.31
Financial assets at fair value through profit or loss - current	$	45,465	27,458
Financial assets at fair value through other comprehensive income - non-current		86,714	71,064
Financial assets measured at amortized cost:			
Cash and cash equivalents		1,490,285	1,690,474
Financial assets at amortized cost - current		2,709	9,557
Notes receivable, accounts receivable, and other receivables (including related parties)		1,951,367	2,941,042
Financial assets measured at amortized cost - non-current		3,211	3,212
Refundable deposits (reported in other non-current assets)		30,848	32,641
Subtotal		3,478,420	4,676,926
Total	$	**3,610,599**	**4,775,448**

(2) Financial liabilities

	2023.12.31	2022.12.31
Financial liabilities at fair value through profit or loss - current	$ 3,365	5,020
Financial liabilities measured at amortized cost:		
Short-term borrowings	1,079,645	1,886,020
Notes payable, accounts payable and other payables (including related parties)	1,407,225	2,690,266
Long-term borrowings (including the part due within one year)	800,000	1,550,653
Lease liabilities (including current and non-current)	248,107	328,144
Subtotal	3,534,977	6,455,083
Total	**$ 3,538,342**	**6,460,103**

2. Fair value

(1) Financial instruments not measured at fair value

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

(2) Financial instruments measured at fair value

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

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).

	2023.12.31			
	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	$ -	706	-	706
Derivative financial instruments - foreign exchange swaps contracts	-	20,274	-	20,274
Fund beneficial interest certificates	24,485	-	-	24,485
	$ 24,485	20,980	-	45,465
Financial assets at fair value through other comprehensive income:				
Domestic Over-the-Counter stocks	$ 77,314	-	-	77,314
Foreign unlisted stocks	-	-	9,400	9,400
	$ 77,314	-	9,400	86,714
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	$ -	3,365	-	3,365

	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	$ -	1,353	-	1,353
Derivative financial instruments - Foreign exchange swaps contracts	-	34	-	34
Fund beneficial interest certificates	26,071	-	-	26,071
	$ 26,071	1,387	-	27,458
Financial assets at fair value through other				

	2022.12.31			
	Fair value			
	Level 1	Level 2	Level 3	Total
comprehensive income:				
Domestic Over-the-Counter stocks	$ 68,840	-	-	68,840
Foreign unlisted stocks	-	-	2,224	2,224
	$ 68,840	-	2,224	71,064
Financial liabilities at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	$ -	1,106	-	1,106
Derivative financial instruments - Foreign exchange swaps contracts	-	3,914	-	3,914
	$ -	5,020	-	5,020

(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.

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

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

The Group employs the asset approach to estimate fair values of unlisted stocks without active market and infers their fair values based on the estimation of factors such as the net worth, operational status, and total market value of individual assets and liabilities covered by the evaluated company.

B. Derivative financial instruments

They are valuated with the valuation model generally accepted by market participants. Forward foreign exchange contracts and foreign exchange swap 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 in 2023 and 2022.

(5) Detailed statement on changes in level 3

Financial assets at fair value through other comprehensive income:

		2023	2022
Beginning balance	$	2,224	1,288
Impact from initial consolidation of subsidiary		-	1,434
Changes recognized in other comprehensive incomes in current period		7,176	(498)
Ending balance	$	9,400	2,224

(XXV) Financial risk management

The Group 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 Group's policies and procedures for measuring and managing each of these risks and the quantitative disclosure of the risks.

The Group's Board of Directors is responsible for developing and controlling the Group's risk management policy. The risk management policy is established to identify and analyze the risks faced by the Group, 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 Group.

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

1. Credit risk

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

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

The policies adopted by the Group are to only conduct transactions with reputed counterparties, and to obtain sufficient collateral under necessary circumstances to reduce the risk of financial losses due to delinquency. The Group 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 Group will use other publicly available financial information and transaction records of each other to rate major clients. The Group 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 Group 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 Group 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 Group believes that the Group's credit risk is significantly reduced.

The Group had no centralized accounts receivable balances as of December 31, 2023 and 2022.

2. Liquidity risk

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

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

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	5 years and above
December 31, 2023					
Non-derivative financial liabilities:					
Short-term borrowings (floating rates)	$ 1,082,748	1,082,748	-	-	-
Long-term borrowings (floating rates)	836,271	15,016	44,855	776,400	-
Notes payable, accounts payable and other payables (including related parties, with no interest)	1,407,225	1,407,225	-	-	-
Lease liabilities	259,553	74,745	92,617	61,275	30,916
Subtotal	3,585,797	2,579,734	137,472	837,675	30,916
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	711,685	711,685	-	-	-
Inflow	(709,026)	(709,026)	-	-	-
Foreign exchange swap contracts - gross delivery					
Outflow	1,211,632	1,211,632	-	-	-
Inflow	(1,231,906)	(1,231,906)	-	-	-
Subtotal	(17,615)	(17,615)	-	-	-
Total	$ 3,568,182	2,562,119	137,472	837,675	30,916
December 31, 2022					
Non-derivative financial liabilities:					
Short-term borrowings (floating rates)	$ 1,895,352	1,895,352	-	-	-
Long-term borrowings (floating rates)	1,576,485	31,155	1,545,330	-	-
Notes payable, accounts payable and other payables (including related parties, with no interest)	2,690,266	2,690,266	-	-	-
Lease liabilities	345,324	92,984	77,718	128,867	45,755
Subtotal	6,507,427	4,709,757	1,623,048	128,867	45,755
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	1,024,820	1,024,820	-	-	-
Inflow	(1,025,067)	(1,025,067)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	1,147,274	1,147,274	-	-	-
Inflow	(1,143,394)	(1,143,394)	-	-	-
Subtotal	3,633	3,633	-	-	-
Total	$ 6,511,060	4,713,390	1,623,048	128,867	45,755

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

3. Market risk

   Market risk is the risk that earnings of the Group or the value of the financial instruments held will be affected by changes in market prices, such as exchange rates, interest rates and prices of equity instruments. 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 Group is exposed to exchange rate fluctuation risks arising from sales and purchase transactions denominated in non-functional currencies, and the main currencies involved in these transactions are USD, RMB and JPY. The management of exchange rate risk in the Group is to use forward foreign exchange contracts and foreign exchange swap contracts to manage exchange rate risk within the scope permitted by policy.

   The exchange rate risk of the Group arises primarily from the receivables and payables of the Group dominated in non-functional currencies that are outstanding at the balance sheet date. The carrying value of significant monetary assets and liabilities not denominated in functional currency (including monetary items denominated in non-functional currencies that have been written off in the consolidated financial statements) of the Group at the reporting date and their sensitivity to changes in foreign currencies are analyzed as follows (monetary unit: In thousands of NT$):

	2023.12.31				
	Foreign currency	**Exchange rate**	**NT$**	**Exchange rate fluctuation**	**Profit and loss influence (before tax)**
Financial assets					
Monetary items					
USD (Note 1)	$ 51,794	30.7500	1,592,652	1%	15,927
USD (Note 2)	3,399	7.0912	104,534	1%	1,045
RMB	42,033	4.3364	182,270	1%	1,823
JPY	10,085	0.2175	2,193	1%	22
Financial liabilities					
Monetary items					
USD (Note 1)	13,898	30.7500	427,373	1%	4,274
USD (Note 2)	17,986	7.0912	553,055	1%	5,531
JPY	33,129	0.2175	7,206	1%	72

	2022.12.31					
		Foreign currency	**Exchange rate**	**NT$**	**Exchange rate fluctuation**	**Profit and loss influence (before tax)**
Financial assets						
Monetary items						
USD (Note 1)	$	83,777	30.7300	2,574,467	1%	25,745
USD (Note 2)		5,293	6.9750	162,660	1%	1,627
RMB		47,649	4.4057	209,927	1%	2,099
JPY		35,611	0.2330	8,297	1%	83
Financial liabilities						
Monetary items						
USD (Note 1)		37,432	30.7300	1,150,278	1%	11,503
USD (Note 2)		24,608	6.9750	756,188	1%	7,562
JPY		44,051	0.2330	10,264	1%	103

Note1: Exchange rate between USD and NTD.

Note2: Exchange rate between USD and RMB.

Due to the wide variety of functional currencies of the Group, the exchange gain or loss of monetary items are disclosed through consolidation. Please refer to Note VI (XXIII) for details of foreign currency exchange (loss) gain (including realized and unrealized) for the years 2023 and 2022.

(2) Interest rate risk

The bank borrowings of the Group are based on a floating rate basis. The measures taken by the Group 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 Group 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 Group 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 Group increases/decreases by 1%, and all other variables remain unchanged, based on the estimated balance of bank borrowings of the Group as of December 31, 2023 and 2022, the net profit before tax of the Group for the years 2023 and 2022 will decrease/increase by NT$18,796 thousand and NT$34,367 thousand, respectively.

(3) Other market price risks

The Group is exposed to the risk of price changes of equity instruments arising from the equity securities investment measured at fair value. The Group manages and monitors the investment performance on a fair value basis.

The sensitivity analysis of the price risk of equity instruments is based on the changes in fair value as at the reporting date. If the price of equity instruments increases/decreases by 1%, based on the estimated balance of equity securities investments held by the Group as of December 31, 2023 and 2022, the amount of other comprehensive income for the years 2023 and 2022 will increase/decrease by NT$867 thousand and NT$711 thousand, respectively.

(XXVI) Capital management

The Group conducts capital management to ensure that each enterprise of the group would continue as a going concern by optimizing debt and equity balances in order to maximize shareholders' returns.

The Group's capital structure consists of its net debt, which is borrowings less cash and cash equivalent, and equity attributable to the owners of the Company, which is share capital, capital surplus, retained earnings and other equity items.

The Group is not subject to other external capital requirements.

The Group's key management annually reviews the group'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 Group 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 Group did not change in 2023 and 2022.

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

1. Please refer to Note VI (X) for the right-of-use assets acquired by the Group through lease.

2. The liabilities from financing activities are reconciled in the following table:

	2023.1.1	Cash flows	Non-cash change: Effects of disposal of subsidiaries	Non-cash change: Increase or decrease in lease liabilities	Non-cash change: Exchange rate changes	2023.12.31
Short-term borrowings	$ 1,886,020	(801,554)	(29)	-	(4,792)	1,079,645
Long-term borrowings (including the part due within one year)	1,550,653	(750,675)	-	-	22	800,000
Lease liabilities	328,144	(89,055)	(25,967)	37,156	(2,171)	248,107
Total liabilities from financing activities	$ 3,764,817	(1,641,284)	(25,996)	37,156	(6,941)	2,127,752

	2022.1.1	Cash flows	Non-cash change: Impact from initial consolidation of subsidiary	Non-cash change: Increase or decrease in lease liabilities	Non-cash change: Exchange rate changes	2022.12.31
Short-term borrowings	$ 1,311,304	434,885	122,161	-	17,670	1,886,020
Long-term borrowings (including the part due within one year)	1,750,000	(200,133)	792	-	(6)	1,550,653
Lease liabilities	257,374	(80,493)	5,464	139,104	6,695	328,144
Total liabilities from financing activities	$ 3,318,678	154,259	128,417	139,104	24,359	3,764,817

VII. Related Party Transactions

(I) Parent company and ultimate controller

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

(II) Names and relationships of related parties

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

Name of related party	Relationship with the Group
Qisda Corporation (Qisda)	Parent company of the Company
Other related parties:	
Partner Tech Corp.	Subsidiaries directly or indirectly held by Qisda
Partner Tech Asia Pacific	Subsidiaries directly or indirectly held by Qisda
Alpha Networks Inc.	Subsidiaries directly or indirectly held by Qisda

Name of related party	Relationship with the Group
BenQ Materials Corp.	Subsidiaries directly or indirectly held by Qisda
BenQ Asia Pacific Corp.	Subsidiaries directly or indirectly held by Qisda
BenQ AB DentCare Corporation	Subsidiaries directly or indirectly held by Qisda
BenQ Healthcare Corporation	Subsidiaries directly or indirectly held by Qisda
Metaguru Corporation	Subsidiaries directly or indirectly held by Qisda
BenQ Guru Software Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
BenQ Corporation	Subsidiaries directly or indirectly held by Qisda
BenQ Co., Ltd (BQC)	Directly/indirectly controlled subsidiary of Qisda (Note 1)
BenQ Technology (Shanghai) Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
BenQ Intelligent Technology (Shanghai) Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
DIVA Laboratories, Ltd.	Subsidiaries directly or indirectly held by Qisda
Suzhou BenQ Hospital Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
BenQ America Corp.	Subsidiaries directly or indirectly held by Qisda
Simula Technology Inc.	Subsidiaries directly or indirectly held by Qisda
Golden Spirit Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Data Image Corporation	Subsidiaries directly or indirectly held by Qisda
Action Star Technology Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Metaage Corporation	Subsidiaries directly or indirectly held by Qisda
AdvancedTEK International Corp.	Subsidiaries directly or indirectly held by Qisda
Global Intelligence Network Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Concord Medical Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Webest Solution Corporation	Subsidiaries directly or indirectly held by Qisda
Qisda Optronics (Suzhou) Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Qisda (Suzhou) Co., Ltd.	Subsidiaries directly or indirectly held by Qisda

Name of related party	Relationship with the Group
Darly Venture, lnc.	Subsidiaries directly or indirectly held by Qisda
Darly2 Venture, lnc.	Subsidiaries directly or indirectly held by Qisda
Darly Consulting Corporation	Subsidiaries directly or indirectly held by Qisda
AUO Corporation (AUO)	Company valuing Qisda under equity approach
AUO (Xiamen) Co., Ltd.	Subsidiaries directly or indirectly held by AUO
AUO Digitech Taiwan Inc.	Subsidiaries directly or indirectly held by AUO
AUO Display Plus Corp.	Subsidiaries directly or indirectly held by AUO
AUO Crystal Corp.	Subsidiaries directly or indirectly held by AUO
Darwin Precisions Corporation	Subsidiaries directly or indirectly held by AUO
Darwin Precisions (Xiamen) Corporation	Subsidiaries directly or indirectly held by AUO
AFPD Pte., Ltd	Subsidiaries directly or indirectly held by AUO
Visco Vision Inc.	Associates of Qisda
Darfon Electronics Corporation (Darfon)	Associates of Qisda
TD HiTech Energy Inc.	Subsidiaries directly or indirectly held by Darfon
Unictron Technologies Corporation	Subsidiaries directly or indirectly held by Darfon
BenQ Foundation	Substantial related party of Qisda
Suzhou BenQ Foundation	Substantial related party of Qisda
Everlasting Digital ESG Co., Ltd.	Associates of Metaage
Aewin Korea Technologies Co., Ltd.	Substantive related party of AEWIN
Giantech Corp.	Substantial related party of Brainstorm
Dolica Corporation	Substantial related party of Brainstorm

Note1: BenQ Corporation has disposed of 100% equity interest in BenQ Co., Ltd (BQC) on September 30, 2022, so it is no longer a related party of the Group since that date.

(III) Material transactions with related party

1. Net operating income

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

	2023	2022
Parent company	$ 113,563	125,408
Other related parties	278,473	445,329
	$ 392,036	570,737

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

2. Purchases

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

	2023	2022
Parent company	$ 219,251	656,098
Other related parties	13,935	16,281
	$ 233,186	672,379

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

3. Leases

The Group has leased plants and offices from the parent company and other related parties respectively and signed the lease contracts based on the rent prices in the adjacent areas. The increase in right-of-use assets in 2022 totaled NT$664 thousand.

The Group has recognized interest expenses of NT$1,215 thousand and NT$1,427 thousand for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, the balances of related lease liabilities were NT$100,331 thousand and NT$114,094 thousand, respectively.

4. Property transactions

Category of related party	Item	2023	2022
Other related parties	Property, plant and equipment	-	334
Parent company	Intangible assets	578	-
Other related parties	Intangible assets	$ -	3,841
		$ 578	4,175

5. Acquisition of subsidiaries

Ace Pillar, the consolidated subsidiary, acquired 100% equity in ACE Energy from Darly Venture, Inc., Darly2 Venture, Corp., Darly Consulting Corporation and AUO Corporation at a total price of NT$32,000 thousand on July 1, 2022, and the full payment of the above relevant price has been made.

6. Disposal of subsidiaries

   As stated in Note VI (VIII), the Group has sold all its shares in the subsidiary Brainstorm to Metaage Corporation for a total price of NT$530,075 thousand. The payment mentioned above has been received in full.

7. Operating costs, expenses, and other income

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

Item	Category of related party	2023	2022
Operating costs	Parent company	$ 20,625	19,137
	Other related parties	17,436	16,143
Operating expenses	Parent company	4,553	5,829
	Other related parties	21,043	23,696
Other income	Parent company	720	238
	Other related parties	6,635	5,439

8. Receivables from related parties

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

Item	Category of related party	2023.12.31	2022.12.31
Accounts receivable - related parties	Parent company	$ 18,538	147,835
	Other related parties	53,215	124,471
		71,753	272,306
Other receivables	Parent company	163	55
	Other related parties	20	501
		183	556
		$ 71,936	272,862

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

9. Payables to related parties

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

Item	Category of related party	2023.12.31	2022.12.31
Accounts payable - related parties	Parent company	$ 19,747	115,348
	Other related parties	1,144	1,837
		20,891	117,185
Other payables	Parent company	5,657	4,298
	Other related parties	3,181	3,711
		8,838	8,009
Lease liabilities - current	Parent company	13,919	13,763
Lease liabilities - non-current	Parent company	86,412	100,331
		100,331	114,094
		$ 130,060	239,288

(IV) Compensation of main managerial officers

	2023	2022
Short-term employee benefits	$ 39,969	47,017

VIII. Pledged Assets

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

Asset name	Subject matter of pledge guarantee	2023.12.31	2022.12.31
Pledged certificate of deposit	Performance bond for release before tax to customs house	$ 2,709	2,325
Notes receivable	Bank loan guarantee	80,903	11,802
Property, plant and equipment	Bank loan guarantee	446,422	454,165
Property, plant and equipment	Performance guarantee for purchases	24,146	29,979
		$ 554,180	498,271

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

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

X. Significant disaster losses: None.

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

XII. Miscellaneous

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

By Function / By Nature	2023 Attributable to operating cost	2023 Attributable to operating expenses	2023 Total	2022 Attributable to operating cost	2022 Attributable to operating expenses	2022 Total
Employee benefits expenses						
Salary expense	257,359	1,131,565	1,388,924	317,230	1,229,853	1,547,083
Labor and health insurance expenses	27,332	113,589	140,921	26,415	109,736	136,151
Pension expense	12,838	54,348	67,186	12,620	50,820	63,440
Other employee benefit expenses	21,074	58,317	79,391	19,231	41,108	60,339
Depreciation expenses	94,851	133,337	228,188	91,449	126,529	217,978
Amortization expenses	4,011	78,513	82,524	2,348	99,000	101,348

(II) Discontinued operations:

The Group disposed of its subsidiary, Brainstorm, and its computer components business division in October 2023, in order to streamline focus on core business and enhance competitiveness. Since the division was not classified as a discontinued operation as of December 31, 2022, the comprehensive income statement for the prior period is restated to present the discontinued operation separately from continuing operations.

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

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

	2023	2022
Operating profit or loss after tax from the discontinued operations:		
Operating revenue	$ 4,501,191	5,197,642
Operating costs	(3,995,648)	(4,657,896)
Gross Profit	505,543	539,746
Operating expenses	(517,653)	(648,259)
Operating loss before tax from the discontinued operations	(12,110)	(108,513)
Non-operating income and expenses before tax from the discontinued operations	(5,223)	4,194
Income tax benefits	839	25,760
Losses from discontinued operations	$ (16,494)	(78,559)
Cash flow from discontinued operations:		
Cash flows from operating activities	$ 208,582	90,349
Cash flows from investing activities	(2,684)	(29,410)
Cash flows from financing activities	(106,173)	(75,084)
Effect of changes in exchange rate	7,569	6,237
Net cash inflow (outflow)	$ 107,294	(7,908)

XIII. Supplementary Disclosures

(I) Information on Significant Transactions:

1. Loan of funds to others: please refer to Table 1.
2. Endorsement and guarantee for others: None.
3. Marketable securities held at the end of the period (excluding the investments in subsidiaries, associates and equity interests in joint ventures): please refer to Table 2.
4. The cumulative purchase or sale of the same securities amounted to NT$300 million or 20% and above of the paid-in capital: please refer to Table 3.
5. The amount of property acquired reached NT$300 million or 20% and above of the paid-in capital: None.
6. The amount of property disposal reached NT$300 million or 20% and above of the paid-in capital: None.
7. The amount of purchases or sales with related parties reached NT$100 million or 20% and above of the paid-in capital: please refer to Table 4.
8. Receivables from related parties reached NT$ 100 million or 20% and above of paid-in capital: please refer to Table 5.
9. Engaged in derivative products transactions: please refer to Note VI (II).
10. Business relationship and important transactions between the parent company and the subsidiaries: please refer to Table 6.

(II) Reinvestment and related information: please refer to Table 7.

(III) Investment information in Mainland China: please refer to Table 8.

(IV) Information on major shareholders:

Unit: Shares

Shares / Name of major shareholder	Number of shares held	Shareholding ratio
Qisda Corporation	51,609,986	45.08%
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

(I) General information

The Group originally had three reporting segments. After disposing of the subsidiary Brainstorm in October 2023, the "Computer Components" reporting segment was reduced and restated segment information for the year ended December 31, 2022. For details of the segment information of the Computer Components segment, please refer to Note XII (II). The Group's chief operating decision maker reviews the internal management reports of each strategic business unit at least quarterly. The operations of each reportable segment of the Group are summarized as follows:

1. Board Cards & Systems Division: Engaged in the research and development, manufacturing and sales of boards and motherboards for industrial computers.
2. Industrial Automation Control Division: Engaged in testing, processing, trading, repairing and electromechanical integration of automation control and industrial transmission systems.

(II) Reportable segment profit or loss, assets and liabilities, and their measurement basis and reconciliation information

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

	2023				
	Board cards and system segment	**Industrial automation control segment**	**Others**	**Adjustment and elimination**	**Total**
Revenue from external clients	$ 6,138,140	2,075,570	970,462	-	9,184,172
Inter-departmental income	10,841	113	5,770	(16,724)	-
Total income	**$ 6,148,981**	**2,075,683**	**976,232**	**(16,724)**	**9,184,172**
Reportable department profit or loss	**$ 567,774**	**(78,280)**	**52,492**	**2,800**	**544,786**

	2022				
	Board cards and system segment	**Industrial automation control segment**	**Others**	**Adjustment and elimination**	**Total**
Revenue from external clients	$ 7,229,470	2,864,206	898,211	-	10,991,887
Inter-departmental income	24,018	1,809	-	(25,827)	-
Total income	**$ 7,253,488**	**2,866,015**	**898,211**	**(25,827)**	**10,991,887**
Reportable department profit or loss	**$ 752,300**	**12,801**	**71,800**	**2,805**	**839,706**

(III) Geographical information

The geographical information of the Group is as follows, with revenues classified based on the geographical location of customers and non-current assets classified based on the geographical location of assets.

By geographical location	2023	2022
Revenue from external clients:		
Asia	$ 5,103,501	6,598,814
America	1,834,819	1,980,878
Europe	2,143,050	2,291,723
Other regions	102,802	120,472
	$ 9,184,172	10,991,887

By geographical location	2023.12.31	2022.12.31
Non-current assets:		
Asia	$ 3,158,338	3,339,842
America	195,429	184,732
Europe	44,184	49,801
	$ 3,397,951	3,574,375

The above non-current assets do not include financial instruments, deferred income tax assets and pension benefits assets.

(IV) Sales to major customers

For the years ended December 31, 2023 and 2022, the Group did not have any single customer that amounted to more than 10% of the consolidated net sales revenue.

DFI Inc. and its subsidiaries

Loan of funds to others

From January 1 to December 31, 2023

Table 1

Unit: In Thousands of New Taiwan Dollars

No.	Financing company	Loan recipient	Transaction item	Related party	Maximum amount in current period	Ending balance	Amount actually drawn in current period	Range of interest rate	Nature of financing	Business transaction amounts	Reason for short-term financing	Allowance for bad debts recognized	Collateral		Financing limits for each borrowing company	Total financing limits
													Name	Value		
1	AEWIN	Beijing AEWIN	Other receivables-related parties	Yes	249,699	200,885	200,885	-	1	286,858	Business interaction	-	-	-	251,205	502,411
2	Ace Pillar	Tianjin ACE Pillar	Other receivables-related parties	Yes	354,504	195,138	151,774	-	2	-	Operating capital turnover	-	-	-	393,775	787,550
2	Ace Pillar	Suzhou Super Pillar	Other receivables-related parties	Yes	173,212	86,728	30,355	-	2	-	Operating capital turnover	-	-	-	393,775	787,550
3	Cyber South	Tianjin ACE Pillar	Other receivables-related parties	Yes	22,698	21,525	21,525	-	2	-	Operating capital turnover	-	-	-	537,147	537,147
4	Proton	Tianjin ACE Pillar	Other receivables-related parties	Yes	12,970	12,300	12,300	-	2	-	Operating capital turnover	-	-	-	417,001	417,001

Note1: The limits of funds lent by AEWIN to all others and to each individual were 40% and 20%, respectively, of the net value of the company's most recent financial statements.

Note2: The limits of funds lent by Ace Pillar to all others and to each individual were 40% and 20%, respectively, of the net value of the company's most recent financial statements.

Note3: The limits of funds lent by Cyber South to all others and to each individual were 10% and 5%, respectively, of the net value of the company's most recent financial statements. When lending funds to foreign subsidiaries that the parent company directly or indirectly holds 100% of the voting shares based on need for financing, the limit of all loans and each loan was 100% of the net value.

Note4: The limits of funds lent by Proton to all others and to each individual were 10% and 5%, respectively, of the net value of the company's most recent financial statements. When lending funds to foreign subsidiaries that the parent company directly or indirectly holds 100% of the voting shares based on need for financing, the limit of all loans and each loan was 100% of the net value.

Note5: "1" for those with the nature for financing arising from business transaction; "2" for those with short-term financing needs.

Note6: The loans and transactions between the Company and its subsidiaries have been offset in the preparation of consolidated financial statements.

DFI Inc. and its subsidiaries

Marketable securities held at the end of the period (excluding the investments in subsidiaries, associates and joint ventures)
Balance as of December 31, 2023

Table 2

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

Company held	Type and name of marketable securities	Relationship with the issuer of marketable securities	Accounts	End of period				Maximum shareholding during the period		Remarks
				Number of shares/units	Carrying amount	Shareholding ratio	Fair value	Number of shares/units	Shareholding ratio	
The Company	Beneficiary certificate: Cathay No.1 REIT	-	Financial assets at fair value through profit or loss - current	1,442	24,485	-	24,485	1,442	-	-
The Company	Stock: APLEX Technology Inc.	-	Financial assets at fair value through other comprehensive income - non-current	1,487	77,314	4.01%	77,314	1,487	4.01%	-
AEWIN	Stock: AEWIN KOREA TECHNOLOGIES CO., LTD.	Substantial related party	Financial assets at fair value through other comprehensive income - non-current	10	745	16.67%	745	10	16.67%	-
AEWIN	Stock: Authentrend Technology Inc.	-	Financial assets at fair value through profit or loss - non-current	300	(Note)	1.42%	-	300	1.42%	-
Standard Co.	Stock: Intelligent Fluids GmbH	-	Financial assets at fair value through other comprehensive income - non-current	27	(Note)	1.71%	-	27	1.71%	-
Standard Co.	Stock: COMPITEK CORP. PTE. LTD. (CPL)	-	Financial assets at fair value through other comprehensive income - non-current	36	8,655	6.28%	8,655	36	6.28%	-
STCBVI	Bonds: Biogen Inc.	-	Financial assets measured at amortized cost - non-current	USD 100	3,211	-	3,211	USD 100	-	-

Note: All of the above have been provisioned for impairment.

DFI Inc. and its subsidiaries
The cumulative purchase or sale of the same securities amounted to NT$300 million or 20% and above of the paid-in capital
From January 1 to December 31, 2023

Table 3

Unit: In Thousands of New Taiwan Dollar/ In thousands of shares

Companies involved in buying and selling	Type and name of marketable securities	Accounts	Counterparty	Relationship	Beginning of the period		Purchase		Sell				End of period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Carrying cost (Note 1)	Gain or loss on disposal (Note 2)	Number of shares	Amount
The Company	Stock - Brainstorm Corporation	Investments accounted for under the equity method	Metaage Corporation	Other related parties	233	533,367			233	530,075	540,240	20,999	-	-

Note1: The balance after adjusting for the current period's profit and loss and other related adjustments recognized using the equity method.
Note2: The transaction represents a reorganization of an organization under joint control, with disposal gains and losses reported in the capital surplus.

DFI Inc. and its subsidiaries
The amount of purchases or sales with related parties reached NT$100 million or 20% and above of the paid-in capital
From January 1 to December 31, 2023

Table 4

Unit: In Thousands of New Taiwan Dollars

Purchaser/Seller	Name of counterparty	Relationship	Transaction status				Situation and reason for difference between the trading terms and those of the general trading		Notes and accounts receivable (payable)		
			Purchases (Sales)	Amount	Proportion to total purchase (sales)	Credit period	Unit price	Credit period	Balance	Proportion to total notes and accounts receivable (payable)	Remarks
DFI AMERICA, LLC.	The Company	Parent company and subsidiary	Purchases	614,226	95.74%	60-90 days to collect	-	-	(24,883)	99.81%	Note 1
The Company	DFI AMERICA, LLC.	Parent company and subsidiary	(Sales)	(614,226)	15.32%	60-90 days to collect	-	-	-	5.68%	Note 1
Diamond Flower Information (NL) B.V.	The Company	Parent company and subsidiary	Purchases	496,642	100.00%	60-90 days to collect	-	-	(16,905)	100.00%	Note 1
The Company	Diamond Flower Information (NL) B.V.	Parent company and subsidiary	(Sales)	(496,642)	12.39%	60-90 days to collect	-	-	16,905	3.86%	Note 1
DFI Co., Ltd.	The Company	Parent company and subsidiary	Purchases	324,308	100.00%	60-90 days to collect	-	-	(6,736)	87.83%	Note 1
The Company	DFI Co., Ltd.	Parent company and subsidiary	(Sales)	(324,308)	8.09%	60-90 days to collect	-	-	6,736	1.54%	Note 1
AEWIN	The Company	Parent company and subsidiary	Purchases	320,249	25.68%	Payment term of 90days	-	-	(33,315)	11.63%	Note 1
The Company	AEWIN	Parent company and subsidiary	(Sales)	(320,249)	7.99%	Payment term of 90days	-	-	33,315	7.61%	Note 1
Qisda	The Company	Parent company and subsidiary	Purchases	103,390	0.14%	60-90 days to collect	-	-	(11,885)	0.04%	Note 1
The Company	Qisda	Parent company and subsidiary	(Sales)	(103,390)	2.58%	60-90 days to collect	-	-	11,885	2.71%	Note 1
The Company	AEWIN	Parent company and subsidiary	Purchases	108,525	4.69%	Payment term of 60 days	-	-	-	0.00%	Note 1
AEWIN	The Company	Parent company and subsidiary	(Sales)	(108,525)	5.51%	Payment term of 60 days	-	-	-	0.00%	Note 1
The Company	Qisda	Parent company and subsidiary	Purchases	187,561	8.11%	60-90 days to collect	-	-	(10,296)	2.89%	Note 1
Qisda	The Company	Parent company and subsidiary	(Sales)	(187,561)	0.24%	60-90 days to collect	-	-	10,296	0.04%	Note 1
AEWIN	Beijing AEWIN	Parent company and subsidiary	(Sales)	(286,858)	20.80%	150 days after shipment	-	-	275,316	61.17%	Note 1
AEWIN	Aewin Tech Inc.	Parent company and subsidiary	(Sales)	(187,442)	13.59%	120 days after shipment	-	-	92,440	20.54%	Note 1
AEWIN	The Company	Parent company and subsidiary	Purchases	-(Note 2)	0.00%	Payment term of 90days	-	-	-	0.00%	Note 1
Beijing AEWIN	AEWIN	Parent company and subsidiary	Purchases	286,858	47.25%	150 days after shipment	-	-	(275,316)	47.18%	Note 1
Aewin Tech Inc.	AEWIN	Parent company and subsidiary	Purchases	187,442	100.00%	120 days after shipment	-	-	(92,440)	100.00%	Note 1

Note1: The above transactions have been offset when preparing the consolidated financial report.
Note2: The amount of sales of raw materials after deducting the post-processing repurchased portion.

DFI Inc. and its subsidiaries
Receivables from related parties reached NT$100 million or 20% and above of paid-in capital
Balance as of December 31, 2023

Table 5

Unit: In Thousands of New Taiwan Dollars

Company with receivables	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery amount of receivables from related parties after the balance sheet date	Allowance for bad debts recognized
					Amount	Treatment		
AEWIN	Beijing AEWIN	Parent company and subsidiary	275,316	0.72	101,493	Strengthen collection	-	-
AEWIN	Beijing AEWIN	Parent company and subsidiary	200,885	-	-		34,164	-
Ace Pillar	Tianjin ACE Pillar	Parent company and subsidiary	151,774	-	-		-	-

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

DFI Inc. and its subsidiaries
Business relationship and significant transactions between the parent company and the subsidiaries
From January 1 to December 31, 2023

Table 6

Unit: In Thousands of New Taiwan Dollars

No. (Note 1)	Name of trader	Counterparty	Relationship with trader (Note 2)	Transaction situation			
				Account	Amount	Transaction terms	Proportion to consolidated revenue or asset (Note 7)
0	The Company	DFI AMERICA, LLC.	1	(Sales)	(614,226)	60-90 days to collect	6.69%
0	The Company	Diamond Flower Information (NL) B.V.	1	(Sales)	(496,642)	60-90 days to collect	5.41%
0	The Company	DFI Co., Ltd.	1	(Sales)	(324,308)	60-90 days to collect	3.53%
0	The Company	AEWIN	1	(Sales)	(320,249)	Payment term of 90days	3.49%
1	AEWIN	Beijing AEWIN	3	(Sales)	(286,858)	(Note 5)	3.12%
1	AEWIN	Beijing AEWIN	3	Accounts receivable	275,316	(Note 5)	3.02%
1	AEWIN	Beijing AEWIN	3	Other receivables	200,885	(Note 5)	2.21%
1	AEWIN	Aewin Tech Inc.	3	(Sales)	(187,442)	(Note 6)	2.04%
2	AEWIN	Aewin Tech Inc.	3	Accounts receivable	92,440	(Note 6)	1.02%
2	Ace Pillar	Tianjin ACE Pillar	3	Other receivables - borrowings	151,774	One year	1.67%

Note1: The number should be filled in as follows:
1. 0 stands for the parent company.
2. The subsidiaries are numbered with Arabic numbers starting with 1.

Note2: The types of relationships with traders are indicated as follows:
1. Parent company - subsidiary.
2. Subsidiary - parent company.
3. Subsidiary - subsidiary.

Note3: The business relationship and important transactions between the parent and subsidiaries only disclose sales of goods and accounts receivable, and corresponding purchase and accounts payable are omitted here.

Note4: It is calculated by dividing the transaction amount by the consolidated operating income or total consolidated assets.

Note5: 150 days after shipment and subject to extension according to market conditions.

Note6: 120 days after shipment and subject to extension according to market conditions.

Note7: With respect to the business relationships and important transactions between parent and subsidiary companies, only information regarding those accounting for 1%or more of the consolidated revenue or assets are disclosed.

DFI Inc. and its subsidiaries

Reinvestment and related information
From January 1 to December 31, 2023

Table 7

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

Name of investor company	Name of investee	Location	Primary business	Original investment amount		Ending shareholding			Maximum shareholding during the period		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	Number of shares	Shareholding ratio			
The Company	DFI AMERICA, LLC.	USA	Sales of industrial computer cards	254,683	254,683	1,209	100%	410,339	1,209	100%	22,661	22,661	Subsidiary of the Company
The Company	Yan Tong	Mauritius	General investment business	107,198	107,198	3,500	100%	90,358	3,500	100%	(30,147)	(30,100)	Subsidiary of the Company
The Company	DFI Co., Ltd	Japan	Sales of industrial computer cards	104,489	104,489	6	100%	146,913	6	100%	36,325	36,325	Subsidiary of the Company
The Company	Diamond Flower Information (NL) B.V.	Netherlands	Sales of industrial computer cards	35,219	35,219	12	100%	147,819	12	100%	38,956	38,956	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%	642,461	30,376	51.38%	26,616	12,816	Subsidiary of the Company
The Company	Ace Pillar	Taiwan	Automated control and testing, processing, sales, repair, and mechanical and electrical integration of industrial transmission systems	1,301,359	1,301,359	53,958	48.07%	1,040,700	53,958	48.07%	(20,946)	(15,296)	Subsidiary of the Company
The Company	Brainstorm	USA	Wholesale and retail of computer and peripheral devices	501,582	501,582	-	-	-	233	0.00%	-	(5,788)	Subsidiary of the Company
AEWIN	Wise Way	Anguilla	Investment business	46,129	46,129	1,500	100%	99,601	1,500	100%	(39,600)	(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%	14,992	2,560	100%	(3,070)	(Note 1)	Subsidiary indirectly controlled by the Company
Wise Way	Bright Profit	Hong Kong	Investment business	46,129	46,129	1,500	100%	146,275	1,500	100%	(39,601)	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Cyber South	Samoa	Holding Company	107,041	107,041	4,669	100%	537,147	4,669	100%	(36,131)	(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%	4,714	1,200	100%	(1,320)	(Note 1)	Subsidiary indirectly controlled by the Company
Cyber South	Proton	Samoa	Holding Company	527,665	527,665	17,744	100%	417,001	17,744	100%	(36,653)	(Note 1)	Subsidiary indirectly controlled by the Company
Cyber South	Ace Tek	Hong Kong	Holding Company	4,938	4,938	150	100%	2,595	150	100%	457	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Standard Co.	Taiwan	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	187,000	187,000	6,084	60%	218,794	6,084	60%	15,044	(Note 1)	Subsidiary indirectly controlled by the Company
Standard Co.	Standard Technology Corp.	BVI	Holding Company	21,727	21,727	600	100%	111,374	600	100%	14,578	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	ACE Energy	Taiwan	Energy technical services	166,760	166,760	4,993	99.86%	204,487	4,993	99.86%	25,114	(Note 1)	Subsidiary indirectly controlled by the Company
ACE Energy	BlueWalker GmbH	Germany	Trading and services of energy management products	138,804	138,804	(Note 3)	100%	170,924	(Note 3)	100%	24,094	(Note 1)	Subsidiary indirectly controlled by the Company

Note1: 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.
Note2: The subsidiaries directly and indirectly controlled by the Company in the above table have been written off when preparing the consolidated financial report.
Note3: It is a limited liability company, so there is no number of shares.

DFI Inc. and its subsidiaries
Investment information in mainland China
From January 1 to December 31, 2023

Table 8

1. Information on reinvestment in Mainland China:

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

Investee in mainland China	Primary business	Paid-in capital	Investment method	Accumulated amount of investment remitted out of Taiwan at the beginning of the period	Remitted or repatriated amount of investment for the period		Accumulated investment amount remitted from Taiwan at the end of current period	Current profit (loss) of the investee in the period	Shareholding ratio of direct or indirect investment of the Company	Maximum shareholding during the period		Recognition in the current period	Ending carrying value of investment	Repatriated investment income as of the end of the period
					Remitted	Repatriated				Number of shares	Shareholding ratio	Investment gains and losses		
Yan Tong Infotech (Dongguan) Co., Ltd.	Manufacturing and sales of mainboard, board cards, host computer, electronic parts and components	-	(Note 1)	-	-	-	-	6,898	0%	(Note 2)	100%	6,898 (Note 3)	(Note 6)	97,179
Yan Ying Hao Trading (Shenzhen) Co. Ltd.	Wholesale, import and export of mainboard, board cards, host computer, electronic parts and components	13,840 (USD 500)	(Note 1)	- (USD -)	-	-	- (USD -)	(30,156)	100%	(Note 2)	100%	(30,156) (Note 3)	18,880	-
Beijing AEWIN	Business of wholesaling computers and their peripheral equipment and software	46,129 (USD 1,500)	(Note 1)	46,129 (USD 1,500)	-	-	46,129 (USD 1,500)	(39,601)	100%	(Note 2)	100%	(39,601) (Note 3)	146,269	-
Aewin (Shenzhen)	Business of wholesaling computers and their peripheral equipment and software	15,265 (USD 3,500)	(Note 5)	-	-	-	-	1,415 (RMB 320)	100%	(Note 2)	100%	1,415 (RMB 320) (Note 3)	(741) (RMB (171))	-
Tianjin ACE Pillar	Trade of transmission mechanical components	1,085,383 (RMB 35,297)	(Note 1)	59,963 (USD 1,950)	-	-	59,963 (USD 1,950)	(43,543)	100%	(Note 2)	100%	(43,543) (Note 3)	493,717	125,533
Tianjin Jinhao	Manufacturing and processing of mechanical transmission products	7,242 (RMB 1,670)	(Note 1)	4,920 (USD 160)	-	-	4,920 (USD 160)	2	100%	(Note 2)	100%	2 (USD 0.4) (Note 3)	4,099 (USD 133)	-
Quansheng Information	Electronic system integration	9,225 (USD 300)	(Note 1)	4,613 (USD 150)	-	-	4,613 (USD 150)	456	100%	(Note 2)	100%	456 (USD 15) (Note 3)	2,568 (USD 84)	-
Suzhou Super Pillar	Processing and technical services of mechanical transmission and control products	44,588 (USD 1,450)	(Note 1)	- (Note 4)	-	-	- (Note 4)	1,461	100%	(Note 2)	100%	1,461 (USD 49) (Note 3)	107,603 (USD 3,499)	-
Shanghai Standard	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	14,760 (USD 480)	(Note 1)	14,760 (USD 480)	-	-	14,760 (USD 480)	14,473	100%	(Note 2)	100%	14,473 (Note 3)	107,939	134,972

Note1: Reinvest in the companies in Mainland China through companies established in third regions.
Note2: It is a limited liability company, so there is no number of shares data.
Note3: It is recognized in line with the financial report prepared by the investee and audited by the CPA of the parent company in Taiwan.
Note4: It was reinvested and established by Cyber South.
Note5: It is a Mainland China-based company reinvested by Beijing AEWIN.
Note6: Yan Tong has been fully liquidated in August, 2023 and deregistration has been completed in November, 2023.

2. Limit of investment in Mainland China:

Name of investor company	The cumulative amount of investment remitted from Taiwan to the Mainland China at the end of the current period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Upper Limit on Investment in Mainland China regulated by the Investment Commission of the Ministry of Economic Affairs (Note 2)
DFI	0 (Note 1)	64,114 (Note 3 and Note 4) (USD 2,085)	2,989,729
AEWIN	46,129 (USD 1,500)	61,500 (USD 2,000)	753,616
Ace Pillar	157,409 (USD 5,119)	157,409 (USD 5,119)	1,238,555
Standard Co.	14,760 (USD 480)	14,760 (USD 480)	113,103

Note1: 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.
Note2: 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.
Note3: The Company's net investment amount after the cancellation of Dongguan Nippon Trading Co., Ltd. approved by the Investment Commission in August 2014.
Note4: 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, 2023 (these transactions had been written off when the consolidated financial statements were prepared).