

DFI Inc.
Parent Company Only Financial
Statements and Independent
Auditors' Report

For the years ended December 31, 2025 and 2024

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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Independent Auditors' Report

The Board of Directors and Shareholders DFI Inc.

Audit Opinion

We have reviewed the accompanying balance sheets of DFI Inc. as of December 31, 2025 and 2024, which comprise the comprehensive income statement, statement of changes in equity, and cash flow statement from January 1 to December 31, 2025 and 2024, as well as the notes to the parent company only financial statements (including the summary of significant accounting policies).

In our opinion, based on our audits and the reports of other certified public accountants (see Other Matters section), the aforementioned financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, as well as the Company's financial performance and cash flows from January 1 to December 31 in 2025 and 2024, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's parent company only financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, 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. Impairment assessment of goodwill arising from investment in subsidiaries

For accounting policies related to the impairment of non-financial assets, please refer to Note IV (XIV) of the parent company only financial statements; for an explanation on the uncertainty of assumptions and accounting estimates of a goodwill impairment assessment, please refer to Note V of the parent company only financial statements; for an explanation of a goodwill impairment test, please refer to Note VI (VII) of the parent company only financial statements.

Key audit matters are stated as follows:

The Company's significant goodwill arising from the acquisition of DFI AMERICA, LLC and Transpak Equipment Corporation was included in the book value of the investment accounted for using the equity method in the parent company only financial statements. The goodwill should be tested for impairment annually, or whenever there is an indication of impairment. Because assessing the recoverable amount of the cash-generating unit to which goodwill has been allocated involves a number of management assumptions and estimates, the goodwill impairment assessment is a material evaluation matter for us when conducting the audit of the Company's parent company only financial report.

The audit procedures to process for the above:

Our audits of the above critical items include: obtaining management's self-assessment of the DFI AMERICA, LLC's and Transpak Equipment Corporation's goodwill impairment test form; evaluating DFI AMERICA, LLC's and Transpak Equipment Corporation's reasonableness of the bases of estimates and significant assumptions used by management to determine the recoverable amount, including the discount rate, expected rate of growth in revenues, and projections of future cash flows; compare the previously forecasted future cash flows with actual results to assess the accuracy of past management estimates; performing sensitivity analyses of significant assumptions; and reviewing whether the Company has appropriately disclosed information regarding the goodwill impairment assessment.

Other Matters

Some of the investments in subsidiaries under the equity method included in the Company's parent company only financial statements were not audited by us, but by other certified public accountants. Therefore, our opinion, insofar as it relates to the amounts included in the financial statements of the subsidiaries, is based on the reports of other certified public accountants. The investment in this subsidiary recognized under the equity method amounted to NT\$478,691 thousand and NT\$470,216 thousand as of December 31, 2025 and 2024, respectively, representing 7.67% and 7.65% of total assets. The share of profit or loss of subsidiaries recognized under the equity method from January 1 to December 31, 2025 and 2024 were NT\$29,795 thousand and NT\$16,545 thousand, respectively, which accounted for 8.60% and 3.47% of income before tax, respectively.

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

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

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

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

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

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

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

- I. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 DFI Inc.'s internal control.
- III. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- IV. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the DFI Inc.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause DFI Inc. to cease to continue as a going concern.
- V. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the related notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- VI. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements of equity-method investees in order to express an opinion on the financial statements. We are responsible for directing, supervising, and performing the audit and for forming an opinion on the financial statements of DFI Inc.

We communicate with the governance body 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 the governance unit with a statement of independence from the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, which is followed by those who are subject to the independence requirements of the firm to which we belong, and we communicate with the governance unit about all relationships and other matters (including relevant safeguards) that might be perceived as affecting the independence of the accountant.

From the matters communicated with the governance unit, we determine the key audit matters of the Company's parent company only financial statements for the year ended December 31, 2025. We describe these matters in our certified public accountants' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG Taiwan

CPA:

Assurance Document Number Approved by Securities Authority	:	Jin-Guan-Zheng-Shen-Zi No. 1060005191 (88) Tai-Cai-Zheng (VI) No. 18311
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March 3, 2026

Notes to Readers

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

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

DFI Inc.
Balance Sheets
As of December 31, 2025 and 2024

Unit: NTS thousand

Assets		2025.12.31		2024.12.31	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (Note VI (I))	\$ 300,623	5	418,043	7
1110	Financial assets measured at fair value through profit or loss - current (Notes VI (II))	21,007	-	22,457	-
1136	Financial assets measured at amortized cost - current (Notes VI (IV) & VIII)	1,500	-	1,500	-
1170	Net of notes and accounts receivable (Notes VI (V) & (XX))	254,827	4	306,775	5
1180	Accounts receivable - related parties (Notes VI (V), (XX) and VII)	246,742	4	293,886	5
1200	Other receivables (Notes VI (V) & VII)	17,818	-	26,082	1
130X	Inventories (Notes VI (VI))	787,282	13	477,050	8
1410	Prepayments	36,002	1	23,275	-
1470	Other current assets	1,330	-	1,200	-
Total current assets		1,667,131	27	1,570,268	26
Non-current assets:					
1510	Financial assets measured at fair value through profit or loss - non-current (Notes VI (II))	20,000	-	-	-
1550	Investment under the equity method (Notes VI (III) & (VII))	3,526,552	57	3,507,786	57
1600	Property, plant and equipment (Note VI (VIII))	717,515	11	765,019	12
1755	Right-of-use assets (Notes VI (IX) & VII)	67,873	1	84,620	1
1760	Net of investment properties (Note VI (X))	173,090	3	174,881	3
1780	Intangible assets (Notes VI (VII), (XI) & VII)	4,782	-	9,303	-
1840	Deferred income tax assets (Notes VI (XVII))	29,425	-	36,773	1
1990	Other non-current assets	32,694	1	1,043	-
Total non-current assets		4,571,931	73	4,579,425	74
Total assets		\$ 6,239,062	100	6,149,693	100

(Please read the accompanying notes to the parent company only financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

DFI Inc.
Balance Sheets (Continued from the previous page)
As of December 31, 2025 and 2024

Unit: NT\$ thousand

		2025.12.31		2024.12.31	
		Amount	%	Amount	%
Liabilities and equity					
Current liabilities:					
2100	Short-term borrowings (Notes VI (XII))	\$ 680,000	11	1,000,000	16
2120	Financial liabilities measured at fair value through profit or loss				
	- current (Note VI (II))	1,160	-	3,751	-
2130	Contract liabilities - current (Note VI (XX))	19,420	-	12,090	-
2170	Accounts payables	712,007	12	551,860	9
2180	Accounts payables to related parties (Note VII)	40,734	1	58,131	1
2200	Other payables (Note VI (XXI) & VII)	210,761	4	208,456	4
2230	Current income tax liabilities	17,596	-	3,732	-
2250	Provisions - current (Note VI (XV))	23,192	-	30,437	1
2280	Lease liabilities - current (Note VI (XIV) & VII)	14,101	-	17,166	-
2322	Long-term borrowings - current portion (Note VI (XIII))	320,000	5	80,000	1
2399	Other current liabilities	6,102	-	6,012	-
	Total current liabilities	2,045,073	33	1,971,635	32
Non-current liabilities:					
2540	Long-term borrowings (Notes VI (XIII))	600,000	9	470,000	8
2570	Deferred income tax liabilities (Notes VI (XVII))	118,037	2	109,039	2
2580	Lease liabilities - non-current (Note VI (XIV) & VII)	58,016	1	72,118	1
2640	Net defined benefit liabilities - non-current (Note VI (XVI))	15,025	-	15,159	-
	Total non-current liabilities	791,078	12	666,316	11
	Total liabilities	2,836,151	45	2,637,951	43
Equity (Notes VI (III), (VII) and (XVIII)):					
3110	Share capital - Ordinary shares	1,144,889	18	1,144,889	19
3200	Capital surplus	898,872	15	898,131	14
3300	Retained earnings	1,432,841	23	1,538,288	25
3400	Other equity	(73,691)	(1)	(69,566)	(1)
	Total equity	3,402,911	55	3,511,742	57
	Total liabilities and equity	\$ 6,239,062	100	6,149,693	100

(Please read the accompanying notes to the parent company only financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

DFI Inc.
Statement of Comprehensive Income
From January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

		2025		2024	
		Amount	%	Amount	%
4000	Net operating revenue (Notes VI (XX) and VII)	\$ 3,760,516	100	3,222,248	100
5000	Operating costs (Note VI (VI), (VIII), (IX), (XI), (XIV), (XV), (XVI), (XXI), VII & XII)	<u>(2,879,897)</u>	<u>(77)</u>	<u>(2,365,100)</u>	<u>(74)</u>
	Gross Profit	880,619	23	857,148	26
5910	Gain on realized (unrealized) sales	<u>(13,432)</u>	<u>-</u>	<u>49,770</u>	<u>2</u>
	Gross Profit	<u>867,187</u>	<u>23</u>	<u>906,918</u>	<u>28</u>
	Operating expenses (Note VI (V), (VIII), (IX), (X), (XI), (XIV), (XVI), (XXI), VII & XII):				
6100	Selling and marketing expenses	(207,147)	(6)	(187,233)	(6)
6200	General and administrative expenses	(116,607)	(3)	(112,764)	(3)
6300	Research and development expenses	(292,500)	(7)	(281,775)	(9)
6450	Expected credit (impairment loss) gain on reversal	<u>(1,873)</u>	<u>-</u>	<u>242</u>	<u>-</u>
6000	Total operating expenses	<u>(618,127)</u>	<u>(16)</u>	<u>(581,530)</u>	<u>(18)</u>
	Net operating income	<u>249,060</u>	<u>7</u>	<u>325,388</u>	<u>10</u>
	Non-operating income and expenses (Notes VI (VII), (XIV), (XXII) & VII)				
7100	Interest income	6,517	-	7,482	-
7010	Other income	18,711	-	27,362	1
7020	Other gains and losses	(1,964)	-	(30,994)	(1)
7050	Finance costs	(28,957)	(1)	(22,786)	(1)
7070	Share of profit or loss from subsidiary and associates recognized using the equity method	<u>103,425</u>	<u>3</u>	<u>170,050</u>	<u>5</u>
	Total non-operating income and expenses	<u>97,732</u>	<u>2</u>	<u>151,114</u>	<u>4</u>
7900	Net profit before tax	346,792	9	476,502	14
7950	Less: Income tax expense (Note VI (XVII))	<u>(61,427)</u>	<u>(2)</u>	<u>(79,891)</u>	<u>(2)</u>
8200	Net profit for the period	<u>285,365</u>	<u>7</u>	<u>396,611</u>	<u>12</u>
	Other comprehensive income (Note VI (XVI), (XVII) and (XVIII)):				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans	(2,096)	-	1,756	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	-	-	(1,419)	-
8330	Shares of other comprehensive income of subsidiary and associates accounted for using the equity method	(5,066)	-	1,637	-
8349	Income tax relating to items that will not be reclassified	<u>419</u>	<u>-</u>	<u>(351)</u>	<u>-</u>
		<u>(6,743)</u>	<u>-</u>	<u>1,623</u>	<u>-</u>
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating the financial statements of foreign operations	1,068	-	26,356	1
8399	Income tax relating to items that may be reclassified	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>1,068</u>	<u>-</u>	<u>26,356</u>	<u>1</u>
	Other comprehensive income (loss) for the period	<u>(5,675)</u>	<u>-</u>	<u>27,979</u>	<u>1</u>
8500	Total comprehensive income (loss) for the period	<u>\$ 279,690</u>	<u>7</u>	<u>424,590</u>	<u>13</u>
	Earnings per Share (Unit: NT\$, Note VI (XIX))				
9750	Basic earnings per share	<u>\$ 2.49</u>		<u>3.46</u>	
9850	Diluted earnings per share	<u>\$ 2.48</u>		<u>3.45</u>	

(Please read the accompanying notes to the parent company only financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

DFI Inc.
Statement of Changes in Equity
From January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

	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
Balance as of January 1, 2024	\$ 1,144,889	629,767	924,057	38,040	481,074	1,443,171	(97,599)	41,808	(55,791)	3,162,036
Net profit for the period	-	-	-	-	396,611	396,611	-	-	-	396,611
Other comprehensive income (loss) for the period	-	-	-	-	3,326	3,326	26,356	(1,703)	24,653	27,979
Total comprehensive income (loss) for the period	-	-	-	-	399,937	399,937	26,356	(1,703)	24,653	424,590
Profit distribution:										
Legal reserve	-	-	36,913	-	(36,913)	-	-	-	-	-
Special reserve	-	-	-	17,750	(17,750)	-	-	-	-	-
Cash dividends for common shares	-	-	-	-	(343,467)	(343,467)	-	-	-	(343,467)
Changes in percentage of ownership interests in subsidiaries	-	84,571	-	-	-	-	-	-	-	84,571
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	-	183,410	-	-	-	-	268	(49)	219	183,629
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	38,647	38,647	-	(38,647)	(38,647)	-
Disposition of unearned funds of employee stock ownership trust	-	383	-	-	-	-	-	-	-	383
Balance as of December 31, 2024	<u>1,144,889</u>	<u>898,131</u>	<u>960,970</u>	<u>55,790</u>	<u>521,528</u>	<u>1,538,288</u>	<u>(70,975)</u>	<u>1,409</u>	<u>(69,566)</u>	<u>3,511,742</u>
Net profit for the period	-	-	-	-	285,365	285,365	-	-	-	285,365
Other comprehensive income (loss) for the period	-	-	-	-	(1,550)	(1,550)	1,068	(5,193)	(4,125)	(5,675)
Total comprehensive income (loss) for the period	-	-	-	-	283,815	283,815	1,068	(5,193)	(4,125)	279,690
Profit distribution:										
Legal reserve	-	-	43,858	-	(43,858)	-	-	-	-	-
Special reserve	-	-	-	13,775	(13,775)	-	-	-	-	-
Cash dividends for common shares	-	-	-	-	(389,262)	(389,262)	-	-	-	(389,262)
Changes in percentage of ownership interests in subsidiaries	-	171	-	-	-	-	-	-	-	171
Disposition of unearned funds of employee stock ownership trust	-	570	-	-	-	-	-	-	-	570
Balance as of December 31, 2025	<u>\$ 1,144,889</u>	<u>898,872</u>	<u>1,004,828</u>	<u>69,565</u>	<u>358,448</u>	<u>1,432,841</u>	<u>(69,907)</u>	<u>(3,784)</u>	<u>(73,691)</u>	<u>3,402,911</u>

(Please read the accompanying notes to the parent company only financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

DFI Inc.
Statements of Cash Flows
From January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

	2025	2024
Cash flows from operating activities:		
Net profit before tax for the period	\$ 346,792	476,502
Adjustment item:		
Adjustments for		
Depreciation expense	81,101	87,554
Amortization expense	5,729	6,518
Expected credit (impairment loss) gain on reversal	1,873	(242)
Evaluation losses of financial assets measured at fair value through profit or losses	1,370	2,350
Interest expense	28,957	22,786
Interest income	(6,517)	(7,482)
Dividend income	-	(4,555)
Shares of profit of subsidiaries accounted for using the equity method	(103,425)	(170,050)
Loss (gain) on disposal of property, plant and equipment	(170)	88
Unrealized loss (gain) on sales	13,432	(49,770)
Total revenue, expense and loss items	22,350	(112,803)
Changes in assets/liabilities related to business activities:		
Net changes in assets related to operating activities:		
Financial assets mandatorily classified as at fair value through profit or loss	80	7,810
Notes and accounts receivable	50,075	(14,535)
Accounts receivable - related parties	47,144	(147,965)
Other receivables	8,262	(17,883)
Inventories	(310,232)	(39,956)
Prepayments	(12,727)	(22)
Other current assets	(130)	(898)
Total net changes in assets related to operating activities	(217,528)	(213,449)
Net change in liabilities related to operating activities:		
Financial liabilities held for trading	(2,591)	3,616
Contract liabilities	7,330	1,358
Accounts payables	160,147	206,795
Accounts payable - related parties	(17,397)	46,531
Other payables	(3,577)	43,291
Provisions	(7,245)	(11,327)
Other current liabilities	90	(12,052)
Net defined benefit liabilities	(2,230)	(2,213)
Total net changes in liabilities related to business activities	134,527	275,999
Total net changes in assets and liabilities related to operating activities	(83,001)	62,550
Total adjustment items	(60,651)	(50,253)
Cash generated from operations	286,141	426,249
Interest received	6,519	7,484
Interest paid	(29,271)	(21,657)
Income tax paid	(30,798)	(132,866)
Net cash inflows from operating activities	232,591	279,210

(Continued on the next page)

(Please read the accompanying notes to the parent company only financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

DFI Inc.
Statements of Cash Flows (Continued from the previous page)
From January 1 to December 31, 2025 and 2024

Unit: NT\$ thousand

	2025	2024
Cash flows from investing activities:		
Purchase of financial assets at fair value through other comprehensive income	-	(41,692)
Acquisition of financial assets measured at fair value through profit or loss	(20,000)	-
Acquisition of investments accounted for using the equity method	-	(715,357)
Refund of share capital due to capital decrease of subsidiaries accounted for using the equity method	-	78,804
Purchase of property, plant and equipment	(8,711)	(5,989)
Proceeds from disposal of property, plant and equipment	170	981
Purchase of intangible assets	(1,208)	(6,577)
Decrease (increase) in other non-current assets	(31,803)	969
Dividends received	67,400	31,374
Net cash inflows (outflows) from investing activities	5,848	(657,487)
Cash flows from financing activities:		
Proceeds from short-term borrowings	4,450,000	3,750,000
Repayments of short-term borrowings	(4,770,000)	(3,400,000)
Proceeds from long-term borrowings	750,000	150,000
Repayments of long-term borrowings	(380,000)	-
Repayment of the principal portion of lease	(17,167)	(18,566)
Cash dividends distributed	(389,262)	(343,467)
Disposal of subsidiary shares (without loss of control)	-	214,138
Disposition of unearned funds of employee stock ownership trust	570	383
Net cash (used in) generated from financing activities	(355,859)	352,488
Decrease in cash and cash equivalents for the current period	(117,420)	(25,789)
Cash and cash equivalents at the beginning of the period	418,043	443,832
Cash and cash equivalents at the end of the period	\$ 300,623	418,043

(Please read the accompanying notes to the parent company only financial statements)

Chairman: Chen Chi-Hong

President: Tien Chih-Yin

Accounting Supervisor: Huang Li-Min

DFI Inc.

Notes to Parent Company Only Financial Statements

For the years ended December 31, 2025 and 2024

(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 is principally engaged in the manufacturing and sales of boards and computer components for industrial computers.

II. Date and Procedures for Approval of Financial Statements

The accompanying parent company only financial statements were approved and issued by the Board of Directors on March 3, 2026.

III. Application of Newly Issued and Revised Standards and Interpretations

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

As of January 1, 2025, the Company began to apply the following newly revised International Financial Reporting Standards (IFRS), which has not had a significant impact on the parent company only financial statements.

- Amendments to IAS 21 "Lack of Exchangeability"

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

The Company assessed that the application of the following newly revised IFRSs, effective January 1, 2026, would not have a material impact on the parent company only financial statements.

- Amendments to IFRS 17, "Insurance Contracts" and IFRS 17
- Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"
- Annual Improvements to IFRSs
- Amendments to IFRS 9 and IFRS 7 "Contracts Referencing Nature-dependent Electricity"

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

The standards and interpretations issued and amended by the IASB but not yet endorsed by the FSC that may be related to the Company are as follows:

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

New issued or amended standards	Main amendments	Effective date of issuance by IASB
IFRS 18 "Presentation and Disclosure of Financial Statements"	<p>The new guidelines introduce three categories of income and expenses, two subtotals on the income statement, and a single footnote regarding management performance measurement. These three amendments and enhancements to the guidance on segmenting information in financial statements lay the foundation for providing users with improved and consistent information, and will have an impact on all companies.</p> <ul style="list-style-type: none"> • A more structured income statement: The company currently uses various formats to express its financial performance, which makes it challenging for investors to compare the financial performance of different companies. The new guidelines have implemented a more structured income statement. They have introduced a new subtotal called 'operating profit' and require that all revenues and expenses be classified into three new categories based on the company's main business activities. • Management Performance Measurement (MPMs): The new criteria introduce the concept of management performance measurement. Companies are now required to provide an explanation, in a single footnote in the financial statements, regarding the usefulness of each measurement indicator, its calculation method, and how it is adjusted for amounts recognized in accordance with international financial reporting standards accounting principles. • More detailed information: The new guidelines provide instructions on how companies can improve the organization of information in financial statements. This guidance includes determining whether the information should be included in the primary financial statements or further disaggregated in the notes. 	<p>January 1, 2027</p> <p>Note: On September 25, 2025, FSC issued a press release announcing that Taiwan will adopt International Financial Reporting Standards 18 starting from fiscal year 2028. If the Company has a need for early adoption, it may elect to adopt early upon approval by the FSC.</p>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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

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

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- Amendments to IFRS 19 "Subsidiaries without Public Accountability: Disclosures" and IFRS 19
- Amendments to IAS 21 "Translation to a Hyperinflationary Presentation Currency"

IV. Summary of Significant Accounting Policies

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

(I) Statement of Compliance

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

(II) Basis of Preparation

1. Basis of measurement

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

- (1) Financial instruments (including derivative financial instruments) measured at fair value through profit or loss.
- (2) Financial assets at fair value through other comprehensive income; and
- (3) Net defined benefit liabilities, which are measured at the present value of the defined benefit obligation less the fair value of pension fund assets.

2. Functional and presentation currencies

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

(III) Foreign currency

1. Foreign currency transactions

Foreign currency transactions are translated into functional currencies at the exchange rates prevailing on the dates of transactions. At the end of each subsequent reporting

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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

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

2. Foreign operations

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

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

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

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

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

1. The asset is expected to be realized in the normal course of business or is intended to be sold or consumed;
2. The asset is held primarily for trading purposes.

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

3. The asset is expected to be realized within twelve months after the reporting period;
or
4. The asset is cash or cash equivalents (as defined by IAS 7) unless the asset is restricted from being exchanged or used to settle a liability at least 12 months after the reporting period.

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

1. The liability is expected to be settled in the normal course of business;
2. The liability is held primarily for trading purposes;
3. The liability is due for settlement within 12 months after the reporting period; or
4. The entity does not have the right to defer settlement of the liability beyond twelve months after the end of the reporting period.

(V) Cash and cash equivalents

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

(VI) Financial instruments

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

1. Financial assets

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

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(1) Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

Equity instrument investments are subsequently measured at fair value. Dividend income (unless it clearly represents the recovery of some investment costs) is recognized as profit or loss, and the remaining net profits or losses are recognized as other comprehensive income. When derecognition, the accumulated other comprehensive income under equity are reclassified to

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

retained earnings, not to profit or loss. Dividend income from equity investments is recognized on the date on which the Company is entitled to receive dividends (usually the ex-dividend date).

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

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

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

(4) Impairment of financial assets

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

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

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

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

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

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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

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

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

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

(5) Derecognition of financial assets

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

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

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

contractual arrangements and the definitions of a financial liability and an equity instrument.

(2) Equity transactions

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

(3) 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 derecognition is also recognized in profit or loss.

(4) Derecognition of financial liabilities

The Company derecognizes financial liabilities when the contractual obligations are fulfilled, canceled or expired. When the terms of a financial liability are modified and the cash flows of the modified liability are materially different, the original financial liability is derecognition 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.

(5) Offsetting of financial assets and liabilities

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

3. Derivative financial instruments

The Company holds derivative financial instruments to hedge the risk of foreign currency exposure. Derivatives are initially recognized at fair value, with transaction costs recognized in profit or loss; subsequently, they are measured at fair value, with

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

gains or losses arising from remeasurement recognized directly in profit or loss.

When its fair value is positive, the derivative is recognized as a financial asset; when its fair value is negative, the derivative is recognized as a financial liability.

(VII) Inventories

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

(VIII) Investment in associates

Associates refer to entities over which the Company has material impact on financial and operational policies but does not exercise control or joint control.

The Company applies the equity method to account for its interests in associates. Under the equity method, the initial acquisition is recorded at cost, including the transaction costs related to the investment. The carrying amount of investments in associates includes the goodwill recognized at the time of the initial investment, adjusted for any accumulated impairment losses. In the impairment assessment, the total carrying amount of the investment (including goodwill) is treated as a single asset. The recoverable amount is compared to the carrying amount to perform the impairment test. Any recognized impairment loss is recorded as a reduction in the carrying amount of the investment. Any reversal of impairment losses will be recognized in accordance with subsequent increases in the recoverable amount of the investment.

From the date the Company gains significant influence until the date it loses such influence, the Company shall recognize the profit and loss, as well as other comprehensive income, of each associate under the equity method, making adjustments to align with the Company's accounting policies. When an associate experiences changes in equity, not related to profit or other comprehensive income, and these changes do not affect the Company's ownership percentage, the Company will recognize the entire equity change as capital reserve in proportion to its shareholding.

When the Company is required to recognize its share of losses from associates that equal or exceed its equity in those enterprises, it will cease to recognize further losses. Additional losses and related liabilities will only be recognized to the extent of any statutory obligations, presumed obligations, or amounts already paid on behalf of the invested company.

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(IX) Investments in subsidiaries

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

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

(X) Property, plant and equipment

1. Recognition and measurement

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

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

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

2. Subsequent costs

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

3. Depreciation

Depreciation is calculated on the basis of the cost of an asset less its residual value and is recognized in profit or loss over the estimated useful life of each component using the straight-line method. Except for land, which is not subject to depreciation, the estimated useful lives of the remaining components are. Machinery equipment: 2 to 10 years; office and other equipment: 2 to 15 years. In addition, buildings and structures are depreciated over their estimated useful lives based on their significant components: 20 to 50 years for main and auxiliary buildings, and 3 to 10 years for other auxiliary electrical and mechanical equipment and engineering systems.

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(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 compared 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 borrowing costs capitalized.

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

(XII) Leases

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

1. Lessees

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

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

Lease liabilities are measured initially at the present value of the lease payments outstanding at the inception date of the lease. If the implied interest rate of the lease is

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

readily determinable, the discount rate is that rate; if it is not readily determinable, the Company's incremental borrowing rate is used. In general, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

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

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

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

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

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

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

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

2. Lessors

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

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

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

(XIII) Intangible assets

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

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

(XIV) Impairment of non-financial assets

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

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

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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) Provisions

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

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

(XVI) Revenue recognition

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

1. Sales of goods

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

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

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

2. Financial components

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

(XVII) Employee benefits

1. Defined contribution plans

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

2. Defined benefit plans

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

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

The remeasurement of the net defined benefit 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 retained earnings in the current period.

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

3. Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as an expense when the related services are rendered. The amount expected to be paid under short-term cash bonus or dividend plans is recognized as a

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

liability when the Company has a present legal or constructive obligation to pay for the services rendered by employees and the obligation can be reliably estimated.

(XVIII) 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.

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 on temporary differences between the carrying amounts of assets and liabilities at the reporting date and their tax bases. Deferred income tax is not recognized for temporary differences arising from:

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

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

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

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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.

(XIX) Business Combination

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

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 Company, on a transaction-by-transaction basis, at either the acquisition date fair value or at the present ownership instrument's proportionate share of the recognized amount of the acquiree's identifiable net assets. Other non-controlling interests are measured at their fair values at the acquisition date or on other bases in accordance with IFRSs recognized by the FSC.

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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

(XX) Earnings per share

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

(XXI) Segment Information

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

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

When preparing the parent company only financial statements, the management shall make judgments and estimates for the future (including climate related risks and opportunities), which will affect the adoption of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from estimates.

Management regularly reviews estimates and key assumptions to ensure they are consistent with the Company's risk management and climate-related commitments. Any changes in estimates are recognized during the period of change and deferred to the relevant future periods.

Accounting policies require significant judgment, and the following information has a substantial impact on the amounts recognized in these parent company only financial statements:

(I) Judgment of Significance of Impact on Invested Companies

The Company holds less than 20% of the voting rights in APLEX Technology Inc. (APLEX) but owns 13.36% of the voting shares, making it the largest single shareholder. This position allows the Company to elect directors to the Board and participate in

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

decision-making regarding APLEX's financial and operational policies, thereby exerting significant impact over the Company.

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

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

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

VI. Description of Significant Accounting Items

(I) Cash and cash equivalents

	<u>2025.12.31</u>	<u>2024.12.31</u>
Cash on hand and petty cash	\$ 67	130
Demand deposits and check deposits	<u>300,556</u>	<u>417,913</u>
	<u>\$ 300,623</u>	<u>418,043</u>

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Financial assets mandatorily classified at fair value through profit or loss - current:		
Non-hedging derivative instruments:		
Forward foreign exchange contracts	\$ 98	322
Foreign exchange SWAP contracts	<u>144</u>	<u>-</u>
Subtotal	242	322
Non-derivative financial assets:		
Fund beneficial certificates	<u>20,765</u>	<u>22,135</u>
	<u>\$ 21,007</u>	<u>22,457</u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

	<u>2025.12.31</u>	<u>2024.12.31</u>
Equity instruments at fair value through profit or loss - non-current:		
Stocks of domestic unlisted companies	<u>\$ 20,000</u>	<u>-</u>
Financial liabilities held for trading - current:		
Derivative financial instruments:		
Forward foreign exchange contracts	\$ 346	649
Foreign exchange SWAP contracts	<u>814</u>	<u>3,102</u>
Subtotal	<u>\$ 1,160</u>	<u>3,751</u>

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

The Company engages in derivative financial instruments to hedge the exposure to exchange rate risk arising from operating activities, which are reported as financial assets or liabilities measured 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

<u>2025.12.31</u>		
<u>Currency</u>	<u>Contract amount (in thousands)</u>	<u>Maturity period</u>
Buy USD/Sell RMB	USD 1,013	2026.1
Buy JPY/Sell USD	USD 625	2026.1
Buy EUR/Sell USD	USD 2,808	2026.1
<u>2024.12.31</u>		
<u>Currency</u>	<u>Contract amount (in thousands)</u>	<u>Maturity period</u>
Buy USD/Sell RMB	USD 579	2025.1
Buy JPY/Sell USD	USD 1,157	2025.1
Buy EUR/Sell USD	USD 2,403	2025.1

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

2. Foreign exchange SWAP contracts

2025.12.31		
Currency	Contract amount (in thousands)	Maturity period
Swap in NTD/swap out USD	USD 8,050	2026.1
2024.12.31		
Currency	Contract amount (in thousands)	Maturity period
Swap in NTD/swap out USD	USD 10,800	2025.1

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

The Company originally held shares in APLEX Technology Inc. (APLEX) classified as financial assets measured at fair value through other comprehensive income. In 2024, the Company increased its shareholding in APLEX and assessed that it has obtained significant influence. Accordingly, the equity investment previously measured at fair value through other comprehensive income was reclassified as an investment accounted for using the equity method in the amount of NT\$117,587 thousand. In addition, the unrealized gain of NT\$38,647 thousand recognized in other equity—financial assets at fair value through other comprehensive income—was transferred to retained earnings.

(IV) Financial assets carried at amortized cost - current

	2025.12.31	2024.12.31
Pledged certificate of deposit	\$ 1,500	1,500

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

(V) Accounts receivable and other receivables

	2025.12.31	2024.12.31
Accounts receivable	\$ 257,379	307,454
Accounts receivable - related parties	246,742	293,886
Less: Allowance for loss	(2,552)	(679)
	\$ 501,569	600,661
Other receivables	\$ 14,601	11,631
Other receivables - related parties	3,217	14,451
	\$ 17,818	26,082

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

	2025.12.31		
	Carrying amount of accounts receivable	Weighted average expected credit loss rate	Allowance for expected credit losses for the duration of the period
Not overdue	\$ 195,077	0%	-
1-30 days overdue	57,434	0%	-
31-60 days overdue	2,316	0%	-
Overdue for more than 90 days	<u>2,552</u>	100%	<u>2,552</u>
	<u>\$ 257,379</u>		<u>2,552</u>

	2024.12.31		
	Carrying amount of accounts receivable	Weighted average expected credit loss rate	Allowance for expected credit losses for the duration of the period
Not overdue	\$ 251,884	0%	-
1-30 days overdue	45,099	0.46%	206
31-60 days overdue	7,332	1.72%	126
61-90 days overdue	<u>3,139</u>	11.05%	<u>347</u>
	<u>\$ 307,454</u>		<u>679</u>

Accounts receivable—related parties on December 31, 2025 and 2024 are expected to have no expected credit losses as evaluated by the Company and are analyzed as follows:

	2025.12.31	2024.12.31
Not overdue	\$ 238,668	280,019
1-30 days overdue	3,555	8,927
31-60 days overdue	<u>4,519</u>	<u>4,940</u>
	<u>\$ 246,742</u>	<u>293,886</u>

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

	2025	2024
Beginning balance	\$ 679	921
Recognition (reversal) of impairment losses for the period	<u>1,873</u>	<u>(242)</u>
Ending balance	<u>\$ 2,552</u>	<u>679</u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(VI) Inventories

	<u>2025.12.31</u>	<u>2024.12.31</u>
Raw materials	\$ 532,259	226,912
Work in progress	121,753	105,739
Finished goods and commodities	91,524	84,998
Goods in transit	24,980	58,315
Outsourced processed goods	<u>16,766</u>	<u>1,086</u>
	<u>\$ 787,282</u>	<u>477,050</u>

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

	<u>2025</u>	<u>2024</u>
Cost of inventory sold	\$ 2,893,190	2,380,309
Gain from price recovery of inventory	(40,835)	(11,659)
Inventory scrap loss	34,779	7,772
Inventory gain	<u>8</u>	<u>5</u>
	<u>\$ 2,887,142</u>	<u>2,376,427</u>

The above inventories recovery gains resulted from the Company's sale or scrapping of slow-moving inventories; accordingly, recovery gains were recognized by reversing the prior inventory falling price loss that had reduced the original inventories to net realizable value.

(VII) Investments accounted for under the equity method

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Subsidiary	\$ 3,261,513	3,234,842
Associate	<u>265,039</u>	<u>272,944</u>
	<u>\$ 3,526,552</u>	<u>3,507,786</u>

1. Acquisition of subsidiary - Transpak Equipment Corporation

(1) Consideration transferred for acquisition of the subsidiary

On August 12, 2024 (the acquisition date), the Company and its consolidated subsidiary, Ace Pillar, acquired 833 thousand ordinary shares of Transpak Equipment Corporation (TPK) for a cash consideration of NT\$1,250,000 thousand, representing a 70.65% equity interest, thereby obtaining control over this company and has included it in the consolidated financial statements since the acquisition date. TPK is primarily engaged in the production, manufacturing, and trading of bundling equipment. The acquisition of TPK by the Group and its subsidiary Ace Pillar is aimed at supporting the company's long-term operational development and business expansion. This acquisition will enable

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

the Group to offer a more diverse range of products and services to its customers, thereby enhancing its competitiveness.

(2) Identifiable net assets acquired and goodwill recognized

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

Transfer consideration:

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

The aforementioned goodwill is attributed to our Company and its subsidiary, Ace Pillar Co., Ltd., amounting to NT\$234,535 thousand and NT\$288,982 thousand, respectively.

During the measurement period, the Company continuously reviewed the aforementioned matters and adjusted other receivables, deferred tax liabilities, and non-controlling interests in the first quarter of 2025 as follows:

Increase in other receivables	\$ 3,911
Increase in deferred income tax liabilities	(7,900)
Increase in non-controlling interests	<u>1,171</u>
Decrease in goodwill	<u>\$ (2,818)</u>

During the measurement period, the Company continuously reviewed the aforementioned matters and adjusted aforementioned intangible assets, deferred tax liabilities, and non-controlling interests in the fourth quarter of 2024 as follows:

Intangible assets - decrease in trademark rights	\$ (21,256)
Decrease in intangible assets - patents	(8,040)
Increase in intangible assets - client relationships	56,510
Increase in deferred income tax liabilities	(5,443)
Decrease in non-controlling interests	<u>(6,390)</u>
Increase in goodwill	<u>\$ 15,381</u>

After the above adjustments, the goodwill is attributed to our Company and its subsidiary, Ace Pillar Co., Ltd., amounting to NT\$228,907 thousand and NT\$282,047 thousand, respectively.

(3) Intangible assets

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

Goodwill mainly comes from the profitability of TPK, the comprehensive effect of merger, future market development, and the value of its human resources team, with no expected income tax effect. Goodwill in the parent company only financial statements is included in the carrying amount of investments in subsidiaries accounted for using the equity method.

2. Disposal of subsidiary shares (without loss of control)

Between July and December of 2024, our Company sold a portion of its equity in Ace Pillar for cash totaling NT\$214,138 thousand, thereby reducing its ownership stake in Ace Pillar from 48.07% to 46.71%.

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

The changes in the ownership interest of the Company in the aforementioned subsidiaries have produced the following impact on the owners' equity attributable to the parent company:

	<u>2024</u>
Consideration received	\$ 214,138
Carrying amount of the disposal of subsidiary equities	(30,509)
Other equity:	
Exchange differences on translating the financial statements of foreign operations	(268)
Unrealized gain (loss) on financial assets measured at fair value through other comprehensive income in other equity	<u>49</u>
Capital reserve - Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	<u>\$ 183,410</u>

3. Impairment test of goodwill

If the investment cost for the Company to acquire a subsidiary exceeds the amount of the net fair value of its share of the identifiable assets and liabilities in the investee on the acquisition date, it shall be listed as goodwill; if the goodwill is impaired, it shall be regarded as a decrease in the carrying value of the investment accounted for using the equity method in the parent company only financial statements. As of December 31, 2025 and 2024, goodwill obtained through mergers and acquisitions was allocated to the following cash generating units (or groups of cash generating units) expected to benefit from the comprehensive effects of the merger:

	<u>2025.12.31</u>	<u>2024.12.31</u>
DFI AMERICA, LLC.	\$ 177,874	177,874
Transpak Equipment Corporation	510,954	508,136
Other cash generating units with non-significant goodwill amortized	<u>115,419</u>	<u>115,419</u>
	<u>\$ 804,247</u>	<u>801,429</u>

The above cash generating units are the smallest units under the management's supervision of investment returns on goodwill containing assets. According to the results of goodwill impairment testing conducted by the Company, the recoverable amount as of December 31, 2025 and 2024 was higher than its carrying amount, so there is no need to recognize impairment losses. The recoverable amount of the cash generating units are determined based on value in use, with key assumptions as follows:

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
DFI America, LLC. :		
Operating revenue growth rate	(22.8%)~36.7%	(18%)~18.9%
Discount rate	11.09%	11.33%
TPK:		
Operating revenue growth rate	5%~11.65%	2.11%~2.50%
Discount rate	10.50%	10.68%

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

4. Associate

The affiliated enterprises that are significant to the Company are as follows:

<u>Name of Affiliated Enterprise</u>	<u>Nature of Relationship with the Company</u>	<u>Primary business premises/ country of incorporation</u>	<u>Proportion of ownership interests and voting rights</u>	
			<u>2025.12.31</u>	<u>2024.12.31</u>
APLEX Technology Inc.	The main business is the research and development, as well as the manufacturing, of industrial computer products, serving as a strategic partner of the Company.	Taiwan	13.36%	13.36%

Before December 24, 2024, APLEX held financial assets measured at fair value through other comprehensive income, which had a significant impact as of that date. For the reclassification of investments using the equity method, please refer to Note VI(III).

The fair value regarding significant associates of our Company listed (OTC) and are listed is as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
APLEX	\$ 189,868	254,810

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

The summary financial information regarding significant associates of our Company is as follows:

(1) Summary financial information for APLEX:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Current assets	\$ 561,466	567,378
Non-current assets	1,574,059	1,591,538
Current liabilities	(240,146)	(183,221)
Non-current liabilities	<u>(341,218)</u>	<u>(362,027)</u>
Net assets	<u>\$ 1,554,161</u>	<u>1,613,668</u>
Net assets attributable to non-controlling interests	<u>\$ -</u>	<u>-</u>
Net assets attributable to the owners of the investee company	<u>\$ 1,554,161</u>	<u>1,613,668</u>
	<u>2025</u>	<u>2024</u>
Operating revenue	<u>\$ 915,913</u>	<u>888,810</u>
Net Profit for the Current Operating Unit	\$ 1,443	58,996
Other comprehensive income	<u>(4,793)</u>	<u>6,507</u>
Total comprehensive income	<u>\$ (3,350)</u>	<u>65,503</u>
Total comprehensive income attributable to non-controlling interests	<u>\$ -</u>	<u>-</u>
Total comprehensive income attributable to the owners of the investee company	<u>\$ (3,350)</u>	<u>65,503</u>
	<u>2025</u>	<u>2024</u>
The carrying amount of the Company's share in the net assets of associates at the beginning of the period.	\$ 272,944	-
Increase in the period	-	272,944
Total comprehensive income attributable to the Company for the period	(469)	-
Dividends received from affiliated enterprises for this period	<u>(7,436)</u>	<u>-</u>
The carrying amount of the Company's share in the net equity assets of associates at the end of the period.	<u>\$ 265,039</u>	<u>272,944</u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(VIII) Property, plant and equipment

	<u>Land</u>	<u>Buildings</u>	<u>Machinery equipment</u>	<u>Office equipment</u>	<u>Other equipment</u>	<u>Total</u>
Costs:						
Balance as of January 1, 2025	\$ 286,508	368,027	323,918	21,443	191,904	1,191,800
Addition	-	1,100	9,124	840	3,843	14,907
Disposal	-	-	(16,839)	(964)	-	(17,803)
Reclassification	-	-	-	-	152	152
Balance as of December 31, 2025	<u>\$ 286,508</u>	<u>369,127</u>	<u>316,203</u>	<u>21,319</u>	<u>195,899</u>	<u>1,189,056</u>
Balance as of January 1, 2024	\$ 436,303	404,290	324,655	22,272	188,576	1,376,096
Addition	-	-	1,164	-	3,212	4,376
Disposal	-	-	(2,218)	(829)	(2,080)	(5,127)
Reclassification	(149,795)	(36,263)	317	-	2,196	(183,545)
Balance as of December 31, 2024	<u>\$ 286,508</u>	<u>368,027</u>	<u>323,918</u>	<u>21,443</u>	<u>191,904</u>	<u>1,191,800</u>
Accumulated depreciation:						
Balance as of January 1, 2025	\$ -	98,391	228,971	18,107	81,312	426,781
Depreciation	-	8,893	30,513	2,061	21,096	62,563
Disposal	-	-	(16,839)	(964)	-	(17,803)
Balance as of December 31, 2025	<u>\$ -</u>	<u>107,284</u>	<u>242,645</u>	<u>19,204</u>	<u>102,408</u>	<u>471,541</u>
Balance as of January 1, 2024	\$ -	99,051	197,180	16,042	60,522	372,795
Depreciation	-	8,725	34,009	2,894	21,801	67,429
Disposal	-	-	(2,218)	(829)	(1,011)	(4,058)
Reclassification	-	(9,385)	-	-	-	(9,385)
Balance as of December 31, 2024	<u>\$ -</u>	<u>98,391</u>	<u>228,971</u>	<u>18,107</u>	<u>81,312</u>	<u>426,781</u>
Carrying amount:						
December 31, 2025	<u>\$ 286,508</u>	<u>261,843</u>	<u>73,558</u>	<u>2,115</u>	<u>93,491</u>	<u>717,515</u>
December 31, 2024	<u>\$ 286,508</u>	<u>269,636</u>	<u>94,947</u>	<u>3,336</u>	<u>110,592</u>	<u>765,019</u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(IX) Right-of-use assets

	<u>Buildings</u>
Cost of right-of-use assets:	
Balance as of January 1, 2025	\$ 149,763
Decrease	<u>(14,275)</u>
Balance as of December 31, 2025	<u>\$ 135,488</u>
Balance as of January 1, 2024 (i.e., balance as of December 31, 2024)	<u>\$ 149,763</u>
Accumulated depreciation of right-of-use assets:	
Balance as of January 1, 2025	\$ 65,143
Depreciation	16,747
Decrease	<u>(14,275)</u>
Balance as of December 31, 2025	<u>\$ 67,615</u>
Balance as of January 1, 2024	\$ 46,810
Depreciation	<u>18,333</u>
Balance as of December 31, 2024	<u>\$ 65,143</u>
Carrying amount:	
December 31, 2025	<u>\$ 67,873</u>
December 31, 2024	<u>\$ 84,620</u>

(X) Investment property

Investment properties of the Company are detailed as follows:

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Costs:			
Balance as of January 1, 2025 (i.e., balance as of December 31, 2025)	<u>\$ 149,795</u>	<u>36,263</u>	<u>186,058</u>
Balance as of January 1, 2024	\$ -	-	-
Reclassification	<u>149,795</u>	<u>36,263</u>	<u>186,058</u>
Balance as of December 31, 2024	<u>\$ 149,795</u>	<u>36,263</u>	<u>186,058</u>
Accumulated depreciation and impairment loss:			
Balance as of January 1, 2025	\$ -	11,177	11,177
Depreciation for the current period	<u>-</u>	<u>1,791</u>	<u>1,791</u>
Balance as of December 31, 2025	<u>\$ -</u>	<u>12,968</u>	<u>12,968</u>
Balance as of January 1, 2024	\$ -	-	-
Depreciation for the current period	<u>-</u>	<u>1,792</u>	<u>1,792</u>
Reclassification	<u>-</u>	<u>9,385</u>	<u>9,385</u>
Balance as of December 31, 2024	<u>\$ -</u>	<u>11,177</u>	<u>11,177</u>
Carrying amount:			
December 31, 2025	<u>\$ 149,795</u>	<u>23,295</u>	<u>173,090</u>
December 31, 2024	<u>\$ 149,795</u>	<u>25,086</u>	<u>174,881</u>
Fair value:			
December 31, 2025			<u>\$ 235,959</u>
December 31, 2024			<u>\$ 284,935</u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

As of December 31, 2025 and 2024, the fair value of investment property was 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 belonged to level 3.

(XI) Intangible assets

	<u>Computer software</u>
Costs:	
Balance as of January 1, 2025	\$ 80,156
Separate Acquisition	<u>1,208</u>
Balance as of December 31, 2025	<u>\$ 81,364</u>
Balance as of January 1, 2024	\$ 73,579
Separate Acquisition	<u>6,577</u>
Balance as of December 31, 2024	<u>\$ 80,156</u>
Accumulated amortization:	
Balance as of January 1, 2025	\$ 70,853
Amortization	<u>5,729</u>
Balance as of December 31, 2025	<u>\$ 76,582</u>
Balance as of January 1, 2024	\$ 64,335
Amortization	<u>6,518</u>
Balance as of December 31, 2024	<u>\$ 70,853</u>
Carrying amount:	
Balance as of December 31, 2025	<u>\$ 4,782</u>
Balance as of December 31, 2024	<u>\$ 9,303</u>

The amortization charges for intangible assets for the years ended December 31, 2025 and 2024 are reported sequentially in the statements of comprehensive income as follows:

	<u>2025</u>	<u>2024</u>
Operating costs	\$ 2,517	3,382
Operating expenses	<u>3,212</u>	<u>3,136</u>
	<u>\$ 5,729</u>	<u>6,518</u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(XII) Short-term borrowings		
	<u>2025.12.31</u>	<u>2024.12.31</u>
Unsecured bank loans	<u>\$ 680,000</u>	<u>1,000,000</u>
Unused lines of credit	<u>\$ 3,400,000</u>	<u>2,430,000</u>
Range of interest rate	<u>1.82%~1.86%</u>	<u>1.89%~1.90%</u>

(XIII) Long-term borrowings		
	<u>2025.12.31</u>	<u>2024.12.31</u>
Unsecured bank loans	\$ 920,000	550,000
Less: portion due within one year	<u>320,000</u>	<u>80,000</u>
	<u>\$ 600,000</u>	<u>470,000</u>
Unused lines of credit	<u>\$ 980,000</u>	<u>1,200,000</u>
Year of maturity	<u>2027~2028</u>	<u>2025~2026</u>
Range of interest rate	<u>1.88%~1.89%</u>	<u>1.88%~1.92%</u>

(XIV) Lease liabilities

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Current	<u>\$ 14,101</u>	<u>17,166</u>
Non-current	<u>\$ 58,016</u>	<u>72,118</u>

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

The amounts recognized in profit or loss are as follows:

	<u>2025</u>	<u>2024</u>
Interest expense on lease liabilities	<u>\$ 912</u>	<u>1,130</u>
Short-term leases expenses and lease expenses of low-value assets	<u>\$ 2,113</u>	<u>406</u>

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

	<u>2025</u>	<u>2024</u>
Total cash outflow for leases	<u>\$ 20,192</u>	<u>20,102</u>

Important lease terms:

1. Lease of houses and buildings

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

2. Other leases

The leases under which the Company leases office equipment are short-term leases or leases of low-value assets, and the Company has elected to apply the exemption from the recognition requirement and not recognize the related right-of-use assets and lease liabilities.

(XV) Provisions - product warranty

	<u>2025</u>	<u>2024</u>
Balance as of January 1	\$ 30,437	41,764
Provisions increase for the period	4,635	3,761
Provision reverses for the period	<u>(11,880)</u>	<u>(15,088)</u>
Balance as of December 31	<u>\$ 23,192</u>	<u>30,437</u>

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

(XVI) Employee benefits

1. Defined benefit plans

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Present value of defined benefit obligation	\$ 82,927	75,640
Fair value of plan assets	<u>(67,902)</u>	<u>(60,481)</u>
Net defined benefit liabilities	<u>\$ 15,025</u>	<u>15,159</u>

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

(1) Composition of plan assets

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

As of December 31, 2025 and 2024, the balances in the special accounts for labor pension reserves of the Company in the Bank of Taiwan were NT\$67,902 thousand and NT\$60,481 thousand, respectively. Information on the use of

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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		2025	2024
		<u> </u>	<u> </u>
Defined benefit obligations as of January 1	\$	75,640	74,844
Current service cost and interest		1,211	1,039
Remeasurement of net defined benefit liabilities (assets)			
— Actuarial gain or loss arising from experience adjustments		4,700	4,968
— Actuarial gain or loss arising from changes in financial assumptions		1,696	(1,714)
Benefits paid under the plan		<u>(320)</u>	<u>(3,497)</u>
Defined benefit obligations as of December 31	\$	<u>82,927</u>	<u>75,640</u>
(3) Changes in fair value of plan assets		2025	2024
		<u> </u>	<u> </u>
Fair value of plan assets as of January 1	\$	60,481	55,715
Interest income		926	716
Remeasurement of net defined benefit liabilities (assets)			
— Compensation of plan assets (excluding current interest)		4,300	5,010
Amount contributed to the plan		2,515	2,537
Benefits paid under the plan		<u>(320)</u>	<u>(3,497)</u>
Fair value of plan assets as of December 31	\$	<u>67,902</u>	<u>60,481</u>
(4) Change in asset ceiling effects			
The Company did not have defined benefit plan asset ceiling effects in the years 2025 and 2024.			
(5) Expenses recognized as profit or loss		2025	2024
		<u> </u>	<u> </u>
Service costs for the current period	\$	77	105
Net interest on net defined benefit liabilities (assets)		<u>208</u>	<u>218</u>
		<u>285</u>	<u>323</u>
Operating costs	\$	161	202
Operating expenses		<u>124</u>	<u>121</u>
	\$	<u>285</u>	<u>323</u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(6) Actuarial assumptions

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

	<u>2025.12.31</u>	<u>2024.12.31</u>
Discount rate	1.250%	1.500%
Future salary increases	3.25%	3.25%

The Company expects to make a contribution of NT\$2,525 thousand to the defined benefit plan within one year after the reporting date of the fiscal year 2025. The weighted average duration of the defined benefit plan is 8.3 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	
	<u>Increase by 0.25%</u>	<u>Decrease by 0.25%</u>
December 31, 2025		
Discount rate	\$ (1,695)	1,752
Future salary increases	1,690	(1,644)
December 31, 2024		
Discount rate	(1,658)	1,715
Future salary increases	1,657	(1,611)

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

2. Defined contribution plans

The defined contribution plan of the Company is made in accordance with the provisions of the Labor Pension 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 has made a defined contribution under these plans.

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

The pension expenses under the defined pension contribution measures of the Company in 2025 and 2024 were NT\$22,791 thousand and NT\$22,238 thousand, respectively.

(XVII) Income taxes

1. Income tax expenses

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

	<u>2025</u>	<u>2024</u>
Current income tax expense		
Current income tax	\$ 42,458	46,077
Prior period adjustment of current income tax	2,204	3,256
Current income tax expense	44,662	49,333
Deferred income tax expenses	16,765	30,558
	<u>\$ 61,427</u>	<u>79,891</u>

The details of income tax benefits (expenses) recognized by the Company under other comprehensive income in 2025 and 2024 are as follows:

	<u>2025</u>	<u>2024</u>
Items that will not be reclassified to profit or loss:		
Remeasurement of defined benefit plans	<u>\$ 419</u>	<u>(351)</u>

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

	<u>2025</u>	<u>2024</u>
Net profit before tax	<u>\$ 346,792</u>	<u>476,502</u>
Income tax at the Company's domestic tax rate	\$ 69,358	95,300
Loss (gain) on domestic investment recognized under equity method	(9,710)	(18,473)
Prior period adjustment of income tax	2,204	3,256
Other tax-exempt income	-	(911)
Others	(425)	719
	<u>\$ 61,427</u>	<u>79,891</u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

2. Deferred income tax assets and liabilities

(1) Deferred income tax assets and liabilities recognized

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

Deferred income tax assets:

	Allowance for inventory loss	Provisions	Net defined benefit liabilities	Unrealized gross profit on sales between affiliated companies	Others	Total
January 1, 2025	\$ 23,773	6,088	2,214	4,077	621	36,773
(Debit) Credit income statement	(8,167)	(1,449)	(446)	2,687	(392)	(7,767)
(Debit) Credit to other comprehensive income	-	-	419	-	-	419
December 31, 2025	<u>\$ 15,606</u>	<u>4,639</u>	<u>2,187</u>	<u>6,764</u>	<u>229</u>	<u>29,425</u>
January 1, 2024	\$ 26,105	8,353	3,008	14,031	2,433	53,930
(Debit) Credit income statement	(2,332)	(2,265)	(443)	(9,954)	(1,812)	(16,806)
(Debit) Credit to other comprehensive income	-	-	(351)	-	-	(351)
December 31, 2024	<u>\$ 23,773</u>	<u>6,088</u>	<u>2,214</u>	<u>4,077</u>	<u>621</u>	<u>36,773</u>

Deferred income tax liabilities:

	Temporary differences related to investment in subsidiaries	Difference between finance and taxes from fixed assets	Others	Total
January 1, 2025	\$ 107,054	696	1,289	109,039
(Debit) Credit income statement	10,983	(696)	(1,289)	8,998
December 31, 2025	<u>\$ 118,037</u>	<u>-</u>	<u>-</u>	<u>118,037</u>
January 1, 2024	\$ 92,992	696	1,599	95,287
(Debit) Credit income statement	14,062	-	(310)	13,752
December 31, 2024	<u>\$ 107,054</u>	<u>696</u>	<u>1,289</u>	<u>109,039</u>

3. The Company's profit-seeking enterprise income tax has been approved by the tax authority for the year 2023.

(XVIII) Capital and other equities

1. Share capital - Ordinary shares

As of December 31, 2025 and 2024, 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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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 reserve balance is analyzed as follows:

	<u>2025.12.31</u>	<u>2024.12.31</u>
Share premium	\$ 599,203	599,203
Differences between the actual price for acquisition or disposal of the subsidiaries and their carrying amount	183,410	183,410
Recognized changes in percentage of ownership interests in subsidiaries	90,748	90,577
Gain on asset disposal	808	808
Others	<u>24,703</u>	<u>24,133</u>
	<u>\$ 898,872</u>	<u>898,131</u>

In accordance with the Company Act, the capital reserve must first be used to cover deficits before new shares or cash can be issued in proportion to the shareholders' original shares. If the foregoing is paid in cash, the Board of Directors shall be authorized to make a resolution and report to the shareholders' meeting. The realized capital surplus as termed in the preceding sentence includes the proceeds from the shares issued at a premium over the face value and the income from the acceptance of donations. Pursuant to the provision of 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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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 February 25, 2025, and March 4, 2024, the Board of Directors of the Company resolved the amount of cash dividends and distribution amounts for the years ended December 31, 2024 and 2023, respectively. On May 22, 2025, and May 31, 2024, the annual shareholders' meeting resolved the other earnings distribution proposal for the years ended December 31, 2024 and 2023, respectively. The relevant distribution amounts were as follows:

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

	2024		2023	
	Dividend per share (NT\$)	Amount	Dividend per share (NT\$)	Amount
Legal reserve		<u>\$ 43,858</u>		<u>36,913</u>
Special reserve		<u>\$ 13,775</u>		<u>17,750</u>
Dividends distributed to owners of common stock:				
Cash dividends	3.4	<u>389,262</u>	3.0	<u>343,467</u>

On March 3, 2026, the Board of Directors resolved to distribute the following cash dividends from the 2025 earnings:

	2025	
	Dividend per share (NT\$)	Amount
Dividends distributed to owners of common stock:		
Cash dividends	\$ 2.45	<u>280,498</u>

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, 2025	\$ (70,975)	1,409	(69,566)
Exchange difference from conversion of net assets of foreign operating organizations	1,068	-	1,068
Shares of other comprehensive income of subsidiary and associates accounted for using the equity method	-	(5,193)	(5,193)
Balance as of December 31, 2025	<u>\$ (69,907)</u>	<u>(3,784)</u>	<u>(73,691)</u>
Balance as of January 1, 2024	\$ (97,599)	41,808	(55,791)
Exchange difference from conversion of net assets of foreign operating organizations	26,356	-	26,356
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	-	(1,419)	(1,419)
Share of other comprehensive income of the subsidiary recognized using the equity method	-	(284)	(284)
Disposal of partial ownership interests in subsidiaries	268	(49)	219
Disposal of equity instruments measured at fair value through other comprehensive income	-	(38,647)	(38,647)
Balance as of December 31, 2024	<u>\$ (70,975)</u>	<u>1,409</u>	<u>(69,566)</u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(XIX) Earnings per share

1. Basic earnings per share

	<u>2025</u>	<u>2024</u>
Net profit attributable to ordinary shareholders of the Company	<u>\$ 285,365</u>	<u>396,611</u>
Weighted average number of outstanding ordinary shares (in thousands of shares)	<u>114,489</u>	<u>114,489</u>
Basic earnings per share (NT\$)	<u>\$ 2.49</u>	<u>3.46</u>

2. Diluted earnings per share

	<u>2025</u>	<u>2024</u>
Net profit attributable to ordinary shareholders of the Company	<u>\$ 285,365</u>	<u>396,611</u>
Weighted average number of outstanding ordinary shares (in thousands of shares)	114,489	114,489
Effects of potential ordinary shares with dilution effect (in thousands of shares):		
Effects of employee stock compensation	<u>501</u>	<u>581</u>
Weighted average number of outstanding ordinary shares (after adjusting for the dilutive effect of potential ordinary shares) (in thousands of shares)	<u>114,990</u>	<u>115,070</u>
Diluted earnings per share (NT\$)	<u>\$ 2.48</u>	<u>3.45</u>

(XX) Revenue from customer contracts

1. Breakdown of revenue

	<u>2025</u>	<u>2024</u>
Main products and services:		
Industrial computer cards and system	\$ 3,475,315	2,977,634
Others	<u>285,201</u>	<u>244,614</u>
	<u>\$ 3,760,516</u>	<u>3,222,248</u>

2. Balance of contracts

	<u>2025.12.31</u>	<u>2024.12.31</u>	<u>2024.1.1</u>
Notes and accounts receivable (including related parties)	\$ 504,121	601,340	438,840
Less: Allowance for loss	<u>(2,552)</u>	<u>(679)</u>	<u>(921)</u>
	<u>\$ 501,569</u>	<u>600,661</u>	<u>437,919</u>
Contract liabilities	<u>\$ 19,420</u>	<u>12,090</u>	<u>10,732</u>

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

The contract liabilities mainly come from the difference between the time point of satisfying the performance obligation when the Company transfers goods to a customer and the time point of the customer's payment. The beginning balances of contract liabilities as of January 1, 2025 and 2024 were recognized as income of

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

NT\$10,398 thousand and NT\$7,976 thousand, respectively, for the years ended December 31, 2025 and 2024.

(XXI) Compensation of employees and directors

On May 22, 2025, the Company's shareholders resolved to amend the Articles of Incorporation. Pursuant to the amended Articles, if the Company has profits in a given fiscal year, 5% and 20% of such profits shall be allocated as employee compensation, and no more than 1% for director compensation. Of the employee compensation, the distribution of compensation for entry-level employees shall not be less than 10% of the total employee compensation mentioned above. But if the Company still has an accumulated loss, a certain amount should be reserved in advance for offsetting. Under the Articles of Incorporation prior to the amendment, 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, 2025 and 2024, the estimated employee compensations of the Company were NT\$26,315 thousand and NT\$36,219 thousand, respectively, and the estimated director compensations were NT\$2,820 thousand and NT\$3,878 thousand, respectively, which were estimated based on the Company's pre-tax net income before deducting the compensations for employees and directors multiplied by the Company's proposed distribution rate of compensations for employees and directors for each period, and were reported as operating costs or operating expenses for each such period. If the actually distributed amount of next year is different from the estimate, the difference will be treated as an accounting estimate change and listed in the profit and loss of next year.

The amounts of compensations for employees and directors of the Company as of March 3, 2026 and February 25, 2025, as determined by the Board of Directors, are not different from the amounts estimated in the Company's parent company only financial statements for the fiscal years 2025 and 2024, and are paid entirely in cash. The relevant information can be found in the MOPS.

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(XXII) Non-operating income and expenses

1. Interest income

	<u>2025</u>	<u>2024</u>
Interest on bank deposit	\$ 5,840	6,713
Interest income from financial assets measured at amortized cost	25	186
Interest on deposits	14	13
Interest income from financial assets at fair value through profit or loss	638	570
	<u><u>\$ 6,517</u></u>	<u><u>7,482</u></u>

2. Other income

	<u>2025</u>	<u>2024</u>
Rental income	\$ -	4,523
Dividend income	-	4,555
Others	18,711	18,284
	<u><u>\$ 18,711</u></u>	<u><u>27,362</u></u>

3. Other gains and losses

	<u>2025</u>	<u>2024</u>
Gain (loss) on disposal of property, plant and equipment	170	(88)
Net gain (loss) on foreign exchange	(12,099)	21,440
Net gain (loss) on financial instruments at fair value through profit or loss	9,971	(54,769)
Other expenses (gains)	(6)	2,423
	<u><u>\$ (1,964)</u></u>	<u><u>(30,994)</u></u>

4. Finance costs

	<u>2025</u>	<u>2024</u>
Bank interest expenses	\$ 28,045	21,656
Financial expenses on lease liabilities	912	1,130
	<u><u>\$ 28,957</u></u>	<u><u>22,786</u></u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

(XXIII) Financial instruments

1. Types of financial instruments

(1) Financial assets

	2025.12.31	2024.12.31
Financial assets at fair value through profit or loss - current	\$ 21,007	22,457
Financial assets at fair value through profit or loss - non-current	20,000	-
Financial assets measured at amortized cost:		
Cash and cash equivalents	300,623	418,043
Financial assets at amortized cost - current	1,500	1,500
Notes receivable, accounts receivable, and other receivables (including related parties)	519,387	626,743
Refundable deposits (reported in other non-current assets)	891	891
Subtotal	822,401	1,047,177
Total	\$ 863,408	1,069,634

(2) Financial liabilities

	2025.12.31	2024.12.31
Financial liabilities measured at fair value through profit or loss:		
Held for trading	\$ 1,160	3,751
Financial liabilities measured at amortized cost:		
Short-term borrowings	680,000	1,000,000
Accounts payable and other payables (including related parties)	963,502	818,447
Long-term borrowings (including those due within one year)	920,000	550,000
Lease liabilities (including current and non-current)	72,117	89,284
Subtotal	2,635,619	2,457,731
Total	\$ 2,636,779	2,461,482

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

2. Fair value

(1) Financial instruments not measured at fair value

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

(2) Financial instruments measured at fair value

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

	2025.12.31			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:				
Derivative financial instruments				
- Forward foreign exchange contracts	\$ -	98	-	98
Derivative financial instruments				
- Foreign exchange swaps contract	-	144	-	144
Fund beneficiary certificates	20,765	-	-	20,765
Stocks of domestic unlisted companies	-	-	20,000	20,000
	<u>\$ 20,765</u>	<u>242</u>	<u>20,000</u>	<u>41,007</u>
Financial liabilities measured at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	\$ -	346	-	346
Derivative financial instruments - Foreign exchange swaps contracts	-	814	-	814
Subtotal	<u>\$ -</u>	<u>1,160</u>	<u>-</u>	<u>1,160</u>

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

	2024.12.31			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	\$ -	322	-	322
Fund beneficiary certificates	22,135	-	-	22,135
	<u>\$ 22,135</u>	<u>322</u>	<u>-</u>	<u>22,457</u>
Financial assets measured at fair value through other comprehensive income:				
Financial liabilities measured at fair value through profit or loss:				
Derivative financial instruments - Forward foreign exchange contracts	\$ -	649	-	649
Derivative financial instruments - Foreign exchange swaps contracts	-	3,102	-	3,102
Subtotal	<u>\$ -</u>	<u>3,751</u>	<u>-</u>	<u>3,751</u>

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

A. Non-derivative financial instruments

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

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 Company 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.

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

For financial instruments held by the Company, such as unlisted stocks with no active market, the fair value is primarily estimated using the market approach, based on factors such as the net worth, operational status, and the total market value of the individual assets and liabilities of the evaluated company. In addition, the main unobservable input is the liquidity discount. However, since potential fluctuations in the liquidity discount would not have a significant financial impact, its quantitative information will not be disclosed.

B. Derivative financial instruments

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

(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 2025 and 2024.

(5) Detailed statement on changes in level 3

Financial assets measured at fair value through profit or loss:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ -	-
Addition in current period	<u>20,000</u>	<u>-</u>
Ending balance	<u><u>\$ 20,000</u></u>	<u><u>-</u></u>

(XXIV) Financial risk management

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

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

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

1. Credit risk

Credit risk refers to the risk of financial losses incurred by the Company due to the failure of counterparties to perform contractual obligations with respect to financial

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

assets, mainly arising from financial assets such as cash and equivalents, derivative instrument transactions, accounts receivable from customers, and other receivables. The carrying value of financial assets of the Company represents the maximum exposure amount.

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

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

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

The Company does not significantly concentrate on transactions with a single external customer; therefore, there is no concentration of credit risk on accounts receivable.

2. Liquidity risk

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

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

	Contractual cash flows	Within 1 year	1-2 years	2-5 years	5 years and above
December 31, 2025					
Non-derivative financial liabilities:					
Short-term borrowings (floating rates)	\$ 681,482	681,482	-	-	-
Long-term borrowings (floating rates)	941,132	334,694	444,871	161,567	-
Accounts payable and other payables (including related parties)	963,502	963,502	-	-	-
Lease liabilities	74,197	14,839	14,839	43,282	1,237
Subtotal	<u>2,660,313</u>	<u>1,994,517</u>	<u>459,710</u>	<u>204,849</u>	<u>1,237</u>
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	139,690	139,690	-	-	-
Inflow	(139,442)	(139,442)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	252,834	252,834	-	-	-
Inflow	(252,164)	(252,164)	-	-	-
Total	<u>918</u>	<u>918</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 2,661,231</u>	<u>1,995,435</u>	<u>459,710</u>	<u>204,849</u>	<u>1,237</u>
December 31, 2024					
Non-derivative financial liabilities:					
Short-term borrowings (floating rates)	\$ 1,000,933	1,000,933	-	-	-
Long-term borrowings (floating rates)	564,486	89,915	474,571	-	-
Accounts payable and other payables (including related parties)	818,447	818,447	-	-	-
Lease liabilities	92,275	18,078	14,839	43,282	16,076
Subtotal	<u>2,476,141</u>	<u>1,927,373</u>	<u>489,410</u>	<u>43,282</u>	<u>16,076</u>
Derivative financial instruments:					
Forward foreign exchange contracts - gross delivery					
Outflow	135,471	135,471	-	-	-
Inflow	(135,144)	(135,144)	-	-	-
Foreign exchange SWAP contracts - gross delivery					
Outflow	353,694	353,694	-	-	-
Inflow	(350,592)	(350,592)	-	-	-
Subtotal	<u>3,429</u>	<u>3,429</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,479,570</u>	<u>1,930,802</u>	<u>489,410</u>	<u>43,282</u>	<u>16,076</u>

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

3. Market risk

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

(1) Exchange rate risk

The Company is exposed to the risk of exchange rate fluctuations arising from sales and purchase transactions denominated in non-functional currencies, which are primarily denominated in USD. The management of exchange rate risk of the Company involves using forward foreign exchange contracts and foreign exchange contracts to manage exchange rate risk to the extent permitted by policy.

The exchange rate risk of the Company mainly stems from the USD-denominated receivables and payables that are still outstanding at the balance sheet date. The sensitivity analysis of the carrying values of significant monetary assets and liabilities that are not denominated in functional currencies and their related foreign currency movements on the reporting date is as follows in thousands of NTD:

2025.12.31					
	Foreign currency	Exchange rate	NTD	Exchange rate fluctuation	Profit and loss influence (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 24,432	31.4300	767,903	1%	7,679
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	17,685	31.4300	555,837	1%	5,558
2024.12.31					
	Foreign currency	Exchange rate	NTD	Exchange rate fluctuation	Profit and loss influence (before tax)
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$ 22,605	32.7850	741,102	1%	7,411
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD	13,018	32.7850	426,798	1%	4,268

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

Due to the wide variety of monetary items of the Company, the exchange gain or loss of monetary items are disclosed through consolidation. Please refer to Note VI (XXII) for details of foreign currency exchange (loss) gain (including realized and unrealized) for the years 2025 and 2024.

(2) Interest rate risk

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

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

If the annual interest rate on bank borrowings of the Company increases/decreases by 1%, and all other variables remain unchanged, based on the estimated balance of bank borrowings of the Company as of December 31, 2025 and 2024, the income before tax of the Company for the years 2025 and 2024 will increase/decrease by NT\$16,000 thousand and NT\$15,500 thousand, respectively.

(XXV) Capital management

The Company manages its capitalization to ensure that the Company will be able to continue as going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance.

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

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

The way of capital management of the Company did not change in 2025 and 2024.

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

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

	<u>2025.1.1</u>	<u>Cash flows</u>	<u>2025.12.31</u>
Short-term borrowings	\$ 1,000,000	(320,000)	680,000
Long-term borrowings (including those due within one year)	550,000	370,000	920,000
Lease liabilities	89,284	(17,167)	72,117
Total liabilities from financing activities	<u>\$ 1,639,284</u>	<u>32,833</u>	<u>1,672,117</u>

	<u>2024.1.1</u>	<u>Cash flows</u>	<u>2024.12.31</u>
Short-term borrowings	\$ 650,000	350,000	1,000,000
Long-term borrowings (including those due within one year)	400,000	150,000	550,000
Lease liabilities	107,850	(18,566)	89,284
Total liabilities from financing activities	<u>\$ 1,157,850</u>	<u>481,434</u>	<u>1,639,284</u>

VII. Related Party Transactions

(I) Parent company and ultimate controller

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

(II) Names and relationships of related parties

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

Name of related party	Relationship with the Company
Qisda Corporation (Qisda)	Parent company of the Company
DFI AMERICA, LLC.	Subsidiary directly or indirectly held by the Company
DFI Co., Ltd.	Subsidiary directly or indirectly held by the Company
Yan Tong Technology Ltd.	Subsidiary directly or indirectly held by the Company
Diamond Flower Information (NL) B.V.	Subsidiary directly or indirectly held by the Company
Yan Ying Hao Trading (Shenzhen) Co., Ltd. (Yan Ying Hao)	Subsidiary directly or indirectly held by the Company
AEWIN Technologies Co., Ltd. (AEWIN)	Subsidiary directly or indirectly held by the Company
Aewin Beijing Technologies Co., Ltd.	Subsidiary directly or indirectly held by the Company
Wise way international CO., LTD. (Wise way)	Subsidiary directly or indirectly held by the Company
Bright profit enterprise Limited (Bright profit)	Subsidiary directly or indirectly held by the Company
Aewin (Shenzhen) Technologies Co., Ltd	Subsidiary directly or indirectly held by the Company (Note 1)
Ace Pillar Co., Ltd.	Subsidiary directly or indirectly held by the Company
Tianjin Ace Pillar Co., Ltd.	Subsidiary directly or indirectly held by the Company
Transpak Equipment Corporation	Subsidiary directly or indirectly held by the Company
ACE Energy Co., Ltd	Subsidiary directly or indirectly held by the Company
Cyber South Management Ltd. (Cyber)	Subsidiary directly or indirectly held by the Company
Hong Kong Ace Pillar Enterprise Ltd (Hong Kong ACE Pillar)	Subsidiary directly or indirectly held by the Company (Note 2)
Suzhou Super Pillar Automation Equipment Co., Ltd. (Suzhou Super Pillar)	Subsidiary directly or indirectly held by the Company
Proton Inc. (Proton)	Subsidiary directly or indirectly held by the Company
Ace Tek (HK) Holding Co., Ltd. (ACE Tek)	Subsidiary directly or indirectly held by the Company
Grace Transmission (Tianjin) Co., Ltd. (Grace Transmission)	Subsidiary directly or indirectly held by the Company (Note 3)
Advancedtek Ace (TJ) Inc. (Advancedtek Ace)	Subsidiary directly or indirectly held by the Company
Standard Technology Corporation (Standard Co.)	Subsidiary directly or indirectly held by the Company
Standard International Trading (Shanghai) Co., Ltd. (Shanghai Standard)	Subsidiary directly or indirectly held by the Company
Standard Technology Corp. (BVI)	Subsidiary directly or indirectly held by the Company
Blue Walker GmbH (BWA)	Subsidiary directly or indirectly held by the Company
APLEX Technology Inc.	Associate of the Company (Note 4)
Other related parties:	
Partner Technology Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Partner Tech Asia Pacific	Subsidiaries directly or indirectly held by Qisda
Alpha Networks Inc.	Subsidiaries directly or indirectly held by Qisda
BenQ Materials Corp.	Subsidiaries directly or indirectly held by Qisda
BenQ Asia Pacific Corp.	Subsidiaries directly or indirectly held by Qisda
BenQ Corporation	Subsidiaries directly or indirectly held by Qisda
Epic Cloud Co.,Ltd.	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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

Name of related party	Relationship with the Company
Metaage Corporation	Subsidiaries directly or indirectly held by Qisda
AdvancedTEK International Corp.	Subsidiaries directly or indirectly held by Qisda
DIVA Laboratories, Ltd.	Subsidiaries directly or indirectly held by Qisda
Metaguru Corporation	Subsidiaries directly or indirectly held by Qisda
Global Intelligence Network Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Action Star Technology Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Qisda Electronics (Suzhou) Co. Ltd.	Subsidiaries directly or indirectly held by Qisda
Qisda Optronics (Suzhou) Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Qisda (Suzhou) Co. Ltd.	Subsidiaries directly or indirectly held by Qisda
Brainstorm Corporation	Subsidiaries directly or indirectly held by Qisda
Qisda Vietnam Co., Ltd.	Subsidiaries directly or indirectly held by Qisda
Marketop Smart Solutions Co., Ltd.	Associates of Qisda
BenQ Foundation	Substantial related party of Qisda
AUO Corporation (AUO)	Company valuing Qisda under equity approach
AUO Digitech Taiwan Inc.	Subsidiary directly or indirectly held by AUO
Darwin Precisions Corporation	Subsidiary directly or indirectly held by AUO
AUO Display Plus Corp.	Subsidiary directly or indirectly held by AUO
Darfon Electronics Corporation (Darfon)	Associates of Qisda
Unictron Technologies Corporation	Subsidiaries directly or indirectly held by Darfon
Aplex Singapore Pte Ltd	Other related parties (Associate of APLEX)

Note 1: Aewin (Shenzhen) has been fully liquidated in June, 2024 and deregistration has been completed in July, 2024.

Note 2: The cancellation procedures for Hong Kong Ace Pillar were completed in February 2024.

Note 3: Grace Transmission Co., Ltd. completed its liquidation in January 2024.

Note 4: Starting from December 24, 2024, became an associate of the Company.

(III) Material transactions with related party

1. Net operating income

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

	2025	2024
Parent company	\$ 230,179	115,635
Subsidiary - DFI AMERICA, LLC.	503,837	474,799
Subsidiary - Diamond Flower Information (NL) B.V.	528,287	420,268
Subsidiary - DFI Co., Ltd.	319,555	321,741
Other subsidiaries	183,067	117,451
Associate	19,478	-
Other related parties	192,570	180,804
	<u>\$ 1,976,973</u>	<u>1,630,698</u>

Sales of the Company to related parties involve customary products made to order based on the customer demand, so the price is determined by both parties through negotiation. The credit term for related parties is 60 to 90 days after shipment for receipt of payment, and 30 to 90 days for non-related parties.

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

2. Purchases

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

	<u>2025</u>	<u>2024</u>
Parent company	\$ 233,775	107,471
Subsidiary	5,033	7,438
Associate	2,381	-
Other related parties	<u>31,188</u>	<u>16,453</u>
	<u><u>\$ 272,377</u></u>	<u><u>131,362</u></u>

The purchases from related parties by the Company are customized products tailored to the requirements of the order, and, therefore, the selling price is mutually agreed. The credit term for related parties is 60 to 90 days after shipment, and for non-related parties is 30 to 120 days after monthly settlement.

3. Leases

The Company has leased plants and offices from the parent company and signed the lease contracts based on the rent prices in the adjacent areas.

The Company has recognized interest expenses of NT\$896 thousand and NT\$1,052 thousand for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025 and 2024, the balances of related lease liabilities were NT\$72,117 thousand and NT\$86,062 thousand, respectively.

4. Property transaction

Acquisition of assets:

<u>Category of related party</u>	<u>Item</u>	<u>2025</u>	<u>2024</u>
Other related parties	Intangible assets	<u>\$ -</u>	<u>3,024</u>

5. Operating costs, expenses, and other income

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

<u>Item</u>	<u>Category of related party</u>	<u>2025</u>	<u>2024</u>
Operating costs	Parent company	\$ 23,278	22,194
	Subsidiary	900	962
	Other related parties	679	863
Operating expenses	Parent company	4,197	2,928
	Subsidiary	664	2,549
	Associate	6	-
	Other related parties	8,524	5,003
Other income	Parent company	162	910
	Subsidiary	8,048	6,242
	Other related parties	457	4,789

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

6. Receivables from related parties

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

Item	Category of related party	2025.12.31	2024.12.31
Accounts receivable - related parties	Parent company	\$ 91,692	68,343
	Subsidiaries:		
	DFI AMERICA, LLC.	35,203	83,994
	Yan Ying Hao	32,380	25,616
	AEWIN	26,321	25,700
	Others	31,567	25,226
	Associate	1,656	1,444
	Other related parties	<u>27,923</u>	<u>63,563</u>
		<u>246,742</u>	<u>293,886</u>

Item	Category of related party	2025.12.31	2024.12.31
Other receivables	Parent company	398	1,128
	Subsidiaries:		
	DFI AMERICA, LLC	-	9,249
	Others	2,459	3,508
	Other related parties	<u>360</u>	<u>566</u>
		<u>3,217</u>	<u>14,451</u>
		<u>\$ 249,959</u>	<u>308,337</u>

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

7. Payables to related parties

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

Item	Category of related party	2025.12.31	2024.12.31
Accounts payables	Parent company	\$ 35,136	50,864
	Subsidiary	91	226
	Associate	261	-
	Other related parties	5,246	7,041
		40,734	58,131
Other payables	Parent company	5,261	5,703
	Subsidiary	27	1,917
	Other related parties	3,200	1,989
		8,488	9,609
Lease liabilities - current	Parent company	14,101	13,944
Lease liabilities - non-current	Parent company	58,016	72,118
		72,117	86,062
		\$ 121,339	153,802

(IV) Compensation of main managerial officers

	2025	2024
Short-term employee benefits	\$ 29,489	32,205

VIII. Pledged Assets

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

Asset name	Subject matter of pledge guarantee	2025.12.31	2024.12.31
Pledged certificate of deposit	Performance bond for release before tax to customs house	\$ 1,500	1,500

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

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

X. Significant Disaster Losses: None.

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

XII. Others

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

By function By nature	2025			2024		
	Attributable to operating cost	Attributable to operating expenses	Total	Attributable to operating cost	Attributable to operating expenses	Total
Employee benefits expenses						
Salary expense	192,160	368,558	560,718	190,340	345,215	535,555
Labor and health insurance expenses	18,237	30,369	48,606	18,883	27,743	46,626
Pension expense	6,070	17,006	23,076	6,576	15,985	22,561
Remuneration to directors	-	19,870	19,870	-	20,193	20,193
Other employee benefit expenses	9,212	8,575	17,787	8,361	7,810	16,171
Depreciation expense	61,687	19,414	81,101	67,473	20,081	87,554
Amortization expense	2,517	3,212	5,729	3,382	3,136	6,518

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

	<u>2025</u>	<u>2024</u>
Number of employees	<u>601</u>	<u>618</u>
Number of directors not concurrently employed	<u>6</u>	<u>6</u>
Average employee benefit expense	<u>\$ 1,093</u>	<u>1,015</u>
Average employee salary expense	<u>\$ 942</u>	<u>875</u>
Average employee salary expense adjustment	<u>7.66%</u>	<u>7.76%</u>
Supervisors' compensation	<u>\$ -</u>	<u>-</u>

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

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

Notes to Parent Company Only Financial Statements of DFI Inc. (Continued)

XIII. Supplementary Disclosures

- (I) Information on Material Transactions:
1. Loan of funds to others: please refer to Table 1.
 2. Endorsement and guarantee for others: None.
 3. Significant securities held at the end of the period (excluding investments in subsidiaries, related enterprises, and equity joint ventures): None.
 4. 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 2.
 5. Receivables from related parties reached NT\$100 million or 20% and above of paid-in capital: please refer to Table 3.
- (II) Reinvestment and related information: please refer to Table 4.
- (III) Investment information in Mainland China: please refer to Table 5.

XIV. Segment Information

Please refer to the consolidated financial statements for the year ended December 31, 2025.

Table 1.

DFI Inc.
Loan of funds to others
From January 1 to December 31, 2025

Unit: NTS thousand

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	236,211	223,658	223,658	-	1	190,722	Business interaction	-	-	-	190,722	555,652
1	AEWIN	Beijing AEWIN	Other receivables-related parties	Yes	21,251	20,115	-	3%	2	-	Operating capital turnover	-	-	-	277,826	555,652
2	Ace Pillar	Tianjin ACE Pillar	Other receivables-related parties	Yes	179,808	179,808	17,981	2%	2	-	Operating capital turnover	-	-	-	394,626	789,253
3	Cyber South	Tianjin ACE Pillar	Other receivables-related parties	Yes	42,826	22,001	22,001	-	2	-	Operating capital turnover	-	-	-	334,091	334,091
4	Proton	Tianjin ACE Pillar	Other receivables-related parties	Yes	23,896	12,572	12,572	-	2	-	Operating capital turnover	-	-	-	199,158	199,158
5	Suzhou Super Pillar	Tianjin ACE Pillar	Other receivables-related parties	Yes	74,878	44,952	44,952	3%	2	-	Operating capital turnover	-	-	-	130,104	130,104

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

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

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

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

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

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

Table 2.

DFI Inc.
The amount of purchases or sales with related parties reached NTS100 million or 20% and above of the paid-in capital
For the period from January 1 to December 31, 2025

Unit: NTS thousand

Companies for Purchases (Sales)	Name of counterparty	Relationship	Transaction status				Situation and reason for difference between the trading terms and those of the general trading		Notes and accounts receivable (payable)		Remarks
			Purchases (Sales)	Amount	Proportion to total purchase (sales)	Credit period	Unit price	Credit period	Balance	Proportion to total notes and accounts receivable (payable)	
Diamond Flower Information (NL) B.V.	The Company	Parent company and subsidiary	Purchases	528,287	100.00%	60-90 days to collect			(6,485)	100.00%	Note 1
The Company	Diamond Flower Information (NL) B.V.	Parent company and subsidiary	(Sales)	(528,287)	14.05%	60-90 days to collect			6,485	1.29%	Note 1
DFI AMERICA, LLC.	The Company	Parent company and subsidiary	Purchases	503,837	98.63%	60-90 days to collect			(35,203)	99.98%	Note 1
The Company	DFI AMERICA, LLC.	Parent company and subsidiary	(Sales)	(503,837)	13.40%	60-90 days to collect			35,203	7.02%	Note 1
DFI Co., Ltd.	The Company	Parent company and subsidiary	Purchases	319,555	100.00%	60-90 days to collect			(24,526)	100.00%	Note 1
The Company	DFI Co., Ltd.	Parent company and subsidiary	(Sales)	(319,555)	8.50%	60-90 days to collect			24,526	4.89%	Note 1
The Company	Qisda Corporation	Parent company and subsidiary	Purchases	233,775	7.76%	60-90 days to collect			(35,136)	4.67%	
Qisda Corporation	The Company	Parent company and subsidiary	(Sales)	(233,775)	0.32%	60-90 days to collect			35,136	0.13%	Note 1
Qisda Corporation	The Company	Parent company and subsidiary	Purchases	230,179	0.82%	60-90 days to collect			(91,692)	0.29%	Note 1
The Company	Qisda Corporation	Parent company and subsidiary	(Sales)	(230,179)	6.12%	60-90 days to collect			91,692	18.28%	
Yan Ying Hao Trading (Shenzhen) Co., Ltd.	The Company	Parent company and subsidiary	Purchases	117,896	99.37%	60-90 days to collect			(32,380)	99.83%	Note 1
The Company	Yan Ying Hao Trading (Shenzhen) Co., Ltd.	Parent company and subsidiary	(Sales)	(117,896)	3.14%	60-90 days to collect			32,380	6.46%	Note 1
The Company	Brainstorm Corporation	Related parties	(Sales)	(102,935)	2.74%	60-90 days to collect			19,864	3.96%	Note 1
AEWIN	Aewin Tech Inc.	Parent company and subsidiary	(Sales)	(388,377)	21.97%	120 days after shipment	Comparable to general customers	Shipment is immediately converted to a receivable within 120 days and subject to extension according to market conditions	135,263	28.76%	Note 1
AEWIN	Beijing AEWIN	Parent company and subsidiary	(Sales)	(190,722)	10.79%	150 days after shipment	Comparable to general customers	Shipment is immediately converted to a receivable within 120 days and subject to extension according to market conditions	185,624	39.47%	Note 1
Aewin Tech Inc.	AEWIN	Parent company and subsidiary	Purchases	388,377	100.00%	120 days after shipment	Comparable to general customers	Shipment is immediately converted to a receivable within 120 days and subject to extension according to market conditions	(135,263)	100.00%	Note 1
Beijing AEWIN	AEWIN	Parent company and subsidiary	Purchases	190,722	24.66%	150 days after shipment	Comparable to general customers	Shipment is immediately converted to a receivable within 120 days and subject to extension according to market conditions	(185,624)	36.13%	Note 1

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

Table 3.

DFI Inc.
Accounts receivable from related parties reached NT\$100 million or 20% and above of paid-in capital
December 31, 2025

Unit: NT\$ thousand

Company with receivables	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Recovery amount of accounts receivable from related parties after the balance sheet date	Allowance for bad debts recognized
					Amount	Treatment		
AEWIN	Beijing AEWIN	Parent company and subsidiary	185,624	0.90	107,102	Strengthen collection	-	-
AEWIN	Beijing AEWIN	Parent company and subsidiary	223,658	-	-	-	52,618	-
AEWIN	Aewin Tech Inc.	Parent company and subsidiary	135,263	2.98	-	-	-	-

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

Table 4.

DFI Inc.
Reinvestment and related information
From January 1 to December 31, 2025

Unit: NT\$ thousand/In thousands of shares

	Name of investee	Location	Primary business	Original investment amount		Ending shareholding			Current profit (loss) of the investee in the period	Investment profit (loss) recognized for the period	Remarks (Note 2)
				End of current period	End of last year	Number of shares	Ratio	Carrying amount			
The Company	DFI AMERICA, LLC.	USA	Sales of industrial computer cards	254,683	254,683	1,209	100%	478,691	29,795	29,795	Subsidiary of the Company
The Company	Yan Tong	Mauritius	General investment business	28,394	28,394	1,100	100%	33,034	(536)	(514)	Subsidiary of the Company
The Company	DFI Co., Ltd.	Japan	Sales of industrial computer cards	104,489	104,489	6	100%	175,935	15,600	15,600	Subsidiary of the Company
The Company	Diamond Flower Information (NL) B.V.	Netherlands	Sales of industrial computer cards	35,219	35,219	12	100%	203,143	9,997	9,997	Subsidiary of the Company
The Company	AEWIN	Taiwan	Design, manufacturing and sale of industrial computer motherboards and related products	564,191	564,191	30,376	51.38%	716,016	38,348	19,703	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	1,270,850	1,270,850	52,436	46.71%	1,003,813	(61,735)	(33,635)	Subsidiary of the Company
The Company	TPK	Taiwan	Production, manufacturing, and sales of bundling equipment	560,000	560,000	3,165	31.65%	650,881	253,578	62,305	Subsidiary of the Company
The Company	APLEX	Taiwan	Sales of Displays and Mainframes for Industrial Computers	234,297	234,297	4,957	13.36%	265,039	47,862	174	Associate of the Company
AEWIN	Wise Way	Anguilla	Investment business	90,940	46,129	3,000	100%	119,239	(20,731)	(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%	40,434	16,439	(Note 1)	Subsidiary indirectly controlled by the Company
Wise Way	Bright Profit	Hong Kong	Investment business	90,940	46,129	3,000	100%	139,423	(20,731)	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	Cyber South	Samoa	Holding Company	107,041	107,041	4,669	100%	334,091	(180,224)	(Note 1)	Subsidiary indirectly controlled by the Company
Cyber South	Proton	Samoa	Holding Company	527,665	527,665	17,744	100%	199,158	(183,821)	(Note 1)	Subsidiary indirectly controlled by the Company
Cyber South	Ace Tek	Hong Kong	Holding Company	4,938	4,938	150	100%	3,100	(16)	(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%	220,871	19,519	(Note 1)	Subsidiary indirectly controlled by the Company
Standard Co.	Standard Technology Corp.	BVI	Holding Company	21,727	21,727	600	100%	82,705	9,526	(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%	239,834	34,813	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	ACE Energy	Taiwan	Energy technical services	166,760	166,760	4,993	99.86%	278,340	40,190	(Note 1)	Subsidiary indirectly controlled by the Company
Ace Pillar	TPK	Taiwan	Production, manufacturing, and sales of bundling equipment	690,000	690,000	3,900	39%	801,987	253,578	(Note 1)	Subsidiary indirectly controlled by the Company

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

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

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

Table 5.

DFI Inc.
Investment information in Mainland China
From January 1 to December 31, 2025

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	Investment profit (loss) recognized for the period	Ending carrying value of investment	Repatriated investment income as of the end of the period
					Remitted	Repatriated						
Yan Ying Hao Trading (Shenzhen) Co. Ltd.	Wholesale, import and export of computer motherboard, board cards, host computer, electronic parts and components	15,393 (USD 500)	(Note 1)	- (USD -)	-	-	-	67	100%	67	29,453	-
Beijing AEWIN	Business of wholesaling computers and their peripheral equipment and software	90,940 (USD 3,000)	(Note 1)	46,129 (USD 1,500)	44,811 (USD 1,500)	-	90,940 (USD 3,000)	(20,736)	100%	(20,736) (Note 3)	139,412	-
Tianjin ACE Pillar	Trade of transmission mechanical components	1,109,385 (USD 35,297)	(Note 1)	61,289 (USD 1,950)	-	-	61,289 (USD 1,950)	(228,053)	100%	(228,053) (Note 3)	224,833	125,533
Quansheng Information	Electronic system integration	9,429 (USD 300)	(Note 1)	4,715 (USD 150)	-	-	4,715 (USD 150)	(16)	100%	(16) (USD (0.5)) (Note 3)	3,072 (USD 97)	-
Suzhou Super Pillar	Processing and technical services of mechanical transmission and control products	45,574 (USD 1,450)	(Note 1)	- (Note 4)	-	-	- (Note 4)	10,799	100%	10,799 (USD 353) (Note 3)	130,104 (USD 4,139)	-
Shanghai Standard	Trading of semiconductor optoelectronic equipment and consumables and equipment maintenance services	15,086 (USD 480)	(Note 1)	15,086 (USD 480)	-	-	15,086 (USD 480)	9,398	100%	9,398	78,953	189,564

Note 1: Reinvest in the companies in Mainland China through companies established in third regions.

Note 2: It is a limited liability company, so there is no number of shares data.

Note 3: It is recognized in line with the financial report prepared by the investee and reviewed by the CPA of the parent company in Taiwan.

Note 4: It was reinvested and established by Cyber South.

2. Limit of investment in mainland China:

Name of investor company	Accumulated remitted from Taiwan at the end of current period Amount of investment in mainland China	Department of Investment Review of the Ministry of Economic Affairs Approved Investment Amount	In accordance with the Department of Investment Review of the Ministry of Economic Affairs Limit of investment in mainland China (Note 2, 3, and 4)
DFI	0 (Note 1)	15,393 (USD 500)	3,421,165
AEWIN	90,940 (USD 3,000)	90,940 (USD 3,000)	833,479
Ace Pillar	160,890 (USD 5,119)	160,890 (USD 5,119)	1,729,946
Standard Co.	15,086 (USD 480)	15,086 (USD 480)	121,739

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

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

Note 3: The Department of Investment Review, Ministry of Economic Affairs approved an investment of US\$2,859 thousand in Delta Green Tech; Ace Pillar had sold all of its shares in the Company in 2011 and completed the required filing with the Department of Investment Review on August 5, 2011; however, the approved investment quota has not yet been cancelled.

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, 2025 (these transactions had been written off when the consolidated financial statements were prepared).

DFI Inc.
Statement of cash and cash equivalent
December 31, 2025

Unit: NT\$ thousand

Item	Summary	Amount
Petty cash and cash on hand		\$ 67
Demand deposits and check deposits		38,507
Foreign currency deposits (Note)	USD: 8,336	262,000
	RMB: 11,000	49
		<u><u>\$ 300,623</u></u>

Note: Foreign currency deposits are translated at the spot exchange rate on December 31, 2025
 USD: NTD=1: 31.43
 RMB: NTD=1: 4.4952

Statement of Accounts Receivable

Client name	Amount
Client A	\$ 40,804
Client B	29,277
Client C	28,730
Client D	19,161
Client E	13,332
Client F	13,005
Client G	12,826
Others (Note)	100,244
	257,379
Less: Allowance for loss	(2,552)
	<u><u>\$ 254,827</u></u>

Note: None has reached 5% of the item.

DFI Inc.
Statement of other receivables
December 31, 2025

Unit: NT\$ thousand

<u>Item</u>	<u>Summary</u>	<u>Amount</u>	<u>Remarks</u>
Business tax refund receivable		\$ 12,991	
Others (all less than 5%)		4,827	
		<u>\$ 17,818</u>	

Note: None has reached 5% of the item.

Statement of inventories

<u>Item</u>	<u>Amount</u>		<u>Remarks</u>
	<u>Carrying amount</u>	<u>Net realizable value</u>	
Raw materials	\$ 532,259	601,965	
Work in progress	121,753	149,560	
Finished goods and commodities	91,524	121,146	
Goods in transit	24,980	24,980	
Outsourced processed goods	16,766	16,766	
	<u>\$ 787,282</u>	<u>914,417</u>	

DFI Inc.

**Statement of changes in financial assets measured at fair value through income -
non-current**

From January 1 to December 31, 2025

Unit: NT\$ thousand/In thousands of shares

Financial instrument name	Beginning of the period		Increase in the period		Decrease in the period		End of period		Guarantee or pledge provided	Remarks
	Number of Shares	Fair value	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Fair value		
	or Number of Lots		or Number of Lots		or Number of Lots		or Number of Lots			
Stocks of domestic unlisted companies - Racing Electric Instrument Co., LTD.	-	\$ -	333	\$ 20,000	-	\$ -	333	\$ 20,000		

DFI Inc.

Statement of changes in investments accounted for using equity method

From January 1 to December 31, 2025

Unit: NT\$ thousand

Investee	Beginning balance		Increase in the period		Decrease in the period (Note 2)		Adjustment using the equity method (Note 1)	Ending balance			Market price or net equity		Guarantee or pledge provided
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount		Number of shares	Shareholding ratio	Amount	Unit price (NT\$)	Total	
Diamond Flower Information (NL) B.V.	12,001	\$ 188,484	-	-	-	-	26,014	12,001	100%	214,498	17,873.34	214,498	None
DFI AMERICA, LLC.	1,209,000	477,589	-	-	-	-	18,289	1,209,000	100%	495,878	263.03	318,003	None
DFI Co., Ltd.	6,200	168,518	-	-	-	-	8,408	6,200	100%	176,926	27,005.72	167,435	None
Yan Tong Technology Ltd.	1,100,000	37,176	-	-	-	-	(513)	1,100,000	100%	36,663	33.33	36,663	None
AEWIN	30,376,000	722,171	-	-	-	(27,035)	20,880	30,376,000	51.38%	716,016	48.40	1,470,198 (Note 3)	None
Ace Pillar	52,436,069	1,063,378	-	-	-	(23,596)	(35,311)	52,436,069	46.71%	1,004,471	78.50	4,116,231 (Note 3)	None
TPK	373,333	597,914	2,791,885	-	-	(9,333)	62,300	3,165,218	31.65%	650,881	205.77	651,322	None
APLEX	4,957,395	272,944	-	-	-	(7,436)	(469)	4,957,395	13.36%	265,039	38.30	189,868 (Note 3)	None
Less: Deferred inter-affiliate gains		(20,388)		-		(13,432)	-			(33,820)			
		<u>\$ 3,507,786</u>		<u>-</u>		<u>(80,832)</u>	<u>99,598</u>			<u>3,526,552</u>			

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

Shares of profit (loss) of subsidiaries accounted for using the equity method	\$ 103,425
Adjustment to exchange difference in financial statement translation of foreign operations	1,068
Adjustment to unrealized gain (loss) on financial assets measured at fair value through other comprehensive income	(5,193)
Adjustment to re-measurement of defined benefit plan	127
Changes in percentage of ownership interests in subsidiaries	171
	<u>\$ 99,598</u>

Note 2: The decrease includes the cash dividends received from investees of NT\$67,400 thousand.

Note 3: It reveals the market capitalization of the company.

Note 4: The increase in TPK's number of shares was that added through the conversion of TPK's capital reserve into a capital increase.

DFI Inc.
Statement of short-term borrowings
December 31, 2025

Unit: NT\$ thousand

<u>Types of borrowing</u>	<u>Description</u>	<u>Ending balance</u>	<u>Term of contract</u>	<u>Financing facilities</u>	<u>Mortgage or guarantee (with promissory note issued)</u>
Credit borrowings	Chang Hwa Commercial Bank	\$ 150,000	2025.06.01~2026.05.31	300,000	None
"	Taipei Fubon Bank	50,000	2025.08.24~2026.08.24	600,000	None
"	Bank of Taiwan	300,000	2025.10.02~2026.10.02	300,000	None
"	Mega International Commercial Bank	<u>180,000</u>	2025.03.04~2026.03.03	180,000	None
		<u>\$ 680,000</u>			

Note: The annual interest rates of the above short-term borrowings are 1.82%-1.86%.

Statement of accounts payable

<u>Supplier</u>	<u>Amount</u>
Company A	\$ 170,779
Company B	64,101
Company C	39,293
Others (Note)	<u>437,834</u>
	<u>\$ 712,007</u>

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

DFI Inc.
Statement of other payables
December 31, 2025

Unit: NT\$ thousand

Item	Amount
Salaries and bonuses payable	\$ 98,086
Compensation payable to employees and directors	32,110
Insurance Payable	10,895
Others (Note)	69,670
	\$ 210,761

Note: None has reached 5% of the item.

Statement of lease liabilities

Item	Lease period	Discount rate	Ending balance
Buildings	2021.1~2031.3	1.1%~1.43%	\$ 72,117
Current:			
Related party - Qisda			\$ 14,101
Non-current:			
Related party - Qisda			\$ 58,016

DFI Inc.
Statement of long-term borrowings
December 31, 2025

Unit: NT\$ thousand

<u>Creditor</u>	<u>Summary</u>	<u>Amount of borrowing</u>	<u>Term of contract</u>	<u>Mortgage or pledge</u>
KGI Bank		\$ 520,000	2023.08.29-2028.08.18	None
Yuanta Bank		<u>400,000</u>	2025.02.25-2027.02.25	None
		920,000		
Less:	Long-term borrowings due within one year	<u>(320,000)</u>		
		<u>\$ 600,000</u>		

Note: The annual interest rate of the above long-term borrowings is 1.88-1.89%.

DFI Inc.
Statement of operating costs
From January 1 to December 31, 2025

Unit: NT\$ thousand

Item	Amount
Raw materials:	
Beginning stock	\$ 347,469
Plus: Net amount of material purchase in the period	2,775,934
Less: Ending raw materials	601,929
Scrapping of raw materials	25,353
Loss on physical raw materials	8
Sale of raw materials	202,232
Raw material requisition and others	7,410
Consumption of raw materials in the period	2,286,471
Direct labor	106,123
Manufacturing expense	252,953
Manufacturing cost	2,645,547
Beginning work in process	105,739
Beginning outsourced products	1,086
Plus: Outsourcing processing fee	40,827
Less: Ending work in process	121,753
Ending outsourced products	16,765
Scrapping of work in process	129
Work in process costs	2,654,552
Beginning finished goods	141,297
Plus: Net purchase amount for the period	59,673
Less: Ending finished goods	124,540
Scrapping of finished goods	9,297
Sale of semi-finished goods	63,164
Department requisition and others	26,717
Finished goods cost	2,631,804
Inventory scrap loss	34,779
Loss on physical inventory	8
Cost of selling raw materials and semi-finished goods	265,396
Gain from price recovery of inventory	(40,835)
Warranty cost	(7,245)
Income from scraps	(4,010)
Operating costs	\$ 2,879,897

DFI Inc.

Statement of selling and marketing expenses

From January 1 to December 31, 2025

Unit: NT\$ thousand

<u>Item</u>	<u>Amount</u>
Salary expense	\$ 120,390
Insurance expenses	14,670
Other expenses (Note)	<u>72,087</u>
	<u>\$ 207,147</u>

Note: None has reached 5% of the item.

Statement of general and administrative expenses

<u>Item</u>	<u>Amount</u>
Salary expense	\$ 47,712
Depreciation	9,218
Software program fee	7,705
Labor cost	6,638
Other expenses (Note)	<u>45,334</u>
	<u>\$ 116,607</u>

Note: None has reached 5% of the item.

DFI Inc.

Statement of research and development expenses

From January 1 to December 31, 2025

Unit: NT\$ thousand

<u>Item</u>	<u>Amount</u>
Salary expense	\$ 200,456
Research and development testing	19,960
Insurance expenses	18,051
Other expenses (Note)	<u>54,033</u>
	<u>\$ 292,500</u>

Note: None has reached 5% of the item.

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

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

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

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

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

Please refer to Note VI (X) of the parent company only financial statements for the Statement of Changes in Investment Property

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

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

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

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

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

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

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

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

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